



North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704  
<http://www.ncdhhs.gov/dhst/>

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June 18, 2014

Kenneth L. Burgess  
Poyner Spruill, LLP  
P.O. Box 1801  
Raleigh, NC 27602-1801

**Exempt from Review – Acquisition of Facility**

Facility: Westchester Manor at Providence Place  
Acquisition by: PPRC Holdings, LLC  
County: Guilford  
FID #: 030007

Dear Mr. Burgess:

In response to your letter of June 3, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, PPRC Holdings, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact Nursing Home Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.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.”*

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. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Celia C. Inman  
Project Analyst

Martha J. Frisone, Interim Chief  
Certificate of Need Section

cc: Nursing Home Licensure and Certification Section, DHRS  
Medical Facilities Planning Branch, DHRS





Poyner Spruill<sup>LLP</sup>

June 3, 2014

Kenneth L. Burgess  
Partner  
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kburgess@poynerspruill.com

VIA HAND-DELIVERY AND EMAIL

Martha Frisone  
Acting Chief  
Certificate of Need Section  
N.C. Department of Health and Human Services  
809 Ruggles Drive  
Raleigh, NC 27603

RE: Notice of Exempt Acquisition of PPRC Nursing Home, Inc. d/b/a Westchester Manor at Providence Place Pursuant to N.C. Gen. Stat. § 131E-184(a)(8)

Dear Ms. Frisone:

I am writing on behalf of our client, PPRC Holdings, LLC. ("PPRC"), pursuant to N.C. Gen. Stat. § 131E-184(a)(8), to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section ("the Agency") of our client's intent to acquire the real estate and tangible personal property constituting the skilled nursing facility known as PPRC Nursing Home, Inc. d/b/a Westchester Manor at Providence Place ("Westchester Manor"), located at 1795 Westchester Place, High Point, North Carolina 27262 ("the Facility"). The Facility is a skilled nursing facility, consisting of one hundred twenty-nine (129) skilled nursing facility beds.

PPRC is a North Carolina limited liability corporation created by, and wholly owned by, Westchester Manor. Westchester Manor will convey the real property and tangible personal property constituting the nursing facility to PPRC. In turn, PPRC will lease that property back to Westchester Manor for operation of the skilled nursing facility. As such, the current facility operator, Westchester Manor, will remain the facility operator but the real and tangible personal property now owned by Westchester Manor will be conveyed to PPRC and leased back to Westchester Manor. This arrangement will not involve the development of any new health service facility or service or otherwise qualify as a "new institutional health service" under N.C. Gen. Stat. § 131E-176(16) in a manner which would require review by the Agency under the State's certificate of need laws. It will also not involve a change in the current licensee of the facility.

Pursuant to N.C. Gen. Stat. § 131E-176(9)(b), a skilled nursing facility is a health service facility. Pursuant to N.C. Gen. Stat. § 131E-176(16)(l), the "purchase, lease, or acquisition of any health service facility" is a "new institutional health service" if the health service facility was developed under a certificate of need. Pursuant to N.C. Gen. Stat. § 131E-178(b) "no person shall make an acquisition by donation, lease, transfer or comparable arrangement without first obtaining a certificate of need from the Department, if the acquisition would have been a new institutional health service if it had been made by purchase." Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, is exempt from CON review, upon prior written notice to the Agency.

The purpose of this correspondence is to serve as the prior written notice to the Agency of the acquisition I have described herein, required by N.C. Gen. Stat. § 131E-184(a)(8), to qualify the transaction as exempt from CON Section review. Please provide me with written confirmation that this transaction is not subject to review by the CON Section because it is exempt from review pursuant to N.C. Gen. Stat. §

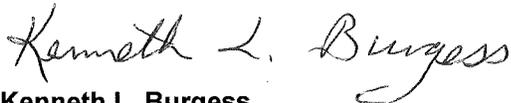
Martha Frisone, Acting Chief  
June 3, 2014  
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Poyner Spruill<sup>LLP</sup>

131E-184(a)(8). The parties plan to close this transaction on or before June 30, 2014 and we would appreciate your response prior to that time if at all possible.

We appreciate your attention to this matter. Please let me know if there are any questions regarding this notice or if the Agency needs further information.

Very truly yours,

A handwritten signature in cursive script that reads "Kenneth L. Burgess".

**Kenneth L. Burgess**  
*Partner*

Cc: Tom Higgins  
Matt Jobe, Esq.