



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Vos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

RESPONSE REQUIRED

May 31, 2013

Alex Bell
201 East Grover Street
Shelby, NC 28150

Conditional Approval

Project I.D. #: C-10095-13
Facility: Crawley Memorial Long Term Care Hospital
Project Description: Cost overrun for Project I.D. #C-8736-11 (Relocate 28 long-term care hospital beds from Crawley Memorial Hospital to leased space in Kings Mountain Hospital)
County: Cleveland
FID #: 120232

Dear Mr. Bell:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated thereunder, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Cleveland County HealthCare System d/b/a Kings Mountain Hospital and Crawley Memorial Hospital, Inc. shall materially comply with all representations made in Project I.D. #C-8736-11 and Project I.D. #C-10095-13. In those instances in which representations conflict, Cleveland County HealthCare System d/b/a Kings Mountain Hospital and Crawley Memorial Hospital, Inc. shall materially comply with the last made representation.



Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 Fax 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



2. Cleveland County HealthCare System d/b/a Kings Mountain Hospital and Crawley Memorial Hospital, Inc. shall not acquire, as part of this project, any equipment that is not included in the proposed capital expenditure in Section VI of the application and that would otherwise require a certificate of need.
3. Cleveland County HealthCare System d/b/a Kings Mountain Hospital and Crawley Memorial Hospital, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to the issuance of the certificate of need.

Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of \$1,490,000. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section.

The certificate of need will not be issued before the completion of this 30 day period ending July 1, 2013. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

Alex Bell
May 31, 2013
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The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended. The timetable for this project is as follows:

Obtaining Financing _____	July 31, 2013
Completion of Final Drawings and Specifications by the Construction Section, DHSR _____	August 15, 2013
Approval of Final Drawings and Specifications _____	August 31, 2013
25% Completion of Construction _____	October 1, 2013
50% Completion of Construction _____	November 1, 2013
75% Completion of Construction _____	December 1, 2013
Completion of Construction _____	December 15, 2013
Occupancy/Offering of Services _____	January 1, 2014

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the Certificate of Need is issued. Please contact us if any clarification of this decision is required.

Please refer to the Project I.D. # and Facility I.D. # (FID) in all correspondence.

Sincerely,

Julie Halatek, Project Analyst

Martha J. Frisone, Assistant Chief
Certificate of Need Section

JH:MJF:llp

Attachment

cc: Construction Section, DHSR
Medical Facilities Planning Section, DHSR
Acute & Home Care Licensure & Certification Section, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval** on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Alex Bell
201 East Grover Street
Shelby, NC 28150

Project I.D. # C-10095-13

FID #120232

This the 31st day of May, 2013

Julie Halatek, Project Analyst