



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

April 4, 2022

Denise M. Gunter
denise.gunter@nelsonmullins.com

No Review
Record #: See Attachment A
Date of Request: March 14, 2022
Facility Name: See Attachment A
FID #: See Attachment A
Business Name: See Attachment A
Business #: See Attachment A
Project Description: Change in Indirect Ownership
County: See Attachment A

Dear Ms. Gunter:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law in effect on the date of this response to your request, the project as described is not governed by, and therefore, does not currently require a certificate of need. If the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

[Handwritten signature of Gregory F. Yakaboski]

Gregory F. Yakaboski
Project Analyst

[Handwritten signature of Micheala Mitchell]

Micheala Mitchell
Chief

cc: Acute and Home Care Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

ATTACHMENT A

Record #	FID #	Business Name	Business #	Facility	Address	County
3850	923813	CareSouth HHA Holdings of Greensboro, LLC (Parent)	2276	Enhabit Home Health	5 Oak Branch Drive, Suite 5E Greensboro	Guilford
3851	924480	CareSouth HHA Holdings of Lexington, LLC (Parent)	3097	Enhabit Home Health	729 Vineyards Crossing Lexington	Davidson
3856	923814	CareSouth HH Holdings of Lexington, LLC (Branch)	3097	Enhabit Home Health	300 Mack Road Asheboro	Randolph
3857	923981	CareSouth HHA Holdings of Western Carolina, LLC (Parent)	2282	Enhabit Home Health	70 N. Main Street Suite 3 Marion	McDowell
3858	944069	CareSouth HHA Holdings of Western Carolina, LLC (Branch)	2282	Enhabit Home Health	108 Shuford Drive Columbus	Polk
3859	954111	CareSouth HHA Holdings of Western Carolina, LLC (Branch)	2282	Enhabit Home Health	190 North Main St. Rutherfordton	Rutherford

March 14, 2022

VIA EMAIL ONLY

 Micheala Mitchell, Chief
 North Carolina Department of Health and Human Services
 Division of Health Service Regulation
 Healthcare Planning and Certificate of Need Section
 809 Ruggles Drive
 Raleigh, North Carolina 27603

 RE: Project I.D. No. G-2515-86 (Guilford County)
 Project I.D. No. G-4818-93 (Davidson County)

Dear Ms. Mitchell:

On behalf of Encompass Health Corporation (“Encompass”), and pursuant to N.C. Gen. Stat. §§ 131E-181(a) and (b), I am writing to advise the Agency of a transaction (the “Transaction”) that will result in the change in the ultimate parent entity of the two above-referenced Medicare-certified home health agencies (“HHA”). The chart below provides further details about these HHAs:

Project I.D. No.	License No.	FID#	Licensee	Current DBA Name	New DBA Name on 4/18/22 ¹	Address	Parent or Branch?
G-2515-86 (CON attached as Exhibit A)	HC0303	923813	CareSouth HHA Holdings of Greensboro, LLC	Encompass Health Home Health	Enhabit Home Health	5 Oak Branch Drive, Suite 5E Greensboro, NC 27407-2169	Parent
G-4818-93 (CON attached as Exhibit B)	HC1104	924480	Care South HHA Holdings of Lexington, LLC	Encompass Health Home Health	Enhabit Home Health	729 Vineyards Crossing, Lexington, NC 27295-2076	Parent

¹ On January 27, 2022, Holly S. Hosford of Bradley Arant Boult & Cummings LLP informed the Agency of the name change. On February 3, 2022, the Agency confirmed the name change was not governed by CON.

For the sake of completeness, we also advise that there are four grandfathered Medicare-certified HHAs that will be impacted by the Transaction. These HHAs were developed before CON began regulating Medicare-certified HHAs. They are:

Project I.D. No.	License No.	FID#	Licensee	Current DBA Name	New DBA Name effective 4/18/22	Address	Parent or Branch?
NA - Grandfathered	HC0929	923814	CareSouth HHA Holdings of Lexington, LLC	Encompass Health Home Health	Enhabit Home Health	300 Mack Road, Asheboro, NC 27205-1066	Branch
NA - Grandfathered	HC0435	923981	CareSouth HHA Holdings of Western Carolina, LLC	Encompass Health Home Health	Enhabit Home Health	70 N Main St, Suite 3, Marion, NC 28752-3945	Parent
NA - Grandfathered	HC0436	944069	CareSouth HHA Holdings of Western Carolina, LLC	Encompass Health Home Health	Enhabit Home Health	108 Shuford Drive, Columbus, NC 28722-9411	Branch
NA - Grandfathered	HC0445	954111	CareSouth HHA Holdings of Western Carolina, LLC	Encompass Health Home Health	Enhabit Home Health	190 North Main St., Rutherfordton, NC 28139-2502	Branch

The Transaction

Encompass is a publicly traded corporation operating through its affiliates more than 350 home health and hospice locations across 35 states. The proposed Transaction will result in (i) an existing holding company known as Enhabit, Inc. (formerly known as Encompass Health Home Health Holdings, Inc.) (the “Spin-Off Entity”) and owned by Encompass becoming an independent, publicly traded company and (ii) changes in the intervening ownership structure of home health and hospice subsidiaries of Encompass. More specifically, following a multi-step internal reorganization involving the upstream merger of various holding companies and the conversion of Advanced Homecare Management, Inc. from a corporation to a limited liability company, the Spin-Off Entity and all subsidiaries operating home health and hospice providers, will be spun off from Encompass to shareholders of Encompass (the “Spin-off Transaction”). As a result, at the closing of the Spin-off Transaction, Enhabit, Inc. will be the ultimate parent company of all home health and hospice providers, including the HHAs listed in the charts above.

The Spin-Off Transaction will not result in any change to the direct ownership of the Licensees listed in the charts above. The Licensees will retain their assets, legal business names, and federal tax identification numbers. The Spin-off Transaction will not result in a change of ownership of the providers for Medicare purposes. Further, the Spin-Off Transaction will not

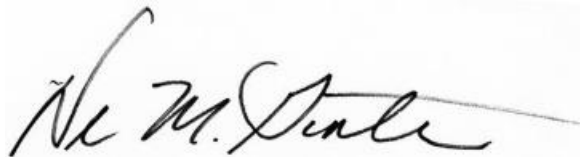
Micheala Mitchell
March 14, 2022
Page 3

change the scope of services or location of any of the HHAs. For the two HHAs that have CONs, the Spin-Off Transaction will not impact the Licensees' ability to materially comply with the representations in their CON applications or any conditions placed on their CONs.

Accordingly, we respectfully request that the Agency confirm in writing that the Transaction does not require CON review.

Please let me know if you have any questions or need further information. As the Spin-Off Transaction is expected to occur in the near future, we would appreciate your prompt written response. Thank you for your time and attention to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise M. Gunter", written over a light gray rectangular background.

Denise M. Gunter

State Of North Carolina

Department Of Human Resources CON 2155
 Division Of Facility Services
 Certificate Of Need

Project Identification Number G-2515-86 Effective Date February 3, 1987

Issued to: Prime Care, Inc., d/b/a Medi-Force
4001 Barrett Drive, Suite C
Raleigh, North Carolina 27609

The North Carolina Department of Human Resources, pursuant to the North Carolina Health Planning and Resource Development Act of 1978, G.S. § 131-175, et seq., as amended and recodified, G.S. §131E-175, et seq., hereby finds and certifies that the new institutional health service proposed by the person listed above is consistent with, or as conditioned is consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. The findings of the Department are attached hereto and incorporated by reference.

This Certificate affords the person listed above the opportunity to proceed with development of the proposed new institutional health service in a manner consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. This Certificate includes and is limited to:

SCOPE: Establishment of a new home health agency in Guilford County

CONDITIONS: N/A

PHYSICAL LOCATION: Guilford County, North Carolina

MAXIMUM CAPITAL EXPENDITURE: \$8,000

TIMETABLE: Offering of Service - July 1, 1987

FIRST PROGRESS REPORT DUE: May 1, 1987

This Certificate is limited to the person listed above and is not transferable or assignable. This Certificate may be withdrawn as provided in G.S. §131E-189, and the rules and regulations promulgated thereunder.

Issuance of this Certificate does not supplant provisions or requirements embodied in codes, ordinances, statutes other than G.S. §131E-175, et seq., rules regulations or guidelines administered or enforced by municipal, state or federal agencies or the agent thereof.



Chief, Certificate of Need Section
 Division of Facility Services

State Of North Carolina

Department Of Human Resources

Division Of Facility Services

Certificate Of Need

Project Identification Number G-4818-93 Effective Date September 28, 1993

Issued to: Healthmaster Home Health Care, Inc: d/b/a Healthmaster of Davidson County
1048 Claussen Road
Augusta, GA 30907

The North Carolina Department of Human Resources, pursuant to the North Carolina Health Planning and Resource Development Act of 1978, G.S. § 131-175, et seq., as amended and recodified, G.S. §131E-175, et seq., hereby finds and certifies that the new institutional health service proposed by the person listed above is consistent with, or as conditioned is consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. The findings of the Department are attached hereto and incorporated by reference.

This Certificate affords the person listed above the opportunity to proceed with development of the proposed new institutional health service in a manner consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. This Certificate includes and is limited to:

SCOPE: Establish a new home health agency in Thomasville to serve only residents of Davidson County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: 1054 National Highway
 Thomasville, NC 27360

MAXIMUM CAPITAL EXPENDITURE: \$31,500

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: December 31, 1993

This Certificate is limited to the person listed above and is not transferable or assignable. This Certificate may be withdrawn as provided in G.S. §131E-189, and the rules and regulations promulgated thereunder.

Issuance of this Certificate does not supplant provisions or requirements embodied in codes, ordinances, statutes other than G.S. §131E-175, et seq., rules regulations or guidelines administered or enforced by municipal, state or federal agencies or the agent thereof.

Lee B. Haffner
 Chief, Certificate of Need Section
 Division of Facility Services

CONDITIONS:

1. Healthmaster Home Health Care, Inc. shall materially comply with all representations made in its certificate of need application.
2. Healthmaster Home Health Care, Inc. shall establish one home health agency office in Davidson County to serve only residents of Davidson County.
3. Healthmaster Home Health Care, Inc. shall provide at the request of the CON Section documentation of the costs, charges and services provided to clients of the certified home health agency for the first three operating years in accordance with data format and reporting requirements that will be formulated by the Agency.
4. Healthmaster Home Health Care, Inc. shall submit to the CON Section on June 30th and December 31st for each of the first three years of operation a report identifying the amounts of charity care provided by the certified home health agency.
5. Healthmaster Home Health Care, Inc. shall acknowledge acceptance and compliance with all conditions stated herein to the Certificate of Need Section in writing prior to the issuance of the certificate of need.

A letter acknowledging acceptance and compliance with all conditions stated in the conditional letter was received by the Certificate of Need Section on September 15, 1993.

TIMETABLE:

Occupancy/offering of service(s)-----November 15, 1993
Certification of beds-----January 1, 1994