



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

October 10, 2023

Kathryn L. Steffen
Kathryn.stffen@afslaw.com

Exempt from Review – Acquisition of Facility-CORRECTED

Record #: 4274
Date of Request: August 31, 2023
Facility Name: Bradley Creek Health Center
Type of Facility: Nursing Facility
FID #: 130064
Acquisition by: 630 Carolina Bay OpCo LLC
Business #: 3747
County: New Hanover

Dear Ms. Steffens:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that the project described above is exempt from certificate of need (CON) review in accordance with G.S. 131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON. The Agency's determination is limited to the question of whether the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to G.S. 131E-181(b): "*A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.*"

If the business listed above does acquire the facility, you should contact the Agency's Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facility.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination regarding whether a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Tanya M. Saporito, Project Analyst

Micheala Mitchell, Chief

cc: Nursing Home 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

August 31, 2023

VIA EMAIL (MICHEALA.MITCHELL@DHHS.NC.GOV)

Micheala Mitchell, Section Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Kathryn L. Steffen

Associate

202.715.8480 **DIRECT**

kathryn.steffen@afslaw.com

034745.00118

Re: **REQUEST FOR CERTIFICATE OF NEED EXEMPTION – NURSING
FACILITY SALE OF REAL PROPERTY AND CHANGE OF OWNERSHIP**

Current Licensee: Carolina Bay Healthcare Center of Wilmington, LLC

Proposed Licensee: 630 Carolina Bay OpCo LLC

License No.: NH0649

Dear Ms. Mitchell:

We are writing to request an exemption from Certificate of Need review pursuant to N.C.G.S.A. § 131E-184 in connection with an upcoming transaction involving the Nursing Facility known as Bradley Creek Health Center, located at 740 Diamond Shoals Road, Wilmington, NC 28403 (the “Facility”). The Facility has a Bed Capacity of 108, with 30 Nursing Facility Beds and 78 Adult Care Home Beds. The current license is attached. At present, the licensed operator and tenant of the Facility is Carolina Bay Healthcare Center of Wilmington, LLC (the “Current Licensee”), and the owner of the real property comprising the Facility is Carolina Bay Properties of Wilmington, LLC (the “Current Real Property Owner”). The Current Licensee contracts with Carolina Bay Healthcare Center Management of Wilmington, LLC (“Liberty”), to manage the Facility.

On or about October 2, 2023, the Current Real Property Owner will sell the real property comprising the Facility to 630 Carolina Bay NC PropCo LLC (the “New Real Property Owner”). The New Real Property Owner will then lease the Facility to 630 Carolina Bay OpCo LLC (the “Proposed Licensee”), which will sublease the Facility back to the Current Licensee. The Proposed Licensee will submit a licensure application to the Department of Health and Human Services in the near future. The Current Licensee will continue to operate the Facility pursuant to the interim sublease with the Proposed Licensee until a Nursing Facility license is issued to the Proposed Licensee (the “CHOW Approval”), at which time the interim sublease between the Proposed Licensee and the Current Licensee will terminate.

Liberty will continue to manage the Facility, and the parties do not anticipate any changes to day-to-day operations immediately following this transaction. From the closing date of the transaction until the CHOW Approval, Liberty will be engaged by the Current Licensee pursuant to an interim management agreement. When the interim sublease terminates upon receipt of the CHOW Approval, the interim management agreement will also terminate, and Liberty will manage the Facility pursuant to a management agreement with the Proposed Licensee.

If you have any questions or would like to discuss this transaction in greater detail, please do not hesitate to contact me.

We look forward to working with you throughout this process.

Sincerely,



Kathryn L. Steffen
KLS

cc: Tanya Saporito, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704
Tanya.Saporito@dhhs.nc.gov

Becky Wertz, Section Chief
Nursing Home Licensure and Certification Section
Division of Health Service Regulation
Department of Health and Human Services
2711 Mail Service Center
Raleigh, NC 27699-2711
Becky.Wertz@dhhs.nc.gov

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

*Effective January 1, 2023, this license is issued to
Carolina Bay Healthcare Center of Wilmington, LLC
to operate an Nursing facility known as*

Bradley Creek Health Center

*located at 740 Diamond Shoals Road
Wilmington, NC 28403
County: New Hanover*

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2023*

Facility ID: 130064

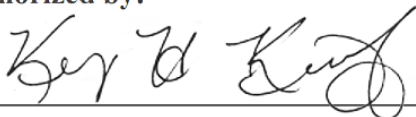
License Number: NH0649

Bed Capacity: 108

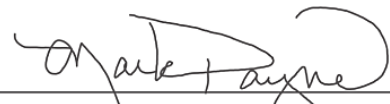
Nursing Facility Beds: 30

Adult Care Home Beds: 78

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation

From: [Mitchell, Micheala L](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] Bradley Creek Health Care Center - CON Exemption Request
Date: Thursday, August 31, 2023 3:48:55 PM
Attachments: [image001.png](#)
[08-31-2023 - North Carolina - Bradley Creek - Nursing Facility - CON Exemption.PDF](#)

One more exemption. This one goes to Tanya.

Thanks,

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

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From: Steffen, Kathryn L. <kathryn.steffen@afslaw.com>
Sent: Thursday, August 31, 2023 2:57 PM
To: Tanya, Saporito <tanya.saporito@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>
Cc: Marchica, Jo-Ann <jo-ann.marchica@afslaw.com>; Wertz, Becky <becky.wertz@dhhs.nc.gov>
Subject: [External] Bradley Creek Health Care Center - CON Exemption Request

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Good afternoon,

Attached please find a CON exemption request for the above-referenced facility. Please do not hesitate to contact me if you have any questions.

Thank you,

Kate

ArentFox
Schiff **Kathryn L. Steffen**
ASSOCIATE | ARENTFOX SCHIFF LLP

(SHE/HER/HERS)

kathryn.steffen@afslaw.com | 202.715.8480 DIRECT

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