



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Service Regulation

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director

RESPONSE REQUIRED

July 6, 2018

David Rainey
400 Avinger Lane
Davidson, NC 28036

Conditional Approval

Project ID #: F-11507-18
Facility: The Pines at Davidson
Project Description: Add 24 NF beds to The Pines at Davidson pursuant to Policy NH-2 for a total of 75 NF beds and 30 ACH beds
County: Mecklenburg
FID #: 923498

Dear Mr. Rainey:

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. The Pines at Davidson, Inc. shall materially comply with all representations made in the certificate of need application.**
- 2. The Pines at Davidson, Inc. shall develop no more than 24 nursing facility beds pursuant to Policy NH-2 for a total of no more than 75 licensed nursing facility beds and 30 licensed adult care home beds upon completion of the project.**
- 3. The 24 additional Policy NH-2 nursing facility beds shall not be certified for participation in the Medicaid program.**

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: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhs.gov/dhsr/ • TEL: 919-855-3873

4. **The Policy NH-2 nursing facility beds shall be used exclusively to meet the needs of persons with whom the facility has continuing care contracts (in compliance with the Department of Insurance statutes and regulations) who have lived in a non-nursing unit of the continuing care facility for a period of at least 30 days. Exceptions shall be allowed when one spouse or sibling is admitted to the nursing unit at the time the other spouse or sibling moves into a non-nursing unit, or when the medical condition requiring nursing care was not known to exist or be imminent when the individual became a party to the continuing care contract.**
5. **The new Policy NH-2 nursing facility beds shall be developed on the same site with the independent living units and licensed adult care home beds.**
6. **The Pines at Davidson, Inc. shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
7. **No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, The Pines at Davidson, Inc. shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. **Payor mix for the services authorized in this certificate of need.**
 - b. **Utilization of the services authorized in this certificate of need.**
 - c. **Revenues and operating costs for the services authorized in this certificate of need.**
 - d. **Average gross revenue per unit of service.**
 - e. **Average net revenue per unit of service.**
 - f. **Average operating cost per unit of service.**
8. **The Pines at Davidson, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency 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 **\$25,630,575**. 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 August 6, 2018. 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:

1. Financing Obtained _____ November 1, 2018
2. Drawings Completed _____ March 1, 2019
3. Construction/Renovation Contract(s) Executed _____ April 1, 2019
4. 25% of Construction/Renovation Completed
(25% of the cost is in place) _____ September 1, 2019
5. 50% of Construction/Renovation Completed _____ February 1, 2020
6. 75% of Construction/Renovation Completed _____ July 1, 2020
7. Construction/Renovation Completed _____ December 1, 2020
8. Equipment Ordered _____ March 1, 2020
9. Equipment Installed _____ December 1, 2020
10. Equipment Operational _____ December 15, 2020
11. Building/Space Occupied _____ December 15, 2020
12. Licensure Obtained _____ January 1, 2021
13. Services Offered _____ January 1, 2021

14. Final Annual Report Due _____ March 31, 2024

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,



Celia C. Inman
Project Analyst



Gloria C. Hale
Team Leader



Lisa Pittman
Assistant Chief, Certificate of Need

Attachment

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR
Melinda Boyette, Program Assistant, Healthcare Planning, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval / disapproval** 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:

David Rainey
400 Avinger Lane
Davidson, NC 28036

This the 6th day of July, 2018

A handwritten signature in black ink, appearing to read "Celia C. Inman". The signature is written in a cursive style with a horizontal line underneath it.

Celia C. Inman
Project Analyst, Certificate of Need