

## REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: January 26, 2024

Findings Date: February 2, 2024

Project Analyst: Crystal Kearney

Co-Signer: Lisa Pittman

Project ID #: H-012447-23

Facility: St. Joseph of the Pines Health Center

FID #: 923467

County: Moore

Applicant(s): St. Joseph of the Pines Inc.

Trinity Continuing Care Services

Project: Relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at the Coventry upon project completion and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22

### REVIEW CRITERIA

G.S. 131E-183(a): The Department 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.

NA

St. Joseph of the Pines, Inc. and Trinity Continuing Care Services (hereinafter collectively referred to as “the applicant”) propose to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center on the same campus, part of the same health system. The Coventry is an adult care home (ACH) licensed for 60 beds. The ACH has 50 rooms; 40 private rooms and 10 semi-private rooms. The 10 semi-private rooms were originally expected to be for couples from the independent living (IL) communities to move into. Over the years, the preference for private rooms has increased resulting in the semi-private rooms rarely having two occupants. There are no other rooms in The Coventry that could be converted to patient rooms to house the 10 beds.

The applicant does not propose to:

- develop any beds or services for which there is a need determination in the 2023 State Medical Facilities Plan (SMFP)
- acquire any medical equipment for which there is a need determination in the 2023 SMFP, or
- offer a new institutional health service for which there are any policies in the 2023 SMFP.

Therefore, Criterion (1) is not applicable to this review.

- (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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

The Coventry is currently licensed for 60 ACH beds located in 40 private rooms and 10 semi-private rooms. This proposal is to move 10 beds from The Coventry to St. Joseph of the Pines Health Center (SJPHC). SJPHC is currently licensed for 176 NF beds, however only 90 NF beds are in service. The other 86 have been sold and are offline pending relocation to a new site. The 10 ACH beds will be moved to ten empty rooms at SJPHC.

### **Patient Origin**

On page 171, the 2023 SMFP defines the service area for ACH beds as “... *the county in which the adult care home bed is located. Each of the 100 counties is a separate service area.*” Thus, the service area for this facility is Moore County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin.

Nursing Facility  County or other geographic area such as ZIP code	Historical Patient Origin	
	St. Joseph of the Pines Health Center Last Full FY 07/01/2022 to 06/30/2023	
	# of Patients	% of Total
Anson	1	0.24%
Chatham	2	0.48%
Columbus	1	0.24%
Cumberland	12	2.86%
Halifax	1	0.24%
Harnett	2	0.48%
Henderson	1	0.24%
Hoke	14	3.34%
Lee	17	4.06%
Marlboro	2	0.48%
Montgomery	9	2.15%
Moore	298	71.12%
Ocean	1	0.24%
Onslow	1	0.24%
Randolph	1	0.24%
Richmond	42	10.0%
Robeson	8	1.92%
Rockingham	1	0.24%
Scotland	4	.95%
Surry	1	0.24%
<b>Total</b>	<b>419</b>	<b>100.00%</b>

Source: Section C, pages 26-27

Adult Care Home  County or other geographic areas such as ZIP code	Historical Patient Origin	
	The Coventry Last Full FY 07/01/2022 to 06/30/2023	
	# of Patients	% of Total
Halifax	1	3.45%
Moore	28	96.55%
<b>Total</b>	<b>29</b>	<b>100.00%</b>

Source: Section C, page 27

<b>Projected Patient Origin FYs 1-3</b>						
<b>St. Joseph of the Pines Health Center</b>						
Nursing Facility	1 <sup>st</sup> Full FY (07/01/2024 to 6/30/2025)		2 <sup>nd</sup> Full FY (07/01/2025 to 06/30/2026)		3 <sup>rd</sup> Full FY (07/01/2026 to 06/30/2027)	
	County or other geographic area such as ZIP code	# of Patients	% of Total	# of Patients	% of Total	# of Patients
Anson			1	.2%	1	.2%
Chatham	1	.2%	1	.2%	1	.2%
Columbus	1	.2%			1	.2%
Cumberland	22	3.7%	22	3.7%	22	3.7%
Halifax	1	.2%			1	.2%
Harnett	2	.30%	2	.30%	2	.30%
Henderson	1	.2%	1	.2%	1	.2%
Hoke	20	3.4%	20	3.4%	20	3.4%
Lee	18	3.0%	18	3.0%	18	3.0%
Marlboro	1	.2%	1	.2%	1	.2%
Mecklenburg	1	.2%	1	.2%	1	.2%
Montgomery	11	1.8%	11	1.8%	10	1.7%
Moore	432	72.6%	432	72.6%	428	72.5%
Orange	3	.5%	3	.5%	2	.3%
Richmond	54	9.1%	54	9.1%	54	9.1%
Robeson	10	1.6%	10	1.6%	10	1.7%
Rockingham					1	.2%
Scotland	11	1.8%	11	1.8%	11	1.8%
Surry	1	.2%	1	.2%	1	.2%
Wake	4	.6%	4	.6%	3	.5%
South Carolina			1	.2%		
Other/ Unknown	1	.2%	1	.2%	1	.2%
<b>Total</b>	<b>595</b>	<b>100.00%</b>	<b>595</b>	<b>100.00%</b>	<b>590</b>	<b>100.00%</b>

Source: Section C, page 28

<b>Projected Patient Origin – FYs 1-3</b>						
<b>St. Joseph of the Pines Health Center</b>						
Residential Care Facility	1 <sup>st</sup> Full FY (07/01/2024 to 6/30/2025)		2 <sup>nd</sup> Full FY (07/01/2025 to 06/30/2026)		3 <sup>rd</sup> Full FY (07/01/2026 to 06/30/2027)	
	County or other geographic area such as ZIP code	# of Patients	% of Total	# of Patients	% of Total	# of Patients
Moore	10	100%	12	100%	13	100%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>12</b>	<b>100%</b>	<b>13</b>	<b>100%</b>

Source: Section C, page 29

<b>Projected Patient Origin – FYs 1-3</b>						
<b>St. Joseph of the Pines Health Center</b>						
<b>Entire Facility County or other geographic area such as ZIP code</b>	<b>1<sup>st</sup> Full FY (07/01/2024 to 6/30/2025)</b>		<b>2<sup>nd</sup> Full FY (07/01/2025 to 06/30/2026)</b>		<b>3<sup>rd</sup> Full FY (07/01/2026 to 06/30/2027)</b>	
	<b># of Patients</b>	<b>% of Total</b>	<b># of Patients</b>	<b>% of Total</b>	<b># of Patients</b>	<b>% of Total</b>
Anson			1	.20%	1	.20%
Chatham	1	.20%	1	.20%	1	.20%
Columbus	1	.20%			1	.20%
Cumberland	22	3.60%	22	3.60%	22	3.60%
Halifax	1	.20%			1	.20%
Harnett	2	.30%	2	.30%	2	.30%
Henderson	1	.20%	1	.20%	1	.20%
Hoke	20	3.30%	20	3.30%	20	3.30%
Lee	18	3.00%	18	2.90%	18	2.90%
Marlboro	1	.20%	1	.20%	1	.20%
Mecklenburg	1	.20%	1	.20%	1	.20%
Montgomery	11	1.8%	11	1.8%	10	1.70%
Moore	442	73.00%	444	73.10%	441	73.00%
Orange	3	.50%	3	.50%	2	.30%
Richmond	54	8.90%	54	8.90%	54	8.90%
Robeson	10	1.60%	10	1.60%	10	1.70%
Rockingham					1	.20%
Scotland	11	1.80%	11	1.80%	11	1.90%
Surry	1	.20%	1	.20%	1	.20%
Wake	4	.60%	4	.60%	3	.50%
South Carolina			1	.20%		
Other/ Unknown	1	.20%	1	.20%	1	.20%
<b>Total</b>	<b>605</b>	<b>100.00%</b>	<b>607</b>	<b>100.00%</b>	<b>603</b>	<b>100.00%</b>

Source: Section C, pages 29 – 30

In Section C, pages 26-30, the applicant provides assumptions and methodology used to project patient origin. The applicant projects the number of patients by county, based on the historical data from 2021 – 2022. Data from 2023 was obtained and included from the billing software.

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

- The applicant performed a detailed analysis of historical patient origin using publicly available and reliable sources.

**Analysis of Need**

In Section C, pages 30-31, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

- This proposal is to move 10 ACH beds from The Coventry to SJPHC. Currently, The Coventry is licensed for 60 ACH beds consisting of 40 private rooms and 10 semi-private

rooms. When opened the expectation was that the semi-private rooms would be used for couples; however, preferences have changed over time to private rooms.

- The semi-private rooms are being filled by one person, with the second bed remaining empty the majority of the time.
- The average daily census in The Coventry runs between 45 to 50 residents which is indicative of the need for ACH beds in the community. The majority of the 10 “second” beds could be filled if they were in private rooms. The Coventry does not have extra rooms that could be converted or the space available to add an additional 10 private rooms.
- With this proposal, the beds will be moved to a separate wing of SJPHC, in private rooms allowing for more opportunity to serve the needs of the community.
- SJPHC is currently licensed for 176 NF beds; however, 86 of the beds have been sold to Sandhills Health and Rehabilitation LLC and will be moved to a new facility at a future date. While still licensed for 176 beds, the 86 beds sold have been taken out of service internally, creating more private rooms and emptying a wing on the second floor of SJPHC consisting of 16 resident rooms. Ten of the rooms would be used for the ACH beds; the remaining would be used for activities / functions related to the ACH residents.

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

- The applicant uses data and information from reliable sources and provides the data and sources it relies upon.
- The applicant provides additional information about Moore County – specific factors that support the need for the proposed project.

### Projected Utilization

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

<b>St. Joseph of Pines, Inc.</b>		
<b>Historical and Interim Health Service Facility Bed Utilization</b>		
<b>St. Joseph of the Pines Health Center</b>	<b>Last Full FY 07/01/2022 to 06/30/2023</b>	<b>Interim Full FY 07/01/2023 to 6/30/2024</b>
<b>Nursing Home- All Beds</b>		
Total # of Beds, including all those in SCU	176	176
# of Admissions / Discharges (admissions)	472	592
# of Patient Days	22,445	24,772
Average Length of Stay	47.55	41.84
Occupancy Rate	34.9%	38.5%
<b>Nursing Home – ACH Beds (assume added 4/1/2024)</b>		
Total # of Beds, including all those in SCU	0	10
# of Admissions / Discharges (admissions)	0	6
# of Patient Days	0	455
Average Length of Stay	0	75.83
Occupancy Rate	0.0%	12.4%
<b>The Coventry – licensed separately from SJPHC above</b>		
<b>Adult Care Home – All Beds</b>		
Total # of Beds, including all those in SCU	60	50
# of Admissions / Discharges (admissions)	29	20
# of Patient Days	16,821	17,917
Average Length of Stay	580.03	886.98
Occupancy Rate	76.8%	97.9%
<b>The Coventry – licensed separately from SJPHC above</b>		
<b>Adult Care Home- Special Care Unit Beds</b>		
Total # of Beds, including all those in SCU	14	14
# of Admissions / Discharges (admissions)	6	6
# of Patient Days	4,462	4,987
Average Length of Stay	743.7	831.2
Occupancy Rate	87.3%	97.3%

Source: Section Q, Form C.1a

<b>Projected Health Service Facility Bed Utilization upon Project Completion Saint Joseph of the Pines</b>				
	<b>Partial FY 04/01/2024- 06/30/2024</b>	<b>1<sup>st</sup> Full FY 07/01/2024 – 06/30/2025</b>	<b>2<sup>nd</sup> Full FY 07/01/2025 - 06/30/2026</b>	<b>3<sup>rd</sup> Full FY 07/01/2026 – 06/30/2027</b>
<b>Nursing Home- All Beds</b>				
Total # of Beds, including all those in SCU	176	90	90	90
# of Admissions / Discharges (admissions)	296	595	595	595
# of Patient Days	6,159	24,692	24,711	24,638
Average Length of Stay	20.8	41.5	41.5	41.8
Occupancy Rate	38.5%	75.2%	75.2%	75.0%
<b>Adult Care Home – All Beds (located in Health Center)</b>				
Total # of Beds, including all those in SCU	10	10	10	10
# of Admissions / Discharges (admissions)	6	5	2	3
# of Patient Days	455	3,376	3,468	3,504
Average Length of Stay	75.8	675.2	1,734.0	1,168.00
Occupancy Rate	50.0%	92.5%	95.0%	96.0%
<b>The Coventry- licensed separately from the Health Center</b>				
<b>Adult Care Home- All Beds (the Coventry)</b>				
Total # of Beds, including all those in SCU	50	50	50	50
# of Admissions / Discharges (admissions)	5	20	21	22
# of Patient Days	4,414	17,776	17,812	17,885
Average Length of Stay	84.1	888.8	848.2	813.0
Occupancy Rate	97.0%	97.4%	97.6%	98.0%
<b>Adult Care Home- Special Care Unit Beds (The Coventry)</b>				
Total # of Beds, including all those in SCU	14	14	14	14
# of Admissions / Discharges (admissions)	2	5	5	4
# of Patient Days	1,229	4,928	4,928	4,927.5
Average Length of Stay	819.3	985.6	985.6	1,231.9
Occupancy Rate	96.5%	96.4%	96.4%	96.4%

Source: Section Q, Form C.1b



In the Assumptions and Methodology subsections of Section Q, for both Forms C.1a and C.1b, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant states the Health Center average daily census improved from FYE 6/30/22 to FYE 6/30/2023 and has increased in the first quarter of FYE 6/30/2024: ADC FY2022 = 55, FY2023 = 61, and FY2024 = 70.
- The applicant states the census is expected to maintain the current level overall for the balance of the year.
- The applicant states the semi-private rooms have been downsized to private rooms creating more flexibility in resident placement and meeting consumer preference.
- The applicant states the Adult Care unit – 10 beds will be moved from The Coventry to the Health Center effective April 1, 2024.
- The applicant states the Coventry ACH beds occupancy is expected to remain strong the rest of FYE 6/30/2024.
- The applicant states the SCU, ran an average daily census of 12 for FYE 6/30/2023 and has been at 14 residents for the entire first quarter of FYE 6/30/2024 while the regular ACH beds averaged 36.3 for the first quarter.
- The applicant states, to be conservative, the SCU census is expected to run at 13.5 for the balance of the year and the regular ACH beds at 35.
- The applicant states the 10 ACH beds are projected to move to the Health Center 4/1/2024, the interim full year reflects the first three quarters of the year at the 176 beds of the Health Center and one quarter of the year at 176 beds for the Health Center plus 10 beds for the ACH unit.
- The applicant states that the projected years the beds for the Health Center have been reduced to 90 to reflect that the 86 beds sold to Sandhills Health & Rehabilitation LLC have been taken offline internally and are expected to transfer to Sandhills during the projected time frame.

### **Access to Medically Underserved Groups**

In Section C, page 35, the applicant states:

*“...is a faith-based not-for-profit organization committed to diversity in all areas of it’s business and health equity for all people.”*

On page 36, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

<b>Medically Underserved Groups</b>	<b>Percentage of Total Patients</b>
Low income persons	-%
Racial and ethnic minorities	10%
Women	60%
Persons with Disabilities	-%
The elderly	65%
Medicare beneficiaries	36%
Medicaid recipients	22%

On page 35, the applicant explains how the billing software used, MyUnity/Vision, doesn't allow for reporting on low income residents or persons with disabilities therefore the percentages have been left blank.

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 states the Administration/ Business office works closely with residents admitted to the SJPHC to make sure outside resources; Medicare, Medicaid, other insurance coverage, State assistance, etc. are applied for timely to be available if needed to help cover the cost of the resident's care.
- The applicant states instances where all resources are exhausted prior to the resident discharging are dealt with on case by case basis as every situation is unique.
- The applicant states that the Administration/Business Office will work closely with residents to determine if there are outside assistance available and further actions will be determined in a manner consistent with the Health Center.
- The applicant states both SJPHC and The Coventry work to admit residents regardless of their potential disabilities as long as doing so does not impact the safety or well-being of residents in the community.
- The applicant states SJPHC and The Coventry don't track low income persons or persons with disabilities which prevents the ability to make a reasonable projection of patients going forward.

### **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 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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph Health Center upon completion of this project and Project ID# H-12290-22.

In Section D, page 44, 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. The applicant states:

- By relocating 10 ACH beds from semi-private rooms at The Coventry to private beds at SJPHC more seniors will have access to private ACH beds on the same campus.
- The Coventry is licensed for 60 ACH beds consisting of 40 private rooms and 10 semi-private rooms. When opened the expectation was that the semi-private rooms would be used for couples; however, preferences have changed over time to private rooms.

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

- Ten ACH beds in semi -private rooms at The Coventry are difficult to fill.
- Relocating the existing ACH beds will create more options for potential residents to have private rooms.

On Form D.1 in Section Q, the applicant provides projected utilization for the Health Center, as illustrated in the following table.

<b>Historical and Projected Health Service Facility Bed Utilization</b>					
<b>The Coventry (ACF)</b>	<b>Last Full FY</b>	<b>Interim Full FY</b>	<b>1<sup>st</sup> Full FY</b>	<b>2<sup>nd</sup> Full FY</b>	<b>3<sup>rd</sup> Full FY</b>
	<b>7/1/22-6/30/23</b>	<b>7/1/23 -6/30/24</b>	<b>7/1/24 – 6/30/25</b>	<b>7/1/25 – 6/30/26</b>	<b>7/1/26 – 6/30/27</b>
<b>ACH – All Beds</b>					
Total # Beds, including all those in a SCU	60	50	60	50	60
# of Admissions or Discharges (Admissions)	33	32	32	33	33
# of Patient Days	16,821	17,917	17,776	17,812	17,885
Average Length of Stay	509.7	559.9	555.5	539.8	542.0
Occupancy Rate	76.8%	97.9%	97.4%	97.6%	98.0%
<b>ACH-Special Care Unit Beds</b>					
Total # of SCU Beds	14	14	14	14	14
# of Admissions or Discharges (Admissions)	6	6		5	5
# of Patient Days	4,462	4,987	4,928	4,928	4,927.5
Average Length of Stay	743.7	831.2	985.6	985.6	1,231.9
Occupancy Rate	87.3%	97.3%	96.4%	96.4%	96.4%

In the Assumptions and Methodology for Form D.1 in Section Q, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized data based on the previous fiscal year, FYE 6/30/2023 and Q1 of FYE 6/30/24 to develop projections.
- The applicant states that the 10 ACH beds will be moved from The Coventry to SJPHC effective April 1, 2024.
- The applicant states that the Interim Full FY through 6/30/2024 projections includes the relocation of 10 ACH beds from The Coventry to SJPHC as well as the 50 ACH beds at The Coventry.

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

- The applicant relies on historical utilization at the existing facility.
- The applicant adequately explains the projected increase in utilization during the first interim project year.
- The applicant adequately explains that the results of the relocation of beds will be to allow more seniors access to ACH beds in accommodations they prefer on the same campus.

**Access to Medically Underserved Groups**

In Section C, page 45, the applicant states:

*“There will be no impact on any of the groups. With the 10 beds being relocated to the Health Center on the same campus to 10 private rooms more seniors will have access to the care needed in the setting they prefer; a private room.”*

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to have access to ACH beds on the same campus. Because the ACH beds that are being relocated from semi-private rooms have historically been under-utilized, it will not have an impact on the needs of medically underserved groups currently seeking healthcare at ACH facilities.

### **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 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.

### **C**

The applicant proposes to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

In Section E, page 48, the applicant describes the alternative considered and explains why the alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The applicant states the only option would be to add on to The Coventry, which would take time and capital therefore, this was not an effective alternative to meet the need.

On page 48, the applicant states that its proposal is the most effective alternative because it will allow 10 ACH beds that are underutilized to be more fully utilized, by appealing to seniors in the market who prefer private rooms.

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

- The applicant provides reasonable 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

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

- 1. St. Joseph of the Pines Inc. and Trinity Continuing Care Services (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall relocate no more than 10 adult care home beds from The Coventry to St. Joseph of the Pines Health Center in Moore County.**
- 3. Upon completion of this project, The Coventry shall be licensed for no more than 50 adult care home beds and St. Joseph of the Pines Health Center shall be licensed for no more than 10 adult care home beds and 90 nursing facility beds upon completion of this project and Project ID# H-12290-22.**
- 4. 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.**
- 5. 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.ncdhs.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 June 1, 2024.**
6. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project’s proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
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.**
- (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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

**Capital and Working Capital Costs**

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

<b>Projected Capital Cost</b>	
Furniture	\$250,000
Other Paint/Carpeting	\$250,000
<b>Total</b>	<b>\$500,000</b>

In Section Q, immediately following Form F.1a, the applicant provides the assumptions used to project the 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 states there is no remodeling or other updating that needs to be done to the resident living space.
- The applicant costs were projected based on estimates involving refreshing of the space, specifically painting of rooms and common areas, window treatments and updating of the Spa room.
- The applicant states the estimated \$250,000 for the refreshing of the wing and then another \$250,000 for new furniture in the rooms and common areas for a total of \$500,000.

In Section F, page 50, the applicant states there will be no start-up costs or initial operating expenses because the Health Center is a currently operating nursing facility.

**Financial Feasibility**

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. On Forms F.2b and F.3b in Section Q, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

Projected Revenues and Net Income upon Projected Completion	1 <sup>st</sup> Full Fiscal Year	2 <sup>nd</sup> Full Fiscal Year	3 <sup>rd</sup> Full Fiscal Year
<b>St. Joseph of the Pines Health Center / 10 ACH Beds</b>	<b>7/01/2024 – 6/30/2025</b>	<b>7/01/2025 – 6/30/2026</b>	<b>7/01/2026 – 06/30/2027</b>
Total # of Patient <i>Days</i>	3,376	3,468	3,504
Total Gross Revenues (Charges)	\$15,570,936	\$15,928,837	\$16,197,801
Total Net Revenue	\$11,640,916	\$11,908,618	\$12,109,768
Average Net Revenue per patient days	\$3,448	\$3,434	\$3,456
Total Operating Expenses (Costs)	\$11,587,472	\$11,783,279	\$11,981,917
Average Operating Expense per patient days	\$3,432	\$3,398	\$3,419
Net Income	\$53,444	\$125,339	\$127,851

The assumptions used by the applicant in preparation of the pro forma financial statements are provided immediately following in Section Q on Form F.2b and Form.3b.

The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant provides appropriate funding for line items such as salaries on Form F.3b and includes the assumptions and methodology used in projecting the operating expenses found on Form F.3b.
- The applicant provides the details of projected rates for future ACH residents on Form F.4 and includes the assumptions and methodology used in calculating the resident rates found on Form F.4.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

**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 capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
  - The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
  - 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 revenues and operating expenses for all the reasons described above.
- (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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry no more than 10 ACH beds and 90 NF beds at St. Joseph Health Center upon completing of this project and Project ID# H-12290-22 upon project completion

On page 171, the 2023 SMFP defines the service area for ACH beds as “... *the county in which the adult care home bed is located. Each of the 100 counties is a separate service area.*” Thus, the service area for this facility is Moore County. Facilities may also serve residents of counties not included in their service area.

Table 11A on page 191 of the 2023 SMFP shows a total of 543 existing ACH beds in eight existing ACH facilities. The table below summarizes the existing facilities and ACH beds as shown in the 2023 SMFP.

<b>Moore County Inventory of Existing/Approved ACH Beds</b>			
<b>Facility</b>	<b># of Beds</b>	<b>CON Adjustments</b>	<b>Planning Inventory</b>
Aegis Family Care Home- Longleaf	18	0	18
Brookdale Pinehurst	76	0	76
Fox Hollow Senior Living Community	85	0	85
Magnolia Gardens	110	0	110
Peak Resources – Pinelake	20	0	20
Seven Lakes Assisted Living	60	0	60
Tara Plantation of Carthage	80	0	80
TerraBella Southern Pines	94	0	94
<b>Total</b>	<b>543</b>	<b>0</b>	<b>543</b>

Source: 2023 SMFP

In Section G, page 56, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved ACH bed services in Moore County. The applicant states:

*“The proposed project is to relocate 10 ACH beds from The Coventry into St. Joseph of the Pines Health Center, part of the same campus and health Care entity. There will be no increase in ACH beds as a result of this proposal. The project is being done as the 10 beds are currently ‘second beds’ in semi-private rooms that are underutilized in The Coventry due to potential residents preferring private rooms. The 10 beds will be relocated to the Health Center and be located in a wing on the second floor all in private rooms.”*

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 adequately demonstrates the need the population of Moore County has for additional private rooms in ACH facilities.
- The applicant adequately demonstrates the proposed relocation of ACH beds is needed in addition to the status quo of existing ACH facilities in Moore 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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

In Section Q, the applicant provides the current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

<b>St. Joseph of the Pines Health Center – Current &amp; Projected Staffing – FYs 1-3</b>				
	<b>Current 06/30/2023</b>	<b>FY 1 06/30/2025</b>	<b>FY 2 06/30/2026</b>	<b>FY 3 06/30/2027</b>
Registered Nurses (RNs)	9.49	9.49	9.49	9.49
Licensed Practical Nurses	17.70	17.70	17.70	17.70
Certified Nurse Aides/Nursing Assistants	46.85	53.85	53.85	53.85
Director of Nursing	0.93	0.93	0.93	0.93
MDS Nurse	0.65	0.65	0.65	0.65
Staff Development Coordinator	0.73	0.73	0.73	0.73
Cooks	3.22	3.22	3.22	3.22
Dietary Aides	6.84	6.84	6.84	6.84
Social Workers	0.97	0.97	0.97	0.97
Activities Director	1.66	1.86	1.86	1.86
Medical Records	1.02	1.02	1.02	1.02
Housekeeping	6.80	7.80	7.80	7.80
Maintenance/ Engineering	1.07	1.07	1.07	1.07
Administrator/CEO	1.25	1.25	1.25	1.25
Business Office	1.03	1.03	1.03	1.03
Clerical	2.56	2.56	2.56	2.56
Other Director Clinical Services	0.42	0.42	0.42	0.42
Other Clinical Liaison	0.11	0.11	0.11	0.11
<b>Total</b>	<b>103.0</b>	<b>112</b>	<b>112</b>	<b>112</b>

<b>The Coventry – Current &amp; Projected Staffing – FYs 1-3</b>				
	<b>Current 06/30/2023</b>	<b>FY 1 06/30/2025</b>	<b>FY 2 06/30/2026</b>	<b>FY 3 06/30/2027</b>
Registered Nurses (RNs)	0.88	0.88	0.88	0.88
Certified Nurse Aides/Nursing Assistants	22.47	22.47	22.47	22.47
Activities Director	0.90	0.90	0.90	0.90
Medical Records	1.41	1.41	1.41	1.41
Housekeeping	2.56	2.56	2.56	2.56
Clerical	1.17	1.17	1.17	1.17
Other Director Clinical Services	0.69	0.69	0.69	0.69
<b>Total</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>

The assumptions and methodology used to project staffing are provided in Section Q immediately following Form H. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, page 57, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant provides the assumptions and methodology used to project staffing.

- The applicant describes steps it has taken to implement plans to recruit staff and discusses the resources it will use to recruit personnel as well as provide staff training.

### **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 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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

### **Ancillary and Support Services**

In Section I, page 59, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 59 - 60, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available because the applicant currently has in place all of the necessary ancillary and support services.

### **Coordination**

In Section I, pages 60, the applicant describes its existing and proposed relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system because the applicant states they have contracts with healthcare providers for services as needed in the community.

### **Conclusion**

The Agency reviewed the:

- Application

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.

- (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**

- (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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no

more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

In Section K, page 63, the applicant states the proposed project does not include construction nor renovation of existing space. The applicant states that the proposed site, located at 103 Gossman Road in Southern Pine, is a vacant wing within St. Joseph of the Pines Health Center, a currently operating nursing facility. The wing is located on the second floor of the Health Center and consists of 16 resident rooms with bathrooms. All utilities, including water, sewer/waste disposal and power are currently available on the wing.

**Conclusion**

The Agency reviewed the:

- Application

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, Pages 66 – 68, the applicant provides the historical payor mix for both The Coventry and St. Joseph of the Pines Health Center, as shown in the table below.

<b>Payor Category Last Full FY 7/1/2022 to 6/30/2023</b>	<b>St. Joseph of the Pines Health Center % of patients</b>	<b>The Coventry % of patients</b>
Self-Pay	32.18%	100%
Charity Care	0%	0%
Medicare	41.28%	0%
Medicaid	25.02%	0%
Insurance	0.17%	0%
Workers Compensation	0.04%	0%
TRICARE	0%	0%
Other (Hospice)	1.30%	0%
<b>Total</b>	<b>100.0%</b>	<b>100%</b>

Source: Section L, pages 66-67

In Section L, pages 67-68, the applicant provides the following comparison.

	<b>% OF TOTAL PATIENTS SERVED BY THE ST. JOSEPH OF THE PINES HEALTH CENTER DURING THE LAST FULL FY</b>	<b>% OF TOTAL PATIENTS SERVED BY THE COVENTRY DURING THE LAST FULL FY</b>	<b>% OF THE POPULATION IN THE SERVICE AREA</b>
Female	59.40%	69.70%	51.10%
Male	40.60%	30.30%	48.90%
Unknown	0.00%	0.00%	0.00%
64 and Younger	3.94%	0.00%	76.10%
65 and Older	96.06%	100.00%	23.90%
American Indian	0.53%	0.00%	1.20%
Asian	0.70%	3.03%	1.80%
Black or African-American	16.17%	0.00%	11.10%
Native Hawaiian or Pacific Islander	0.00%	0.00%	0.20%
White or Caucasian	74.52%	63.64%	77.00%
Other Race	0.17%	0.00%	7.70%
Declined / Unavailable	7.91%	33.33%	0.00%

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the applicant adequately documents 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. Therefore, the application is conforming to this criterion.

- (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 ... persons [with disabilities] to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

**C**

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 68, the applicant states that The Coventry does have obligations to provide uncompensated care, community service or access by minorities and persons with disabilities. The applicant states that it follows all Federal non-discrimination policies including, but not limited to gender, race, age, disabilities.

In Section L, page 68, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil against right access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (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 69, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

<b>Projected Payor Mix during the 3<sup>rd</sup> Full FY 7/01/2026 to 6/30/2027</b>	<b>St. Joseph Health Center % of Total Patients Served</b>	<b>Nursing Facility % of Total Patients Served</b>	<b>Adult Care Homes % of Total Patients Served</b>
Self-Pay	43.08%	34.98%	100.0%
Charity Care	0.00%	0.00%	0.00%
Medicare	35.18%	40.18%	0.00%
Medicaid	18.42%	21.04%	0.00%
Insurance	0.84%	0.96%	0.00%
Workers Compensation	0.00%	0.00%	0.00%
TRICARE	0.00%	0.00%	0.00%
Other (Hospice)	2.48%	2.84%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Section L, page 69

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 43.08% of total services will be provided to self-pay patients, 0.00% to charity care patients, 35.18% to Medicare patients and 18.42% to Medicaid patients.

On page 69, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:



- The applicant reasonably assumes that the payor source by percentage of total patients served will equal the payor source proportionate to the total number of patient days for the third full fiscal year.
- The applicant reasonably assumes that the proportion of residents relying on Medicaid will remain the same as the proportion of beds available for the third full fiscal year.

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 reasons stated above.

- (d) That the applicant offers a range of means by which a person will have access to its services.

### C

In Section L, page 70, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

In Section M, page 72, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes. The applicant adequately demonstrates that students at Sandhills Community College will have access to the facility for training purposes as a clinical learning site.

### 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 for all the reasons described above.

- (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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph of the Pines Health Center upon completion of this project and Project ID# H-12290-22.

On page 171, the 2023 SMFP defines the service area for ACH beds as “*the county in which the adult care home bed is located.*” The proposed ACH facility and the existing facility from which the ACH beds are to be relocated are both located in Moore County. Thus, the service area for this project is Moore County. Facilities may also serve residents of counties not included in their service area.

Table 11A on page 191 of the 2023 SMFP shows a total of 543 existing ACH beds in eight existing ACH facilities. The table below summarizes the existing facilities and ACH beds as shown in the 2023 SMFP.

<b>Moore County Inventory of Existing/Approved ACH Beds</b>			
<b>Facility</b>	<b># of Beds</b>	<b>CON Adjustments</b>	<b>Planning Inventory</b>
Aegis Family Care Home- Longleaf	18	0	18
Brookdale Pinehurst	76	0	76
Fox Hollow Senior Living Community	85	0	85
Magnolia Gardens	110	0	110
Peak Resources – Pinelake	20	0	20
Seven Lakes Assisted Living	60	0	60
Tara Plantation of Carthage	80	0	80
TerraBella Southern Pines	94	0	94
<b>Total</b>	<b>543</b>	<b>0</b>	<b>543</b>

Source: 2023 SMFP

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 73, the applicant states:

*“There are no expected effects on competition in the service area. This proposal is simply relocating 10 ACH beds from The Coventry, a licensed ACH, to St. Joseph of the Pines, a licensed nursing facility. Both The Coventry and St. Joseph of the Pines Health Center are part of St. Joseph of the Pines, Inc. though they are licensed separately. This proposal does not increase or decrease the number of ACH beds nor does it relocate the beds to a different county. There is no change in the status quo of ACH beds.”*

Regarding the impact of the proposal on cost effectiveness, in Section N, page 77, the applicant states:

*“There will be a positive impact in the areas listed above with the relocation of the beds from The Coventry to the Health Center. Moving the 10 beds to be part of the health Center allows the 10 beds unit to draw on the cost efficiencies of the ancillary/support services listed in Section I above rather than having to provide all the services on its own. St. Joseph of the Pines Health Center, where the 10 ACH beds will be located, also operates 90 nursing home beds providing the opportunity for preventative care for the ACH residents. Finally, the pricing structure on the 10 beds will be lower than the pricing structure in The Coventry allowing more potential residents the opportunity to move in.”*

See also Sections C, D, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 73, the applicant states:

*“St. Joseph of the Pines Health Center, where the 10 ACH bed will be located, also operates 90 nursing home beds providing the opportunity for preventative care for the ACH residents.”*

See also Section C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 73, the applicant states:

*“...the pricing structure on the 10 beds will be lower than the pricing structure in The Coventry allowing more potential residents the opportunity to move in.”*

See also Section L and C of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services and the applicant’s record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

### **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 all the reasons described 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 to relocate no more than 10 ACH beds from The Coventry to St. Joseph of the Pines Health Center for a total of no more than 50 ACH beds at The Coventry and no more than 10 ACH beds and 90 NF beds at St. Joseph Health Center upon completion of this project and Project ID# H-12290-22.

In Section O, page 75, the applicant identifies the adult care homes located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of one of this type of facility located in North Carolina.

In Section O, page 75, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in one of these facilities. Two Type A2 violations were noted. There were no suspensions or revocations of licenses. According to the files in the Adult Care Licensure 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 one of these facilities, St. Joseph of the Pines, Inc. – The Coventry. 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, no incidents related to quality of care occurred at St. Joseph of the Pines, Inc. St. Joseph of the Pines Health Center. After reviewing and considering information provided by the applicant and by the Adult Care Licensure and Nursing Home Licensure and Certification Sections and considering the quality of care provided at the and Nursing Home and ACH 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.

NA

The applicant proposes to relocate 10 existing ACH beds from an existing and operational facility in Moore County to another existing and operational facility in Moore County. The Criteria and Standards for Nursing Facility or Adult Care Home Services promulgated in 10A NCAC 14C .1100 are not applicable to this review because the applicant does not propose to develop either nursing home facility beds or adult care home beds pursuant to a need determination.