



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 7, 2024

Sarah Blumenthal  
[sarah.blumenthal@ropesgray.com](mailto:sarah.blumenthal@ropesgray.com)

**No Review**

**Record #:** 4593  
**Date of Request:** October 1, 2024  
**Facility Name:** Cone Health  
**FID #:** 943494  
**Business Name:** The Moses H. Cone Memorial Hospital Operating Corp.  
**Business #:** 1811  
**Project Description:** Change in corporate structure of parent company  
**County:** Guilford

Dear Ms. Blumenthal:

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 representation in your request and 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. **As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.**

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

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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Sincerely,

*Yolanda W. Jackson*

Yolanda W. Jackson  
Project Analyst

*Micheala Mitchell*

Micheala Mitchell  
Chief

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



ROPES & GRAY LLP  
1211 AVENUE OF THE AMERICAS  
NEW YORK, NY 10036-8704  
WWW.ROPESGRAY.COM

October 1, 2024

Sarah F. Blumenthal  
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sarah.blumenthal@ropesgray.com

**BY E-MAIL**

Micheala Mitchell, Chief  
[Micheala.mitchell@dhhs.nc.gov](mailto:Micheala.mitchell@dhhs.nc.gov)  
Yolanda Jackson, Project Analyst  
[yolanda.jackson@dhhs.nc.gov](mailto:yolanda.jackson@dhhs.nc.gov)  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, NC 27699-2704

Re: Notice of Proposed Transaction Relating to Risant Health and The Moses H. Cone Memorial Hospital

Dear Ms. Mitchell and Ms. Jackson:

I am following up on Ms. Mitchell's June 21, 2024 conversation with Melissa Shearer regarding Cone Health's announcement of its upcoming transaction with Risant Health, Inc. ("Risant") pending regulatory approvals. Risant is a nonprofit, charitable organization created by Kaiser Foundation Hospitals to bring together like-minded organizations, increase access to value-based care and coverage, and raise the bar for approaches that strive for the best health outcomes.

This letter serves as formal written notice of the proposed transaction between Risant Health, Inc. and The Moses H. Cone Memorial Hospital. Pursuant to the transaction, Risant will become the sole member of The Moses H. Cone Memorial Hospital. The closing of the proposed transaction (the "Closing") is expected to occur on or about December 1, 2024, pending certain government approvals and satisfaction of other conditions precedent.

The Moses H. Cone Memorial Hospital is the parent entity and sole member of the following entities, and it will remain the parent and sole member following the transaction:

- The Moses H. Cone Memorial Hospital Operating Corporation
- Alamance Regional Medical Center, Inc.
- North Elam Ambulatory Surgery Center, LLC
- MC Kernersville, LLC

Micheala Mitchell, Chief  
Yolanda Jackson, Project Analyst

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October 1, 2024

The proposed transaction described above does not constitute a direct acquisition or change of ownership of The Moses H. Cone Memorial Hospital Operating Corporation, Alamance Regional Medical Center, Inc., North Elam Ambulatory Surgery Center, LLC, or MC Kernersville, LLC. We have enclosed as Exhibit A a copy of the organizational structure before and after the anticipated closing of the transaction.

Enclosed as Exhibit B is a list of CON projects for which The Moses H. Cone Memorial Hospital is an applicant or CON holder along with one of the above listed subsidiaries. In each case, The Moses H. Cone Memorial Hospital is the owner of the facility, and the co-applicant is or will be the licensed entity operating the facility. The first project listed on Exhibit B began review on July 1, 2024, and the CON Act requires that a decision be issued before the Closing. The remaining projects are either under development and in the progress report stage or completed and in the annual report stage. The Moses H. Cone Memorial Hospital and the other listed CON applicants and holders will remain the CON applicants and holders following the Closing, and the services approved in these projects will continue to be provided consistent with the representations made in the applications and any applicable conditions the Agency placed on the certificates of need. The transaction with Risant will not result in the transfer of ownership or control of any facility, project, or certificate of need listed in Exhibit B, and the projects on the list are incidental to the proposed transaction.

Cone Health will continue to operate as a regional and community-based health system. It will continue serving and meeting the needs of its communities, while gaining expertise, resources, and support through Risant's value-based platform. The CON projects are not the reason for the transaction between Risant and The Moses H. Cone Memorial Hospital, and there will be no change to the pending CON projects.

Based on the information above, Risant seeks confirmation that the proposed transaction with The Moses H. Cone Memorial Hospital is not subject to certificate of need review or, alternatively, that it is exempt from certificate of need review pursuant to N.C. General Statute § 131E-184(a)(8). If, and to the extent that, the Agency considers the proposed transaction to constitute a transfer of ownership or control of existing or approved facilities and pending certificate of need projects, we also request a determination that there is good cause pursuant to N.C. General Statute § 131E-189(c) for the transfer and confirmation that the transfer shall not result in withdrawal of the pending certificates of need or disapproval of the CON project currently under review.

ROPES & GRAY LLP


Micheala Mitchell, Chief  
Yolanda Jackson, Project Analyst

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October 1, 2024

Please contact Sarah Blumenthal, on behalf of Risant ([sarah.blumenthal@ropesgray.com](mailto:sarah.blumenthal@ropesgray.com), (212) 596-9544), or Terri Harris, on behalf of Cone ([tjharris@foxrothschild.com](mailto:tjharris@foxrothschild.com), (336) 278-5282) if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah', with a long horizontal flourish extending to the right.

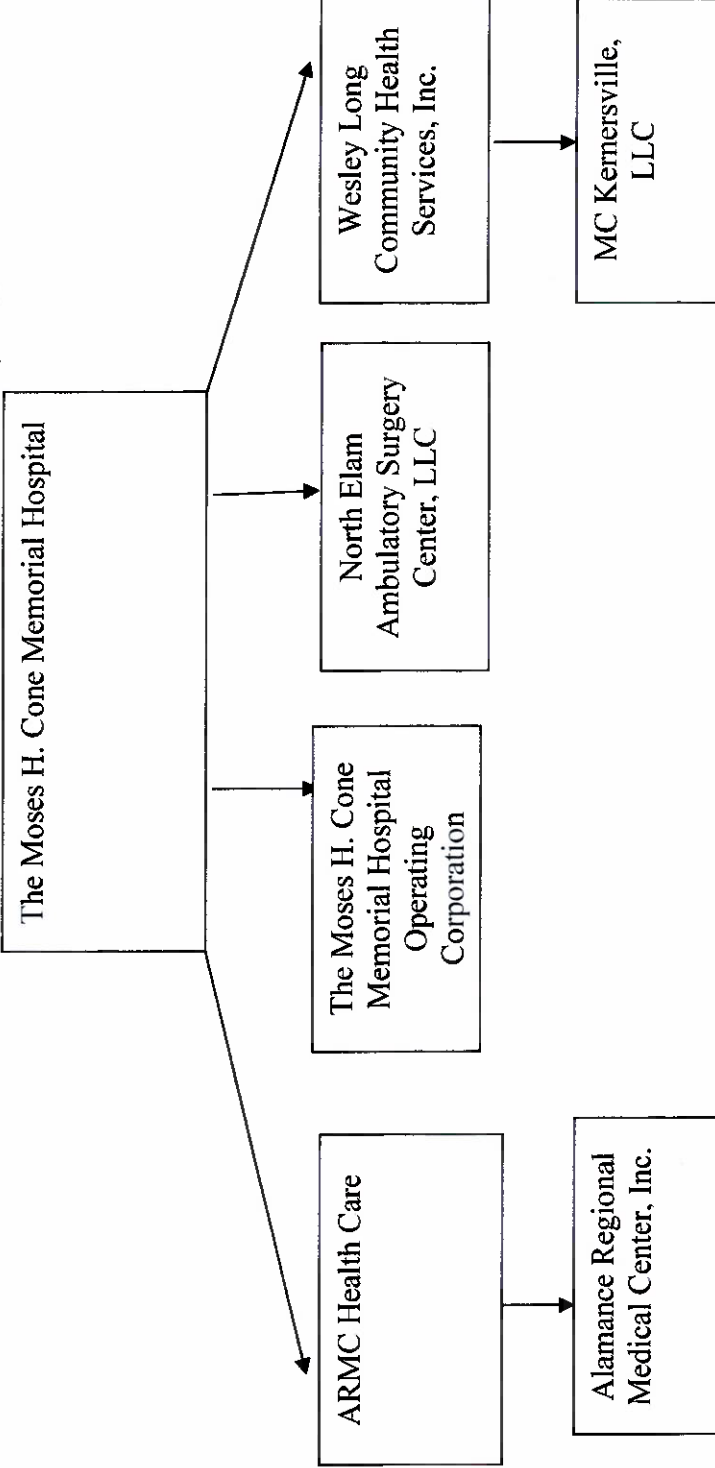
Sarah F. Blumenthal

Enclosures

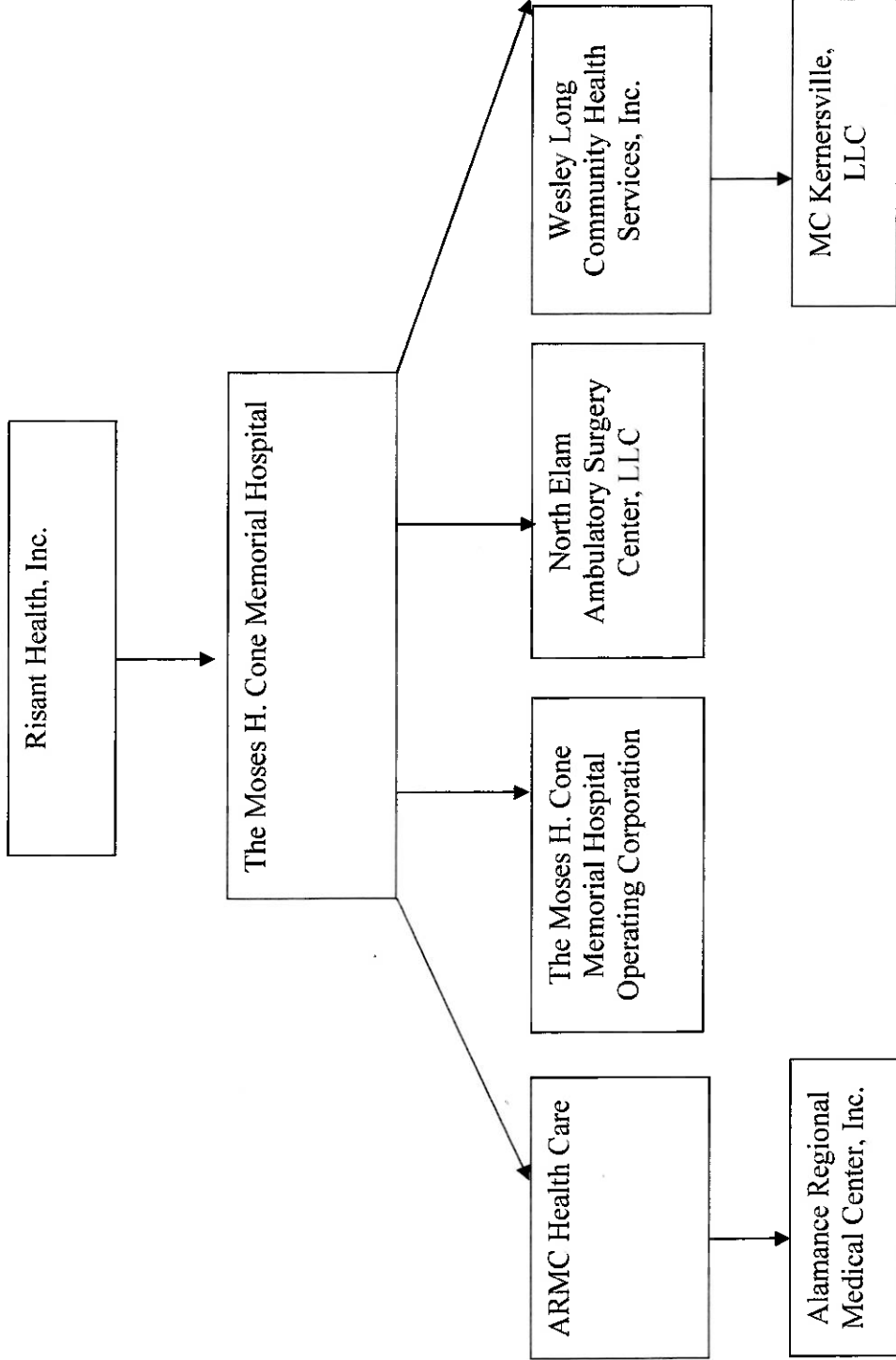
cc: Terri Harris, Fox Rothschild LLP  
[tjharris@foxrothschild.com](mailto:tjharris@foxrothschild.com)

Exhibit A

**Before Transaction with Risant Health, Inc.**



**After Transaction with Risant Health, Inc.**



**Exhibit B**

	<b>Project ID No.</b>	<b>Name/Location</b>	<b>Applicants</b>
<b><u>Projects Under Development:</u></b>			
	G-012486-24	Imaging at MedCenter Asheboro	The Moses H. Cone Memorial Hospital and  The Moses H. Cone Memorial Hospital Operating Corp
	G-12339-23	Cone Health Cancer Center at MedCenter Asheboro	The Moses H. Cone Memorial Hospital and the Moses H. Cone Memorial Hospital Operating Corp
	G-12210-22	Moses Cone Interventional Radiology Lab expansion	The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corp
	G-11914-20	Triad Surgery Center	MC Kernersville, LLC (wholly owned by The Moses H. Cone Memorial Hospital) and  The Moses H. Cone Memorial Hospital
	G-12076-21	Alamance Regional Medical Center Heart and Vascular Expansion	The Moses H. Cone Memorial Hospital and



	<b>Project ID No.</b>	<b>Name/Location</b>	<b>Applicants</b>
			Alamance Regional Medical Center, Inc.
	G-11895-20 (original) and G-012523-24 (cost overrun)	North Elam Ambulatory Surgery Center	North Elam Ambulatory Surgery Center, LLC (wholly owned by The Moses H. Cone Memorial Hospital) and  The Moses H. Cone Memorial Hospital
<b><u>Completed Projects for which annual reports are being submitted:</u></b>			
	G-11467-18 (original) and G-11828-19 (change of scope); 1 annual report each remaining	MedCenter Greensboro at Drawbridge Parkway	The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corp
	G-11719-19; 3 annual reports remaining	Linear Accelerator replacement at Wesley Long Hospital	The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corp
	G-11529-18; 3 annual reports remaining	MRI replacement at Wesley Long Hospital	The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corp

	<b>Project ID No.</b>	<b>Name/Location</b>	<b>Applicants</b>
	G-011859-20; 1 annual report remaining	MedCenter for Women (Maternal Fetal Medicine)	The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corp

**From:** [Mitchell, Micheala L](#)  
**To:** [Waller, Martha K](#)  
**Cc:** [Jackson, Yolanda W](#)  
**Subject:** FW: [External] Notice of Proposed Transaction Relating to Risant Health and The Moses H. Cone Memorial Hospital  
**Date:** Tuesday, October 1, 2024 1:49:54 PM  
**Attachments:** [Cone Health Risant Notice letter to CON Section.pdf](#)

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Martha,

Would you mind logging this and assigning it to Yolanda?

Thanks,

Micheala

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](mailto:Micheala.Mitchell@dhhs.nc.gov)

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**From:** Blumenthal, Sarah <Sarah.Blumenthal@ropesgray.com>  
**Sent:** Tuesday, October 1, 2024 1:29 PM  
**To:** Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Jackson, Yolanda W <yolanda.jackson@dhhs.nc.gov>  
**Cc:** Harris, Terri <TJHarris@foxrothschild.com>  
**Subject:** [External] Notice of Proposed Transaction Relating to Risant Health and The Moses H. Cone Memorial Hospital

Some people who received this message don't often get email from [sarah.blumenthal@ropesgray.com](mailto:sarah.blumenthal@ropesgray.com). [Learn why this is important](#)

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Dear Ms. Mitchell and Ms. Jackson:

The attached is in follow-up to Ms. Mitchell's conversation with Melissa Shearer regarding Cone Health's announcement of its upcoming transaction with Risant Health, Inc., pending regulatory approvals, and serves as formal notice of the proposed transaction.

Should you have any questions on this notice, please do not hesitate to reach out to me, or Terri

Harris, copied here.

Best,  
Sarah

**Sarah F. Blumenthal**  
**ROPES & GRAY LLP**

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pronouns: she/her/hers

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