



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

July 28, 2023

Lisa O'Neal
5790 Fleet Street
Suite 300
Carlsbad, CA 92008

Conditional Approval

Project ID #: J-12314-23
Facility: The Cardinal at North Hills
Project Description: Develop no more than 10 nursing facility beds for a total of no more than 25 nursing facility beds upon project completion
County: Wake
FID #: 80413

Approved Capital Expenditure: \$80,000
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: August 28, 2023
Required State Agency Findings: Enclosed

Dear Ms. O'Neal:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. The conditional approval is valid only for the approved capital expenditure shown above. If the capital cost will exceed the approved capital expenditure amount by more than 115%, the applicant must first obtain a new certificate of need.

Response to the conditions in Attachment A should be attached to an email addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision. The certificate of need will not be issued if the response to the conditions in Attachment A has not been received by the Agency.

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 approved timetable for this project is found in Attachment B.

The applicant shall not begin developing this project until after the certificate of need has been issued and the certificate of need will not be issued until the applicant has documented that all conditions that must be met prior to issuance of the certificate of need have been met.

The Certificate of Need law provides that any affected person has thirty (30) days after the date of the decision to file a petition for a contested case on this approval. Further, if you are aggrieved by any of the

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
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

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conditions you may file a petition for a contested case hearing in accordance with G.S.150B, Article 3. 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. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to the 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:

Julie Cronin
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 thirty-day appeal period which ends on the date shown above. If a contested case petition is filed with OAH within the thirty-day appeal period, the certificate will not be issued until the appeal is resolved.

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,



Terris Riley, J.D.
Project Analyst
Terris.riley@dhhs.nc.gov



Lisa Pittman
Team Leader
Lisa.pittman@dhhs.nc.gov

Enclosures:

- Attachment A: Conditions of Approval
- Attachment B: Approved Timetable
- Required State Agency Findings

cc: Nursing Home Licensure & Certification Section, DHSR

Attachment A
Conditions of Approval

1. The Cardinal at North Hills Healthcare, LLC, (hereinafter “certificate holder”), shall materially comply with all representations made in the certificate of need application.
2. The certificate holder shall develop no more than 10 additional nursing facility beds pursuant to Policy NH-2 for a total of no more than 25 licensed nursing facility beds upon completion of the project.
3. The 10 additional Policy NH-2 nursing facility beds shall not be certified for participation in the Medicaid program.
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. Progress Reports:
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic progress 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. The first progress report shall be due on January 1, 2024.
6. 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.
7. 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.

Attachment B
Approved Timetable

	Milestone	Date
1	Financing Obtained	09/01/2023
2	Equipment Ordered	09/01/2023
3	Equipment Installed	09/25/2023
4	Equipment Operational	09/30/2023
5	Services Offered	10/01/2023
6	First Annual Report Due* (only for non-ESRD decisions)	01/01/2025