



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

May 11, 2018

Jordan Qualls
533 Meadowmont Village Circle
Chapel Hill, NC 27517

Conditional Approval

Project ID #: G-1 1466-18
Facility: Arbor Ridge at Stanleyville
Project Description: Acquire and relocate 26 ACH beds to Arbor Ridge at Stanleyville
(independent living facility) from The Crest of Clemmons
County: Forsyth
FID #: 180100

Dear Mr. Qualls:

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. Arbor Ridge at Stanleyville, LLC shall materially comply with all representations made in the certificate of need application and any supplemental responses. In the event that representations conflict, Arbor Ridge at Stanleyville, LLC shall materially comply with the last made representation.
2. Arbor Ridge at Stanleyville, LLC shall acquire and relocate no more than 26 adult care home beds from The Crest of Clemmons to Arbor Ridge at Stanleyville, for a facility total of no more than 26 adult care home beds, which may be a special care

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.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

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unit if a Special Care Unit Moratorium Exception is granted, following completion of the project.

3. Approval by the Healthcare Planning and Certificate of Need Section to develop the proposed special care unit beds means only that the applicant is authorized to construct the proposed special care unit beds. It does not mean that the applicant will be able to obtain a license for the special care unit beds if a moratorium on licensure of special care unit beds is still in effect. In that instance, the applicant would need to demonstrate that they meet the criteria for an exception and it be granted by the Secretary of the Department of Health and Human Services.
4. Arbor Ridge at Stanleyville, LLC shall provide care to recipients of State/County Special Assistance with Medicaid, commensurate with representations made in the application.
5. For the first two years of operation following completion of the project, The Arbor Ridge at Stanleyville, LLC shall not increase 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.
6. 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, Arbor Ridge at Stanleyville, LLC 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.
7. Arbor Ridge at Stanleyville, LLC 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 **\$2,508,970**. 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 **June 11, 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 _____ | December 2, 2018 |
| 2. | Drawings Completed | November 30, 2018 |
| 3. | Construction/Renovation Contract(s) Executed | January 2, 2019 |
| 4. | 25% of Construction/Renovation Completed
(25% of the cost is in place) _____ | March 29, 2019 |
| 5. | 50% of Construction/Renovation Completed | June 28, 2019 |
| 6. | 75% of Construction/Renovation Completed | September 28, 2019 |
| 7. | Construction/Renovation Completed | December 22, 2019 |
| 8. | Building/Space Occupied | January 1, 2020 |
| 9. | Licensure Obtained _____ | January 1, 2020 |

10. Services Offered _____ January I, 2020
11. Medicare and/or Medicaid Certification Obtained _____ January 1, 2020
12. Facility or Service Accredited _____ January 1, 2020
13. Final Annual Report Due _____ March 30, 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

Fatimah Wilson
Team Leader, Certificate of Need

Attachment

cc: Construction Section, DHSR
Adult Care Licensure & Certification Section, DHSR
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR

CERTIFICATE OF SERVICE

J 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:

Jordan Qualls
533 Meadowmont Village Circle
Chapel Hill, NC 27517

This the 11th day of May, 2018.

Celia C. Inman
Project Analyst, Certificate of Need