

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: May 27, 2021

Findings Date: May 27, 2021

Project Analyst: Julie M. Faenza

Assistant Chief: Lisa Pittman

Project ID #: F-12022-21

Facility: Liberty Commons Nursing & Rehabilitation Center of Mint Hill

FID #: 180101

County: Mecklenburg

Applicants: Mecklenburg County Healthcare Properties, LLC

Liberty Commons of Mecklenburg, LLC

Project: Relocate no more than 9 NF beds from Royal Park Rehabilitation & Health Center and no more than 8 NF beds from Pavilion Health Center at Brightmore to Liberty Commons of Mint Hill for a total of no more than 100 NF beds upon project completion. This a change of scope for Project I.D. #F-11461-18 (Develop a new 83-bed NF facility)

REVIEW CRITERIA

G.S. 131E-183(a): The Agency shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

C

Mecklenburg County Healthcare Properties, LLC and Liberty Commons of Mecklenburg, LLC (hereinafter collectively referred to as "Liberty" or "the applicant"), propose a change of scope to Project I.D. #F-11461-18, a previously approved but not yet developed project. Project I.D. #F-11461-18 approved the development of Liberty Commons Nursing & Rehabilitation of Mint Hill (LC of Mint Hill), a new nursing home (NF) facility, by relocating a total of 83 existing NF beds from other counties into Mecklenburg County. In this change of scope application, the applicant proposes to relocate 9 NF beds from Royal Park Rehabilitation &

Health Center (Royal Park) and 8 NF beds from Pavilion Health Center at Brightmore (Brightmore) to be developed with the originally approved 83 NF beds. Upon project completion, LC of Mint Hill will have a total of 100 NF beds instead of 83 NF beds.

Need Determination

The proposed project does not involve the addition of any new health service facility beds, services, or equipment for which there is a need determination in the 2021 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

Policies

There is one policy in the 2021 SMFP which is applicable to this review.

Policy NH-8: Innovations in Nursing Home Facility Design, on page 23 of the 2021 SMFP, states:

“Certificate of need applicants proposing new nursing home facilities and replacement nursing home facilities shall pursue innovative approaches in environmental design that address quality of care and quality of life needs of the residents. These plans could include innovative design elements that encourage less institutional, more home-like settings, privacy, autonomy and resident choice, among others.”

In Section B, pages 25-27, the applicant describes the innovative approaches in environmental design that it plans to incorporate into the proposed project. Additionally, Project I.D. #F-11461-18 was consistent with Policy NH-8 and the applicant proposes no other changes as part of this project which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following reasons:

- The applicant does not propose to develop any beds, services, or equipment for which there is a need determination in the 2021 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with Policy NH-8 because the applicant adequately demonstrates that the design of the proposed NF facility would incorporate innovative approaches in environmental design that address quality of care and quality of life needs for the patients.

- Project I.D. #F-11461-18 was consistent with Policy NH-8 and the applicant proposes no other changes as part of this project which would affect that determination.
- (2) Repealed effective July 1, 1987.
 - (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

A certificate of need for Project I.D. #F-11461-18 was issued on June 22, 2018, approving the development of LC of Mint Hill via the relocation of 83 existing NF beds from other counties. The original CON approved the relocation of 5 NF beds from Warren Hills (Warren County), 10 NF beds from Cross Creek (Hyde County), 20 NF beds from Bermuda Commons (Davie County), 22 NF beds from Mary Gran (Sampson County), 7 NF beds from Liberty Commons of Columbus (Columbus County), 9 NF beds from Shoreland (Columbus County), and 10 NF beds from Legion Road Healthcare (Orange).

A certificate of need was also issued on June 26, 2018 for Project I.D. #F-11462-18, approving the development of Liberty Commons of Mecklenburg Nursing & Rehabilitation Center, by relocating 100 existing NF beds from five facilities in five different counties. On December 12, 2019, the Agency approved a material compliance request to simplify the relocation of existing NF beds for both Project I.D. #s F-11461-18 and F-11462-18 by changing the location of where the existing NF beds would be relocated from. There were no changes in the number of existing NF beds to be relocated for each approved facility and no change to the facilities, locations, or total numbers of NF beds being relocated. The only change was to which of the existing NF beds would be relocated to develop each of the new NF facilities. As a result, LC of Mint Hill as approved by Project I.D. #F-11461-18 and modified by the approved material compliance request will now be developed by relocating 67 NF beds from Mary Gran in Sampson County, 7 NF beds from Liberty Commons of Columbus in Columbus County and 9 NF beds from Shoreline in Columbus County.

The change of scope application proposes to relocate an additional 17 NF beds from two facilities in Mecklenburg County - 9 NF beds from Royal Park and 8 NF beds from Brightmore – for a total of 100 NF beds at LC of Mint Hill upon completion of this project and Project I.D. #F-11461-18.

Patient Origin

On page 143, the 2021 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

LC of Mint Hill is not an existing facility and has no historical patient origin. The table below shows the projected patient origin for the first three full fiscal years following project completion.

LC of Mint Hill – Projected Patient Origin – FYs 1-3 (FFYs 2026-2028)						
County	FY 1 – FFY 2026		FY 2 – FFY 2027		FY 3 – FFY 2028	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Mecklenburg	405	90.00%	495	90.00%	495	90.00%
Union	23	5.11%	27	4.91%	27	4.91%
Cabarrus	11	2.44%	14	2.55%	14	2.55%
Stanly	11	2.44%	14	2.55%	14	2.55%
Total	450	100.00%	550	100.00%	550	100.00%

Source: Section C, page 46

In Section C.3, page 45, the applicant provides the assumptions and methodology used to project patient origin. The applicant states it used the same assumptions as in Project I.D. #F-11461-18, and it projects the same patient origin by area, but the number of patients is increasing due to the projected increase in NF beds.

The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant uses the same projected patient origin assumptions and methodology as it used in Project I.D. #F-11461-18.
- The applicant accounts for the increase in the number of patients due to the increase in number of beds proposed.
- Project I.D. #F-11461-18 was found conforming with this criterion, and the applicant proposes no other changes as part of this project which would affect that determination.

Analysis of Need

In Section C, pages 41-44, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

- Increasing Population of People Age 65 and Older in Mecklenburg County: the applicant states the population in Mecklenburg County age 65 and older is projected to increase by almost 71 percent between 2010 and 2021 and is projected to increase by an additional 25 percent between 2021 and 2026. The applicant states that data shows 83.5 percent of NF

facility residents are people age 65 and older, which explains the increasing need for NF facility beds.

- **Underutilized NF Beds at Existing Facilities:** the applicant states the beds to be relocated from Royal Park and Brightmore are not currently in use and have not been in use for the last three years. The applicant states relocating beds not in use will increase the availability of NF beds in Mecklenburg County.

In Exhibit C.8, the applicant provides letters from the administrators of both Royal Park and Brightmore, which support the applicant’s statements about proposing to relocate unoccupied beds.

- **Liberty Standard of 100+ NF Beds:** the applicant states that Liberty tries to develop facilities with at least 100 NF beds whenever possible because, in its experience, NF facilities with 100 or more beds run the most efficiently and effectively.
- **Need for Private Rooms:** the applicant states that by relocating the existing NF beds, it will allow all three facilities – Royal Park, Brightmore, and LC of Mint Hill – to have more private rooms. The applicant states that this not only meets the demands of patients who want private rooms, but also allows preparation for any future pandemic or health crisis, as COVID showed how important it was to have private rooms available.

The information is reasonable and adequately supported based on the following:

- The applicant provides documentation of the projected population increase of people age 65 and older in Mecklenburg County.
- The applicant provides historical utilization to document the underutilization of the NF beds it proposes to relocate.
- The applicant provides reasonable information to explain its desire to develop a facility with 100 NF beds.

Projected Utilization

On Form C.1b in Section Q, the applicant provides projected utilization, as illustrated in the table below.

LC of Mint Hill Projected Utilization – FYs 1-3			
	FY 1 – FFY 2026	FY 2 – FFY 2027	FY 3 – FFY 2028
# of Beds	100	100	100
# of Admissions	450	550	550
# of Patient Days	26,116	33,580	33,580
ALOS*	58.04	61.05	61.05
Occupancy Rate	71.6%	92.0%	92.0%

*ALOS = Average Length of Stay

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- In Project I.D. #F-11461-18, the applicant used the experience at Summerstone Health & Rehabilitation Center (Forsyth County) to project utilization for the 83-bed NF facility. The applicant states Summerstone Health & Rehabilitation Center was licensed for 100 NF beds when it opened and feels that using the same projected utilization patterns as before is appropriate because LC of Mint Hill will have 100 NF beds when it opens.
- The applicant states that based on its experience with owning or operating 34 facilities in North Carolina (as of the date this application was submitted), it projected a net average fill-up rate of four patients per week.
- The applicant considered the current and projected population and demographic data for Mecklenburg County in projecting utilization.
- The applicant states it used the same overall assumptions as it did for Project I.D. #F-11461-18.

Projected utilization is reasonable and adequately supported based on the following:

- The applicant relied on its experience in owning and operating existing NF facilities in North Carolina to project utilization.
- The applicant accounted for projected increases in population and relevant demographic data in projecting utilization.
- Project I.D. #F-11461-18 was conforming with this statutory criterion and the applicant proposes no other changes as part of this project which are not reasonable and adequately supported or which would affect that determination.

Access to Medically Underserved Groups

In Section C, pages 46-47, the applicant states access by medically underserved groups is not projected to change as a result of this change of scope application. On page 47, the applicant states:

“Access by medically underserved groups is not expected to be different from what was projected in the previously approved application. There has been no change by the applicants in regard to serving medically underserved groups. Liberty Commons of Mint Hill will allow admissions only on the written order of a physician. Persons whose health, habilitative, or rehabilitative needs cannot be met by the services offered in the facility will not be admitted. Otherwise, Liberty Commons of Mint Hill affords equal treatment and access to its services for all persons, without discrimination due to age, race, color, religion, sex, marital status, national origin, sexual orientation, ancestry, or disability, or any other factor that would classify a resident as underserved.”

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant projects no change to access for medically underserved groups as a result of this change of scope application.
- Project I.D. #F-11461-18 was found conforming with this criterion and the applicant proposes no other changes as part of this project which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [with disabilities], and other underserved groups and the elderly to obtain needed health care.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

Royal Park is currently licensed for 169 NF beds (with a pending relocation of 10 NF beds to Briar Creek Health Center as part of Project I.D. #F-11296-17). The applicant proposes to relocate 9 NF beds from Royal Park to LC of Mint Hill. Upon completion of this project and Project I.D. # F-11296-17, Royal Park will be licensed for 150 NF beds.

Brightmore is currently licensed for 120 NF beds (with a pending relocation of 12 NF beds to Briar Creek Health Center as part of Project I.D. # F-11296-17). The applicant proposes to relocate 8 NF beds from Brightmore to LC of Mint Hill. Upon completion of this project and Project I.D. # F-11296-17, Brightmore will be licensed for 100 NF beds.

In Section D, the applicant explains why it believes the needs of the population presently utilizing the services to be relocated will be adequately met following completion of the project. On page 51, the applicant states:

“The 9 beds proposed to be transferred from Royal Park and 8 beds proposed to be transferred from Pavilion are currently underutilized and not in service. These 17 beds are currently underutilized, with Royal Park’s current nursing bed average census being 120 residents and Pavilion’s being 85 residents. ..., this relocation allows for more private rooms to be created at both Pavilion and Royal Park. Therefore, no current or future residents will be affected by this relocation of beds.”

The information is reasonable and adequately supported based on the following:

- In Exhibit C.8, the applicant provides a letter from the administrator of Brightmore, which states the following:
 - The resident census at Brightmore as of January 29, 2021 was 85 residents.
 - The average resident census for 2018-2019 was approximately 91 residents.
 - The administrator considers the functional capacity of Brightmore to be 95 residents.
 - There is a need for more private rooms due to COVID and relocation of the 8 NF beds will allow the facility to operate more efficiently.
 - Relocation of the 8 NF beds will allow the beds to return to service instead of being unoccupied.

- In Exhibit C.8, the applicant provides a letter from the administrator of Royal Park, which states the following:
 - The resident census at Royal Park as of February 3, 2021 was 120 residents.
 - The average resident census for 2018-2019 was approximately 147 residents.
 - The administrator considers the functional capacity of Royal Park to be 145 residents.
 - There is a need for more private rooms due to COVID and relocation of the 9 NF beds will allow the facility to operate more efficiently.
 - Relocation of the 9 NF beds will allow the beds to return to service instead of being unoccupied.

On Form D.1 in Section Q, the applicant provides projected utilization for Brightmore and Royal Park, as illustrated in the following tables:

Brightmore Projected Utilization – FFYs 2020-2026							
	Prior FY	Interim FYs					FY 1
	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026
# of Beds	120	108	108	108	108	108	100
# of Admissions	449	562	562	562	562	562	562
# of Patient Days	32,083	32,875	32,875	32,875	32,875	32,875	32,875
ALOS*	71.45	58.50	58.50	58.50	58.50	58.50	58.50
Occupancy Rate	73.25%	83.40%	83.40%	83.40%	83.40%	83.40%	90.07%

*ALOS = Average Length of Stay

Royal Park Projected Utilization – FFYs 2020-2026							
	Prior FY	Interim FYs					FY 1
	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026
# of Beds	169	159	159	159	159	159	150
# of Admissions	496	605	605	605	605	605	605
# of Patient Days	46,813	51,748	51,748	51,748	51,748	51,748	51,748
ALOS*	94.38	85.53	85.53	85.53	85.53	85.53	85.53
Occupancy Rate	75.89%	89.17%	89.17%	89.17%	89.17%	89.17%	94.52%

*ALOS = Average Length of Stay

In Section Q immediately following Form D, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant excluded currently licensed NF beds which are being relocated to other facilities as part of Project I.D. #F-11296-17.
- The applicant states that many NF facilities experienced lower utilization in 2020 due to COVID, including Royal Park and Brightmore, but that it expects utilization patterns to more closely resemble those from 2018 and 2019. However, the applicant states there will likely be some changes in utilization post-COVID.
- The applicant states it projected utilization by utilizing a weighted average of the number of NF days and patient admissions from 2018-2020 at each facility. For each facility, the applicant weighted the number of NF days and patient admissions at 40 percent for 2018 and 2019 and weighted the number of NF days and patient admissions at 20 percent for 2020.
- The applicant used the weighted average of the historical utilization at each facility to project future utilization at each facility.

Projected utilization is reasonable and adequately supported based on the following:

- The applicant used historical utilization at each facility to project utilization at each facility.
- The applicant accounted for currently licensed NF beds at each facility which will be relocated as part of Project I.D. #F-11296-17.
- The applicant accounted for the impact of COVID on historical utilization in projecting utilization at each facility.

Access to Medically Underserved Groups

In Section D, page 52, the applicant states:

“The 9 beds proposed to be transferred from Royal Park and 8 beds proposed to be transferred from Pavilion are currently underutilized and not in service. Additionally, according to the 2021 license renewal application [sic] for Pavilion and Royal Park,

18,654 (58%) and 32,208 (69%) of the total census days were reimbursed by Medicaid, respectively. Both Pavilion and Royal Park have and will continue to support access to the groups listed above. Therefore, this relocation of beds will have no ill effect on the groups listed above. In fact, this relocation will have a positive effect on the community, as it will allow more private rooms to be created at Pavilion and Royal Park.”

The applicant adequately demonstrates that the needs of medically underserved groups who will continue to use NF beds at Royal Park and Brightmore will be adequately met following completion of the project for the following reasons:

- The NF beds being relocated are not currently occupied and will have no impact on the applicant’s ability to serve existing and future residents in medically underserved groups.
- The applicant will be better able to serve future residents by relocating the NF beds because it will allow for the creation of more private rooms at each facility.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the needs of the population currently using the services to be relocated will be adequately met following project completion for all the reasons described above.
- The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services following project completion for all the reasons described above.

- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

CA

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

In Section E, page 54, the applicant describes the alternatives considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The applicant states the only alternative considered was to maintain the status quo. The applicant states maintaining the status quo will leave the NF beds proposed to be relocated empty and underutilized, will not allow for the creation of more private rooms at Royal Park and Brightmore, and will not allow for optimal efficiency in operating LC of Mint Hill; therefore, this was not an effective alternative.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need for the following reasons:

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria. Therefore, the application can be approved.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. Mecklenburg County Healthcare Properties, LLC and Liberty Commons of Mecklenburg, LLC (hereinafter, the certificate holder) shall materially comply with all representations made in the certificate of need application, the application for Project I.D. #F-11461-18, and any supplemental information. If representations conflict, the certificate holder shall materially comply with the last made representation.**
- 2. In a change of scope for Project I.D. #F-11461-18, the certificate holder shall develop a 100-bed nursing home facility in Mecklenburg County by relocating no more than 9 nursing home facility beds from Royal Park Health & Rehabilitation Center (Mecklenburg County) and no more than 8 nursing home facility beds from Pavilion Health Center at Brightmore (Mecklenburg County) in addition to the previously approved relocation of 67 nursing home facility beds from Mary Gran (Sampson County), 7 nursing home facility beds from Liberty Commons of Columbus (Columbus County), and 9 nursing home facility beds from Shoreland (Columbus County).**

- 3. Upon completion of this project and Project I.D. #F-11461-18, Liberty Commons Nursing & Rehabilitation Center of Mint Hill shall be licensed for no more than 100 nursing home facility beds.**
- 4. Upon completion of this project and Project I.D. #F-11461-18, the certificate holder shall take the necessary steps to delicense 67 nursing home facility beds from Mary Gran (Sampson County), 7 nursing home facility beds from Liberty Commons of Columbus (Columbus County), 9 nursing home facility beds from Shoreland (Columbus County), 8 nursing home facility beds from Pavilion Health Center at Brightmore (Mecklenburg County), and 9 nursing home facility beds from Royal Park Health & Rehabilitation Center (Mecklenburg County).**
- 5. The approved combined capital expenditure for both Project I.D. #F-11461-18 and this project is \$16,790,771, an increase of \$1,483,355 over the previously approved capital expenditure of \$15,307,416 in Project I.D. #F-11461-18.**
- 6. For the first two years of operation following completion of the project, the certificate holder shall not increase private pay charges more than 5% of the projected private pay charges provided in Section Q 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.**
- 7. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. Progress reports shall be due on the first day of every third month. The first progress report shall be due on September 1, 2021. The second progress report shall be due on December 1, 2021 and so forth.**
- 8. No later than three (3) 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 certificate holder 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.**

9. The certificate holder 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.

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

Capital and Working Capital Costs

In Section Q, Form F.1b, the applicant provides the approved capital cost from Project I.D. #F-11461-18 and the additional projected capital cost proposed as part of this project, as shown in the table below.

	Project ID #F-11461-18	New	Total
Land/Closing Costs/Site Prep	\$2,005,166	\$0	\$2,005,166
Construction/Renovation Contracts	\$11,838,750	\$1,279,355	\$13,118,105
Architect/Engineering Fees	\$300,000	\$0	\$300,000
Furniture	\$996,000	\$204,000	\$1,200,000
Consultant Fees	\$167,500	\$0	\$167,500
Total	\$15,307,416	\$1,483,355	\$16,790,771

In Section Q immediately following Form F.1b, the applicant provides the assumptions used to project the additional capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant uses the same projections as it did in Project I.D. #F-11461-18.
- The applicant states the increase in projected capital cost is due solely to the additional construction and furniture to accommodate the additional 17 NF beds.
- The application as submitted provides no information that would call into question the reasonableness of financial projections used in Project I.D. #F-11461-18 as applied to the change of scope application.

In Section F, page 61, the applicant projects start-up costs will be \$283,854 and initial operating expenses will be \$1,052,089 for a total working capital of \$1,335,943 – an increase of \$597,319

over the approved working capital costs in Project I.D. #F-11461-18. On page 61, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the following:

- The original working capital cost was approved in Project I.D. #F-11461-18 and the applicant proposes no changes in the current change of scope application which would affect that determination.
- The applicant states the increase in working capital cost is due to higher projected rent, increased FTEs, and an increase in average salaries as compared to Project I.D. #F-11461-18.

Availability of Funds

In Exhibit F.5, the applicant provides a letter dated February 4, 2021, which is signed by John A. McNeill, Jr., and Ronald B. McNeill. The letter states, in part:

“We have both agreed and are both committed to personally funding the Proposed Project, the construction and operation of the proposed addition, including any working capital, start-up and capital expenditures associated with the project. We personally have sufficient funds to provide for the required equity and start up operating capital for the development of the Proposed Project if it is approved.”

In supplemental information requested by the Agency, the applicant provided a letter dated April 27, 2021 from the CPA of John A. McNeill, Jr. and Ronald B. McNeill, which states:

“I am aware of the McNeill’s [sic] financial status, including current liabilities and debt obligations and I will attest that John A. McNeill Jr. and Ronald B. McNeill each have in excess of \$15,000,000 in cash, stocks, or short term investments in order to fund any construction and operation of the proposed relocation, including any working capital, start-up and capital expenditures associated with the project.”

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project based on the following:

- The applicant provides documentation of the commitment to use the necessary funding toward development of the proposed project.
- The applicant provides documentation of the availability of sufficient financial resources to fund the proposed changes to capital and working capital costs.

Financial Feasibility

The applicant provided updated pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that operating expenses will exceed revenues in the first full fiscal year of the project but

projects that revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

LC of Mint Hill Projected Revenue & Expenses – FYs 1-3 (FFYs 2026-2028)			
	FY 1 (FFY 2026)	FY 2 (FFY 2027)	FY 3 (FFY 2028)
# of Admissions	450	550	550
Gross Revenue	\$8,054,806	\$10,507,929	\$10,667,434
Net Revenue	\$7,189,270	\$9,394,719	\$9,553,905
Average Net Revenue per Admission	\$15,976	\$17,081	\$17,371
Operating Costs	\$7,331,810	\$8,193,942	\$8,331,082
Average Operating Costs per Admission	\$16,293	\$14,898	\$15,147
Profit/(Loss)	(\$142,540)	\$1,200,777	\$1,222,823

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant accounts for projected operating expenses, such as salaries, consistent with projections elsewhere in the application.
- Projected utilization is based on reasonable and adequately supported assumptions. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of costs and charges.

- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

On page 143, the 2021 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

Table 10A on pages 156-158 of the 2021 SMFP shows a total of 3,741 existing and approved NF beds in 36 existing and approved facilities in Mecklenburg County. 359 of those NF beds are excluded from the planning inventory pursuant to Policy NH-2, leaving a total of 3,382 NF beds in 36 facilities. The table below summarizes the existing and approved NF facilities and beds as shown in the 2021 SMFP.

Mecklenburg County Inventory of Existing/Approved NF Beds				
Facility	# of Beds	CON Adjustments	# of Excluded Beds	Planning Inventory
Accordius Health at Charlotte	120	0	0	120
Accordius Health at Midwood	100	0	0	100
Asbury Health & Rehab Center	120	0	25	95
Autumn Care of Cornelius	102	0	0	102
Brookdale Carriage Club Providence	42	0	42	0
Carrington Place	166	0	0	166
Charlotte Health & Rehab Center	90	0	0	90
Clear Creek Nursing & Rehab Center	120	0	0	120
Hunter Woods Nursing & Rehab Center	120	0	0	120
Huntersville Health & Rehab Center	90	0	0	90
Huntersville Oaks	168	0	0	168
Liberty Commons Nursing & Rehab Center of Mint Hill	0	83	0	83
Liberty Commons of Mecklenburg Health & Rehab Center	0	100	0	100
Mecklenburg Health & Rehab Center	100	0	0	100
Novant Health Presbyterian Medical Center	16	0	0	16
Olde Knox Commons at The Villages of Mecklenburg	114	0	0	114
Pavilion Health Center at Brightmore	120	-12	0	108
Peak Resources – Charlotte	142	0	0	142
Pelican Health at Charlotte	120	0	0	120
Pelican Health Randolph	100	0	0	100
Pineville Rehab & Living Center	106	0	0	106
Royal Park Rehab & Health Center	169	-10	0	159
Sardis Oaks	124	0	0	124
Saturn Nursing & Rehab Center	120	0	0	120
Sharon Towers	96	0	35	61
Southminster	60	0	60	0
The Barclay of SouthPark	0	22	0	22
The Citadel at Myers Park	133	0	0	133
The Pines at Davidson	51	0	51	0
The Stewart Health Center	56	0	56	0
University Place Nursing & Rehab Center	207	0	0	207
Western Mecklenburg Health & Rehab Center	0	110	0	110
White Oak Manor – Charlotte	180	0	0	180
WillowBrooke Court SC Ctr at Plantation Estates	80	10	90	0
Wilora Lake Healthcare Center	70	0	0	70
Windsor Run Care Center	0	36	0	36
Total	3,402	339	359	3,382

In Section G, page 63, the applicant explains why the proposal would not result in the unnecessary duplication of existing or approved NF bed services in Mecklenburg County. The applicant states:

“The Applicants’ proposed change of scope project does not seek to increase the number of SNF beds in the Mecklenburg County SMFP inventory. . . no new beds will be added to the skilled nursing bed inventory in the SMFP, and the current surplus of beds in Mecklenburg County will not increase. Rather, the Applicants [sic] proposed

project will seek to utilize 17 SNF beds that are already part of the Mecklenburg County SMFP inventory. Therefore, the proposed project will not result in unnecessary duplication.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- The applicant provides documentation that the existing beds proposed to be relocated are currently not in use and proposes to relocate them to a new facility where they will be used.
- The proposal would not result in an increase in the number of existing or approved NF facility beds in Mecklenburg County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

- (7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

On Form H in Section Q, the applicant provides the projected full-time equivalent (FTE) staffing from Project I.D. #F-11461-18 as well as updated projected FTE staffing for the additional proposed services, as summarized below.

LC of Mint Hill – Projected Staffing – Project I.D. #F-11461-18 & Proposed				
	F-11461-18	FY 1 – FFY 2026	FY 2 – FFY 2027	FY 3 – FFY 2028
Nurse Secretary	0.50	0.50	0.50	0.50
Registered Nurses (RNs)	5.60	5.60	7.00	7.00
Licensed Practical Nurses (LPNs)	12.60	12.60	12.60	12.60
Certified Nurse Aides/Assistants	30.80	36.40	42.00	42.00
Director of Nursing	1.00	1.00	1.00	1.00
MDS Nurse	1.00	1.00	1.00	1.00
Staff Development Coordinator	0.00	0.40	0.40	0.40
Physical Therapists	2.00	2.00	2.00	2.00
Physical Therapy Assistants	2.40	2.40	2.40	2.40
Physical Therapy Technicians	1.00	1.00	1.00	1.00
Speech Therapists	0.50	0.50	0.50	0.50
Occupational Therapists	1.00	1.00	1.00	1.00
Occupational Therapy Aides	1.60	1.60	2.40	2.40
Social Worker	1.00	1.00	1.50	1.50
Activities Director	1.00	1.00	1.00	1.00
Activities Assistant	0.00	0.00	0.50	0.50
Medical Records	1.00	1.00	1.00	1.00
Laundry & Linen	2.80	2.80	2.80	2.80
Housekeeping	6.60	6.60	6.60	6.60
Maintenance/Engineering	2.00	2.00	2.00	2.00
Administrator	1.00	1.00	1.00	1.00
Business Office	1.00	1.00	1.00	1.00
Clerical	1.00	1.00	1.00	1.00
Transportation	1.00	1.00	1.00	1.00
Total	78.40	84.00	93.00	93.00

In Section H, pages 64-65, the applicant states the increase in projected staffing is due solely to the proposed addition of 17 NF beds. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in the pro forma financial statements on Form F.3b, which is found in Section Q.

Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

The applicant adequately demonstrates the availability of adequate health manpower and management personnel for the provision of the proposed services based on the following:

- The applicant adequately explains the need for increased staffing as part of the proposed project.
- The previous staffing levels and assumptions found in Project I.D. #F-11461-18 were conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

Ancillary and Support Services

In Section I, pages 67-68, the applicant states there are no changes to the information that was previously provided in Project I.D. #F-11461-18.

The applicant adequately demonstrates that the necessary ancillary and support services will be made available because Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Coordination

In Section I, page 68, the applicant states there are no changes to the information that was previously provided in Project I.D. #F-11461-18.

The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system because Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
 - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
 - (iii) would cost no more than if the services were provided by the HMO; and
 - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.

- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

In Section K, pages 71-72, the applicant states that the change of scope project involves construction of an additional 6,646 square feet of new space in addition to the previously approved construction of 61,500 square feet of new space, for a combined total of 68,146 square feet of new space. Line drawings are provided in Exhibit K.5.

In Section K, page 72, the applicant adequately explains how the cost, design, and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant describes the choices made in determining the layout and design of the proposed facility and the additional NF beds proposed in this project.
- The applicant states the cost estimate for the proposed new facility and the additional NF beds proposed in this project was based on the architect's experience with designing similar facilities.

In Section K, page 73, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services. The applicant states the only increases in cost are due to additional construction and furniture and those will not unduly increase costs to provide the proposed services or costs and charges to the public for the proposed services.

On page 73, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:
- (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

In Section L, page 79, the applicant states it projects no changes to the responses it previously provided as part of Project I.D. #F-11461-18.

Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

In Section L, page 79, the applicant states it projects no changes to the responses it previously provided as part of Project I.D. #F-11461-18.

Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

In Section L, page 79, the applicant states it projects no changes to the responses it previously provided as part of Project I.D. #F-11461-18.

Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

In Section L, page 79, the applicant states it projects no changes to the responses it previously provided as part of Project I.D. #F-11461-18.

Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

In Section M, page 80, the applicant states it projects no changes to the responses it previously provided as part of Project I.D. #F-11461-18.

Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the applicant adequately demonstrate that the proposed services will accommodate the clinical needs of health professional training programs in the area; therefore, the application is conforming to this criterion.

- (15) Repealed effective July 1, 1987.
(16) Repealed effective July 1, 1987.
(17) Repealed effective July 1, 1987.
(18) Repealed effective July 1, 1987.

- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

On page 143, the 2021 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

Table 10A on pages 156-158 of the 2021 SMFP shows a total of 3,741 existing and approved NF beds in 36 existing and approved facilities in Mecklenburg County. 359 of those NF beds are excluded from the planning inventory pursuant to Policy NH-2, leaving a total of 3,382 NF beds in 36 facilities. The table below summarizes the existing and approved NF facilities and beds as shown in the 2021 SMFP.

Mecklenburg County Inventory of Existing/Approved NF Beds				
Facility	# of Beds	CON Adjustments	# of Excluded Beds	Planning Inventory
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Accordius Health at Midwood	100	0	0	100
Asbury Health & Rehab Center	120	0	25	95
Autumn Care of Cornelius	102	0	0	102
Brookdale Carriage Club Providence	42	0	42	0
Carrington Place	166	0	0	166
Charlotte Health & Rehab Center	90	0	0	90
Clear Creek Nursing & Rehab Center	120	0	0	120
Hunter Woods Nursing & Rehab Center	120	0	0	120
Huntersville Health & Rehab Center	90	0	0	90
Huntersville Oaks	168	0	0	168
Liberty Commons Nursing & Rehab Center of Mint Hill	0	83	0	83
Liberty Commons of Mecklenburg Health & Rehab Center	0	100	0	100
Mecklenburg Health & Rehab Center	100	0	0	100
Novant Health Presbyterian Medical Center	16	0	0	16
Olde Knox Commons at The Villages of Mecklenburg	114	0	0	114
Pavilion Health Center at Brightmore	120	-12	0	108
Peak Resources – Charlotte	142	0	0	142
Pelican Health at Charlotte	120	0	0	120
Pelican Health Randolph	100	0	0	100
Pineville Rehab & Living Center	106	0	0	106
Royal Park Rehab & Health Center	169	-10	0	159
Sardis Oaks	124	0	0	124
Saturn Nursing & Rehab Center	120	0	0	120
Sharon Towers	96	0	35	61
Southminster	60	0	60	0
The Barclay of SouthPark	0	22	0	22
The Citadel at Myers Park	133	0	0	133
The Pines at Davidson	51	0	51	0
The Stewart Health Center	56	0	56	0
University Place Nursing & Rehab Center	207	0	0	207
Western Mecklenburg Health & Rehab Center	0	110	0	110
White Oak Manor – Charlotte	180	0	0	180
WillowBrooke Court SC Ctr at Plantation Estates	80	10	90	0
Wilora Lake Healthcare Center	70	0	0	70
Windsor Run Care Center	0	36	0	36
Total	3,402	339	359	3,382

In Section N, page 81, the applicant states the changes proposed in this application will not change any expected effects of the proposal on competition in the proposed service area from what was stated in the original application. The applicant states:

“The Applicants do not believe the relocation of beds already located in the county (Mecklenburg) to the proposed Liberty Commons of Mint Hill will result in changes to the expected effects on competition in the proposed service area. Liberty Commons of Mint Hill will still be a brand new, state-of-the-art highly rated and operationally

efficient facility that we project to become a quick choice for county residents. We expect this facility will encourage operators of other county facilities to evaluate the care and quality of their facilities and to improve and up fit where possible to remain competitive in the marketplace.”

In Section L, pages 81-82, the applicant states the changes proposed in this application will not change the impact of enhanced competition on the cost-effectiveness, quality, and access by medically underserved groups from what was stated in the original application. On page 82, the applicant states:

“The Applicants do not believe the relocation of beds already located in the County to the proposed Liberty Commons of Mint Hill result in changes to the impact of enhanced competition on the cost effectiveness, quality and access by medically underserved groups from what was stated in the previously approved application. The proposed project still anticipates offering rates that are competitive to surrounding facilities.

Liberty Commons of Mint Hill will still be a brand new, state-of-the-art highly rated and operationally efficient facility that we project to become a quick choice for county residents.

Access by medically underserved groups is not expected to be different from what was projected in the previously approved application. There has been no change by the applicants in regard to serving medically underserved groups. Liberty Commons of Mint Hill will allow admissions only on the written order of a physician. Persons whose health, habilitative, or rehabilitative needs cannot be met by the services offered in the facility will not be admitted. Otherwise, Liberty Commons of Mint Hill affords equal treatment and access to its services for all persons, without discrimination due to age, race, color, religion, sex, marital status, national origin, sexual orientation, ancestry, or disability, or any other factor that would classify a resident as underserved.”

Project I.D. #F-11461-18 was conforming with this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

(19) Repealed effective July 1, 1987.

- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

The applicant proposes a change of scope to Project I.D. #F-11461-18 (develop a new NF facility with 83 NF beds relocated from other counties) by relocating 17 additional NF beds from two facilities in Mecklenburg County to LC of Mint Hill, its approved but not yet developed NF facility. Upon project completion, LC of Mint Hill will have a total of 100 NF beds.

On Form O in Section Q, the applicant identifies the NF facilities located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of 35 NF facilities located in North Carolina.

In Section O, pages 85-86, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in three of these facilities. The applicant states that two of the immediate jeopardy citations have been abated and the facilities are back in compliance. The applicant states the remaining immediate jeopardy citation has been abated and the facility is still out of compliance, but that the facility is disputing the citation and has not yet had a follow-up survey. According to the files in the Nursing Home Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in four of these facilities. Three facilities have resolved the issue and the fourth is too new to have a resolution on file. After reviewing and considering information provided by the applicant and by the Nursing Home Licensure and Certification Section and considering the quality of care provided at all 35 NF facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

C

In Project I.D. # F-11461-18, the application was conforming to Criteria and Standards for Nursing Facility or Adult Care Home Services promulgated in 10A NCAC 14C .1102, and the applicant proposes no changes in the current change of scope application which would affect that determination. The applicant does not propose any other changes in this change of scope application which would

make any other Criteria and Standards applicable to this review. Therefore, the application is conforming with this criterion.