



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

**RESPONSE REQUIRED**

January 25, 2017

Chuck White  
PO Box 2568  
Hickory, NC 28603

**Conditional Approval**

Project ID #: P-11215-16  
Facility: Onslow Assisted Living  
Project Description: Change of scope and cost overrun for Project ID #P-11113-15 (relocate and replace the 40-bed Holly Ridge Assisted Living) by relocating and replacing the 40-bed The Heritage of Richlands for a total of 80 ACH beds in the replacement facility  
County: Onslow  
FID #: 150505

Dear Mr. White:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) 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, N.C. Gen. Stat. §131E-175 et. seq. and regulations promulgated there under, 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 Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

1. Onslow Holdco Holdings, LLC and Onslow Opco Holdings, LLC shall materially comply with all representations made in the certificate of need application and supplemental information received December 14, 2016, January 6, 2017, and January 11, 2017. In those

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED**

WWW.NCDHHS.GOV

TEL 919-855-3873

LOCATION: 809 RUGGLES DRIVE • EDGERTON BUILDING • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

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- instances where representations conflict, Onslow Holdco Holdings, LLC and Onslow Opco Holdings, LLC shall materially comply with the last made representation.
2. Onslow Holdco Holdings, LLC and Onslow Opco Holdings, LLC shall add no more than 40 adult care home beds for a total of no more than 80 adult care home beds upon completion of this project and Project I.D. #P-11113-15.
  3. The total approved capital expenditure for Project I.D. #P-11113-15 and Project I.D. #P-11215-16 combined is \$9,079,500, an increase of \$4,481,700 over the previously approved capital expenditure of \$4,597,800.
  4. For the first two years of operation following completion of the project, Onslow Holdco Holdings, LLC and Onslow Opco Holdings, LLC shall not increase actual private pay charges more than 5% of the projected private pay charges provided in Section X of the application without first obtaining a determination from the Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
  5. Onslow Holdco Holdings, LLC and Onslow Opco Holdings, LLC shall provide care to recipients of State/County Special Assistance with Medicaid, commensurate with representations made in the application.
  6. Upon issuance of the certificate of need for this project, Onslow House shall take the necessary steps to de-license 40 of its existing adult care home beds.
  7. Onslow Holdco Holdings, LLC and Onslow Opco Holdings, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Healthcare Planning and Certificate of Need Section in writing prior to issuance of the certificate of need.

**Response to the above conditions should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency 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 **\$4,481,700**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by N.C. Gen. Stat. §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 N.C. Gen. Stat. §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).]

N.C. Gen. Stat. §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:

Lisa G. Corbett  
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 Agency.

The certificate of need will not be issued before the completion of this 30 day period ending **February 24, 2017**. 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).

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 Agency because the review period was extended. The timetable for this project is as follows:

Construction Contract Execute/Contract Award _____	May 20, 2017
Construction Loan Executed _____	August 9, 2017
Final Drawings and Specifications to Construction Section, DHSR _____	August 10, 2017
25% Completion of Construction _____	December 30, 2017
50% Completion of Construction _____	April 28, 2018
75% Completion of Construction _____	June 30, 2018
Completion of Construction _____	August 18, 2018
Occupancy/Offering of Services _____	October 1, 2018
Licensure/Certification _____	October 1, 2018

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 this office if any clarification of this decision is required.

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

Sincerely,

Julie Halatek  
Project Analyst

Lisa Pittman  
Team Leader, Certificate of Need

Attachment

cc: Construction Section, DHSR  
Adult Care Licensure Section, DHSR  
Paige Bennett, Assistant Chief, Healthcare Planning, 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:

Chuck White  
PO Box 2568  
Hickory, NC 28603  
Project ID #: P-11215-16  
FID #: 150505

This the 25<sup>th</sup> day of January, 2017.

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Julie Halatek  
Project Analyst, Certificate of Need