

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: July 18, 2024

Findings Date: July 18, 2024

Project Analyst: Gregory F. Yakaboski

Co-Signer: Micheala Mitchell

Project ID #: F-12489-24

Facility: Windsor Run Assisted Living

FID #: 240133

County: Mecklenburg

Applicant: Windsor Run, LLC

Project: Develop a new 96 bed ACH facility by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 ACH beds from Pineville Rehabilitation Center

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.

C

Windsor Run, LLC (hereinafter referred to as “the applicant”), proposes to develop a new 96 bed adult care home (ACH) facility, Windsor Run Assisted Living, on its existing Windsor Run continuing care retirement community (CCRC) campus in Mecklenburg County by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehabilitation and Living Center (Pineville Rehab Center) also located in Mecklenburg County.

Windsor Run (referred to herein as Windsor Run or Windsor Run CCRC) is a CCRC located on a 60-acre campus in Matthews, Mecklenburg County with 619 existing independent living units (ILUs). Windsor Run currently operates a licensed nursing facility (NF), Continuing Care at Windsor Run (CCWR), with 36 NF beds and 10 ACH beds. The current proposed project is separate and distinct from CCWR.

The 86 ACH beds proposed to be developed pursuant to Policy LTC-1 are designed to meet the current and future internal needs generated from Windsor Run's independent living residents who have continuing care contracts. Ten existing ACH beds are being transferred from Pineville Rehabilitation and Living Center and will allow patients to become part of Windsor Run directly at the assisted living stage as opposed to first starting with Windsor Run at the ILU stage. The applicant states that the 10 ACH beds will be open to the public as needed.

The ultimate owner of Windsor Run, LLC is Erickson Living Holdings, LLC which owns 100% of Erickson Living Properties, LLC which owns 90% of the applicant, Windsor Run, LLC.

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 2024 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

Policies

There are two policies in the 2024 SMFP applicable to this review: Policy LTC-1: *Plan Exemption for Continuing Care Retirement Communities – Adult Care Home Beds*, and Policy GEN-4: *Energy Efficiency and Sustainability for Health Service Facilities*. Policy LTC-1 only applies to the 86 ACH beds being developed pursuant to Policy LTC-1.

Policy LTC-1: *Plan Exemption for Continuing Care Retirement Communities – Adult Care Home Beds*, on page 25 of the 2024 SMFP, states:

Qualified continuing care retirement communities may include from the outset or add or convert bed capacity for adult care without regard to the adult care home bed need shown in Chapter 11: Adult Care Homes. To qualify for such exemption, the applicant shall document that the proposal meets all the following requirements:

- 1. will only be developed concurrently with, or subsequent to, construction on the same site of independent living accommodations (apartments and homes) for people who are able to carry out normal activities of daily living without assistance; such accommodations may be in the form of apartments, flats, houses, cottages, and rooms.*
- 2. will provide for the provision of nursing services, medical services or other health related services as required for licensure by the North Carolina Department of Insurance.*
- 3. will be used exclusively to meet the needs of people with whom the facility has continuing care contracts (in compliance with the North Carolina Department of Insurance statutes and rules) who have lived in a non-nursing or adult care unit of the*

continuing care retirement community for a period of at least 30 days. Exceptions shall be allowed when one spouse or sibling is admitted to the adult care home unit at the time the other spouse or sibling moves into a non-nursing or adult care unit, or when the medical condition requiring nursing or adult care home care was not known to exist or be imminent when the individual became a party to the continuing care contract.

4. reflects the number of adult care home beds required to meet the current or projected needs of residents with whom the facility has an agreement to provide continuing care after making use of all feasible alternatives to institutional adult care home care.

5. will not participate in the Medicaid program or serve State-County Special Assistance recipients.

One hundred percent of the adult care home beds developed under this exemption shall be excluded from the inventory used to project adult care home bed need for the general population. Certificates of need issued under policies analogous to this policy in the North Carolina State Medical Facilities Plans subsequent to the North Carolina 2002 State Medical Facilities Plan are automatically amended to conform with the provisions of this policy at the effective date of this policy.

Policy LTC-1. In Section B, pages 25-26, the applicant provides information to show its application is conforming to Policy LTC-1.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2024 SMFP, states:

“Any person proposing a capital expenditure greater than \$4 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

In approving a certificate of need proposing an expenditure greater than \$5 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178, Certificate of Need shall impose a condition requiring the applicant to develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN-4.

Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 is required to submit a plan of energy efficiency and water conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant’s representation in the written statement as described in

paragraph one of Policy GEN-4. The plan shall not adversely affect patient or resident health, safety or infection control.”

Policy GEN-4. The proposed capital expenditure for this project is approximately \$45.3 million. In Section B, pages 27-28, and in Section K, page 73 the applicant describes the project’s plan to improve energy efficiency and conserve water. The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

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 proposal is consistent with Policy LTC-1 and Policy GEN-4 for the following reasons:
 - The 86 ACH beds will be developed on an existing CCRC campus; the CCRC operates a skilled nursing facility on its campus, the 86 ACH beds will be used exclusively by people with facility continuing care contracts, the ACH beds are required to meet the needs of the CCRC community, and the 86 ACH beds will not be certified for participation in the Medicaid program or serve State-County Special Assistance recipients.
 - The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.
- (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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

Patient Origin

On page 179, the 2024 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.*” The 10 non-Policy LTC-1 ACH beds were in a facility in Mecklenburg County and the applicant proposes to relocate those same 10 ACH beds to, and develop 86 Policy LTC-1 ACH beds in, a new facility also in Mecklenburg County. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates projected patient origin.

ACH Beds	Windsor Run Assisted Living					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	CY2030		CY2031		CY2032	
County	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Mecklenburg	65	100.0%	70	100.0%	83	100.0%

Source: Table on page 31 of the application.

In Section C, page 31, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported because “*Residents of the proposed ACH beds will be residents of the Windsor Run CCRC, thus, 100 percent of projected patient origin will be comprised of Mecklenburg County residents.*”

Analysis of Need

In C.4, pages 32-40, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

- Robust occupancy of Windsor Run’s existing independent living units (pages 36-37).
- Ongoing development of additional independent living units at Windsor Run (pages 37-38).
- Population aging and growth in the service area (pages 33-35).
- Actuarial analysis for Windsor Run CCRC (pages 38-40).

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

- The applicant provides reliable data from the North Carolina Office of State Budget and Management (NC OSMB) and the North Carolina State Center for Health Statistics to support its projections of population growth and aging in the service area.

- Windsor Run CCRC will have 900 ILU’s as of 2025. The residents of Windsor Run CCRC have continuing care contracts and Windsor Run CCRC currently only has 10 ACH beds. The applicant documents that, in the third full year after project completion, the ratio of ILU’s to ACH beds at Windsor Run is within the range of existing CCRC’s in Mecklenburg County.
- The applicant relied, in part, on an actuarial analysis for Windsor Run CCRC ILU’s, ACH and NF beds prepared by Continuing Care Actuaries, LLC which has performed analysis for over 450 CCRCs nationally and possesses one of the largest databases of CCRC residents with over 600,000 life years. A copy of the actuarial analysis is included in Exhibit C.4.

Projected Utilization

In Section Q, Form C.1b *ACH Bed Utilization*, page 91 the applicant provides projected utilization, as illustrated in the following table:

Windsor Run Assisted Living: Projected Utilization

	Partial Year	1st Full FY	2nd Full FY	3rd Full FY
	5/1/2029- 12/31/2029	CY2030	CY2031	CY2032
Total # of ACH Beds	96	96	96	96
Patient Days	8,816	23,598	25,704	30,431
Maximum Capacity*	23,520	35,040	35,040	35,040
Occupancy Rate	37.5%**	67.3%	73.4%	86.8%

*Maximum capacity = # of beds x 365 days [96 x 365 = 35,040]. Note: for the partial year maximum capacity was based on 245 days [96 x 245 = 23,520].

**The applicant, on page 91, has the occupancy rate as 25.2%. However, this is based on a full year # of days, not the partial year # of days.

In Section Q, Form C.1b *ACH Bed Utilization-Assumptions and Methodology*, page 92, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The project is scheduled for completion and services to be offered starting May 1, 2029. At this time Windsor Run will be in its 11th year of operation.
- The first full three project years are:
 - Project Year One: Calendar Year (CY) 2030
 - Project Year Two: Calendar Year 2031
 - Project Year Three: Calendar Year 2032
- Construction of the full complement of The Independ Living Unit (ILU) units will be completed in 2025.
- The total number of independent living units will be 900.

- The actuarial report in Exhibit C.4 projects the community's 900 independent living units to reach 96.2% occupancy during the first half of 2026.
- The residents that entered Windsor Run during 2018-2019 in their 70s will be in their 80s in 2029, consistent with the typical age of assisted living residents.
- Access to ACH beds at Windsor Run is currently limited to only 10 beds located within the skilled nursing facility. The existing 10 beds are currently utilized at 100 percent occupancy.
- The robust occupancy and maturity of Windsor Run necessitate development of the proposed ACH facility with additional ACH bed capacity to ensure continued access to assisted living services for its residents.
- The average fill rate during the partial project year (i.e., 8 months, May 2029-December 2029) is eight residents per month. The fill rate during the partial year factors in the pent-up need for ACH beds at the community.
- Utilization during the first three project years is based on the movement of residents from independent living to assisted living, which is based on Erickson Senior Living's management experience at similar communities and consistent with actuarial projections in Exhibit C.4.
- Projected occupancy rates are reasonable and supported by ACH occupancy experience in Wake [sic- should read Mecklenburg] County for CCRCs. [See table on page 92 of the application.]

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

- The applicant provides reliable data from the North Carolina Office of State Budget and Management (NC OSMB) and the North Carolina State Center for Health Statistics to support its projections of population growth and aging in the service area.
- Windsor Run CCRC will have 900 ILU's as of 2025. The residents of Windsor Run CCRC have continuing care contracts and Windsor Run CCRC currently only has 10 ACH beds. The applicant documents that, in the third full year after project completion, the ratio of ILU's to ACH beds at Windsor Run is within the range of existing CCRC's in Mecklenburg County.
- The applicant relied, in part, on an actuarial analysis for Windsor Run CCRC ILU's, ACH and NF beds prepared by Continuing Care Actuaries, LLC which has performed analysis for over 450 CCRCs nationally and possesses one of the largest databases of CCRC residents with over 600,000 life years. A copy of the

actuarial analysis is included in Exhibit C.4.

Access to Medically Underserved Groups

In Section C, page 44, the applicant states,

“Windsor Run will afford equal treatment and access to its services for all persons, without discrimination due to race, color, religion, sex, age, marital status, national origin, sexual orientation, ancestry, or disability, or any other factor that would classify a resident as underserved.”

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

Group	Estimated Percentage of Total Patients during the Third Full Fiscal Year (CY2032)
Low-income persons	0%
Racial and ethnic minorities	1%
Women	60%
Persons with disabilities	100%
Persons 65 and older	100%
Medicare beneficiaries	0%
Medicaid recipients	0%

Source: Table on page 44.

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.

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 to develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

Pineville Rehabilitation and Living Center is a NF facility that also has 10 existing and licensed ACH beds. The facility is located at 1010 Lakeview Drive, Pineville in Mecklenburg County. The applicant has entered into a purchase agreement with Pineville Rehabilitation Center (NH0521) to transfer the facility's 10 ACH beds to the proposed new facility.

In Section D, page 50, 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 50, the applicant states:

“Pineville Rehabilitation Center intends to discontinue its assisted living program regardless of the outcome of this application. Thus, the proposed project is an effective alternative to maintain access to licensed ACH bed capacity in Mecklenburg County. Individual patients will not be impacted by the proposed bed relocation. Pineville Rehabilitation Center intends to gradually reduce bed utilization through attrition. Please see Exhibit I.2 for a letter from Pineville Rehabilitation Center.”

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

- The 10 ACH beds currently serve 100 percent private pay residents.
- As the affected beds are not being developed pursuant to SMFP Policy LTC-1, they will continue to be available to the general public, i.e., residents of Mecklenburg County and surrounding communities.
- According to Google Maps, Windsor Run Assisted Living is only 12.2 miles from Pineville Rehabilitation and Living Center. In addition, both are located in the same county, Mecklenburg.
- In Exhibit I.2, there is a letter from Pineville Rehabilitation and Living Center which states,

“The 10 ACH beds currently serve 100 percent private pay residents. Individual patients will not be impacted by the proposed bed relocation. Several of the ACH beds are (and have been) unoccupied, and Pineville Rehabilitation Center intends to gradually reduce its ACH bed utilization through attrition of the current residents. Removing these ACH beds from Pineville will free up space that can be dedicated to Pineville's SNF residents, which is the core mission of the Pineville facility.”

In Section Q, Form C.1b *ACH Bed Utilization*, page 91 the applicant provides projected utilization, as illustrated in the following table:

Windsor Run Assisted Living: Projected Utilization

	Partial Year	1st Full FY	2nd Full FY	3rd Full FY
	5/1/2029- 12/31/2029	CY2030	CY2031	CY2032
Total # of ACH Beds	96	96	96	96
Patient Days	8,816	23,598	25,704	30,431
Maximum Capacity*	23,520	35,040	35,040	35,040
Occupancy Rate	37.5%**	67.3%	73.4%	86.8%

*Maximum capacity = # of beds x 365 days [96 x 365 = 35,040]. Note: for the partial year maximum capacity was based on 245 days [96 x 245 = 23,520].

**The applicant, on page 91, has the occupancy rate as 25.2%. However, this is based on a full year # of days, not the partial year # of days.

In Section Q, Form C.1b *ACH Bed Utilization-Assumptions and Methodology*, page 92, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The project is scheduled for completion and services to be offered starting May 1, 2029. At this time Windsor Run will be in its 11th year of operation.
- The first full three project years are:
 - Project Year One: Calendar Year (CY) 2030
 - Project Year Two: Calendar Year 2031
 - Project Year Three: Calendar Year 2032
- Construction of the full complement of The Independ Living Unit (ILU) units will be completed in 2025.
- The total number of independent living units will be 900.
- The actuarial report in Exhibit C.4 projects the community’s 900 independent living units to reach 96.2% occupancy during the first half of 2026.
- The residents that entered Windsor Run during 2018-2019 in their 70s will be in their 80s in 2029, consistent with the typical age of assisted living residents.
- Access to ACH beds at Windsor Run is currently limited to only 10 beds located within the skilled nursing facility. The existing ten beds are currently utilized at 100 percent occupancy.
- The robust occupancy and maturity of Windsor Run necessitate development of the proposed ACH facility with additional ACH bed capacity to ensure continued

access to assisted living services for its residents.

- The average fill rate during the partial project year (i.e., 8 months, May 2029-December 2029) is eight residents per month. The fill rate during the partial year factors in the pent-up need for ACH beds at the community.
- Utilization during the first three project years is based on the movement of residents from independent living to assisted living, which is based on Erickson Senior Living's management experience at similar communities and consistent with actuarial projections in Exhibit C.4.
- Projected occupancy rates are reasonable and supported by ACH occupancy experience in Wake [sic- should read Mecklenburg] County for CCRCs. [See table on page 92 of the application.]

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

- The applicant provides reliable data from the North Carolina Office of State Budget and Management (NC OSMB) and the North Carolina State Center for Health Statistics to support its projections of population growth and aging in the service area.
- Windsor Run CCRC will have 900 ILU's as of 2025. The residents of Windsor Run CCRC have continuing care contracts and Windsor Run CCRC currently only has 10 ACH beds. The applicant documents that, in the third full year after project completion, the ratio of ILU's to ACH beds at Windsor Run is within the range of existing CCRC's in Mecklenburg County.
- The applicant relied, in part, on an actuarial analysis for Windsor Run CCRC ILU's, ACH and NF beds prepared by Continuing Care Actuaries, LLC which has performed analysis for over 450 CCRCs nationally and possesses one of the largest databases of CCRC residents with over 600,000 life years. A copy of the actuarial analysis is included in Exhibit C.4.

Access to Medically Underserved Groups

In Section D, page 51, the applicant states,

“The 10 ACH beds to be relocated from Pineville Rehabilitation Center were not developed pursuant to a certificate of need, thus, no representations were made regarding access by the medically underserved in those beds. The 10 ACH beds currently serve 100 percent private pay residents. As the affected beds are not being developed pursuant to SMFP Policy LTC-1, they will continue to be available to the general public, i.e., residents of Mecklenburg County and surrounding communities.”

...

The applicant will afford equal treatment and access to its services for all persons, without discrimination due to race, color, religion, sex, age, marital status, national origin, sexual orientation, ancestry, or disability, or any other factor that would classify a resident as underserved.”

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use the ACH bed services will be adequately met following completion of the project.

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 reduced, eliminated or 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 to develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

In Section E, page 54, the applicant describes the alternatives it 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 alternatives considered were:

Maintain the Status Quo – The applicant states that it is developing the final phase of ILU’s at Windsor Run CCRC for a total complement of 900 ILU’s and that the current complement of 10 ACH beds is insufficient to meet the needs of Windsor Run CCRC’s residents. In addition,

there is a large and growing population 65+ and older in Mecklenburg County. Therefore, the applicant determined that this was not the most effective alternative.

Development of Multi-Unit Assisted Housing with Services (MUAS) instead of ACH Beds – MUAS cannot have in-house personal assistance staff, instead they have to arrange for hands-on personal care services with an outside agency. In addition, MUAS are not licensed. The applicant's experience is that ACH beds provide more comprehensive care and they are licensed. Further, ACH beds are consistent with the expectations of Windsor Run CCRC's residents who have continuing care contracts. Therefore, the applicant determined that this was not the most effective alternative.

Propose a Different Complement of Beds- The applicant states that the proposed complement of ACH beds is needed to meet the demand generated from residents of Windsor Run CCRC's independent living units with whom Windsor Run CCRC has continuing care contracts. Therefore, the applicant determined that this was not the most effective alternative.

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. Therefore, the application is approved subject to the following conditions:

- 1. Windsor Run, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop a new 96 bed ACH facility by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 ACH beds from Pineville Rehabilitation Center.**
- 3. Upon completion of the project, Windsor Run Assisted Living shall be licensed for no more than 96 ACH beds.**

4. **The Policy LTC-1 adult care home beds shall not participate in the Medicaid program or serve State-County Special Assistance recipients.**
5. **The Policy LTC-1 adult care home 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 or adult care 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 adult care home unit at the time the other spouse or sibling moves into a non-nursing or adult care unit, or when the medical condition requiring nursing or adult care home care was not known to exist or be imminent when the individual became a party to the continuing care contract.**
6. **The new Policy LTC-1 adult care home beds shall be developed on the same site with the independent living units.**
7. **Prior to the issuance of the certificate of need, Windsor Run, LLC (buyer) shall obtain documentation from Pineville Propco LLC (seller) showing that the purchase transaction between the buyer and seller has completed and shall provide a copy of the documentation to the Healthcare Planning and Certificate of Need Section.**
8. **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. **The first progress report shall be due on December 1, 2024.**
9. **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.**
10. **The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**

11. 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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 93, the applicant projects the total capital cost of the project, as shown in the table below.

Bed Right Purchase Price	\$300,000
Site Preparation	\$1,901,400
Construction Costs	\$37,085,300
Architect/Engineering Fees	\$2,052,100
Other Costs	\$4,012,000
Total	\$45,350,800

In Section Q, Form F.1a, page 93, Form F.1a Capital Assumptions, page 100, and Exhibit K.3, 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:

- Construction costs are based on historical projects of similar nature and size adjusted for other material cost variables and inflation.
- The experience of Erickson Living Developments with other similar projects and cost estimates were relied upon for projected costs for non-medical equipment, medical equipment, furniture, fees for consultants, architects and engineering.
- The applicant included a design contingency fee of 5.0% based on hard construction costs.

In Section F.3, page 58, the applicant projects that start-up costs will be \$100,000 and initial operating expenses will be \$511,769 for a total working capital of \$611,769. On page 58, 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.

Availability of Funds

In Section F.2, page 56, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing		
Type	Windsor Run, LLC	Total
Loans	\$0	\$0
Cash and Cash Equivalents, Accumulated Reserves or OE *	\$45,350,800	\$45,350,800
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$45,350,800	\$45,350,800

* OE = Owner's Equity

In Section F.3, page 59, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital [Windsor Run, LLC]	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$611,769
Lines of credit	\$0
Bonds	\$0
Total *	\$611,769

Exhibit F.2 contains a letter dated February 13, 2024, from the Treasurer of the applicant, Windsor Run, LLC, documenting that Erickson Living Holdings, LLC owns 100% of Erickson Living Properties, LLC which owns 90% of the applicant; that Erickson Living Holdings is committing up to \$47.0 million to fund the proposed project; and that Windsor Run, LLC intends to use the funds invested by its owner for the proposed project.

Exhibit F.2 also contains a letter dated February 13, 2024, from the Treasurer of Erickson Living Holdings, LLC stating that Erickson Living Holdings has the financial capacity to commit up to \$47.0 million dollars for the proposed project and is committed to the proposed project. The Treasurer references that the audited Consolidated Financial Statements for Erickson Living Holdings, LLC are included for the year ended December 31, 2022, which show sufficient access to capital for the proposed project; that the 2023 audited financials were not yet available however the Treasurer states that nothing has materially changed from what is represented in the 2022 financial statements. The Treasurer specifically references the Cash and Cash Equivalents, Credit Facility Agreements, and the Interest Rate Swap Instruments.

The audited Consolidated Financial Statements for Erickson Living Holdings, LLC are for the year ended December 31, 2022, are also included in Exhibit F.2. They show Cash and Cash Equivalents of \$29.7 million, the Credit Facility Agreements in Footnote 10, page 25, show a credit facility of up to \$400 million and Interest Rate Swap Instruments of \$37.3 million.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b,, page 94, the applicant 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.

Windsor Run Assisted Living

	1st Full Fiscal Year (CY2030)	2nd Full Fiscal Year (CY2031)	3rd Full Fiscal Year (CY2032)
Total Patient Days	23,598	25,704	30,431
Total Gross Revenues (Charges)	\$9,398,000	\$10,544,000	\$12,857,000
Total Net Revenue	\$9,398,000	\$10,544,000	\$12,857,000
Average Net Revenue per Patient Day	\$398	\$410	\$422
Total Operating Expenses (Costs)	\$9,765,000	\$10,471,000	\$11,706,000
Average Operating Expense per Patient Day	414	\$407	\$385
Net Income	(\$364,000)	\$73,000	\$1,151,000

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:

- Projected charges and revenues are reasonable and adequately supported.
- Projected operating expenses are reasonable and adequately supported.
- 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

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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

On page 179, the 2024 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.*” The 10 non-Policy LTC-1 ACH beds were in a facility in Mecklenburg County and the applicant proposes to relocate those same 10 ACH beds to, and develop 86 Policy LTC-1 ACH beds in, a new facility also in Mecklenburg County. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

Table 11A: *Inventory of Adult Care Home (Assisted Living) Beds* of the 2024 SMFP, pages 197-198, shows a total of 41 facilities in Mecklenburg County with ACH beds. The total planning inventory is 2,981 ACH beds with 2,931 licensed ACH beds in Adult Care facilities and 50 ACH beds in Nursing Facilities.

In Section G, page 65, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved GI endoscopy services in Craven County. The applicant states:

“Windsor Run does not compete with the open market within the service area. The proposed 86 ACH beds (LTC-1) will be dedicated to Windsor Run’s independent living residents. The additional 86 ACH beds included in this proposal would only be available to life-care residents of Windsor Run.”

Pineville Rehabilitation Center intends to discontinue its assisted living program regardless of the outcome of this application. Thus, the proposed project is an effective alternative to maintain access to licensed ACH bed capacity in Mecklenburg County.”

In Exhibit I.2, there is a letter from Pineville Rehabilitation and Living Center from which 10 existing and licensed ACH beds are being relocated which states,

“The 10 ACH beds currently serve 100 percent private pay residents. Individual patients will not be impacted by the proposed bed relocation. Several of the ACH beds are (and have been) unoccupied, and Pineville Rehabilitation Center intends to gradually reduce its ACH bed utilization through attrition of the current residents. Removing these ACH beds from Pineville will free up space that can be dedicated to Pineville’s SNF residents, which is the core mission of the Pineville facility.”

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 proposal would not result in an increase of licensed ACH beds in Mecklenburg County. The 86 ACH beds being developed pursuant to Policy LTC-1 are not part of the planning inventory.
- The 10 ACH beds being relocated are existing, licensed ACH beds in Mecklenburg County currently located in a nursing facility, Pineville Rehabilitation and Living Center, which is looking to phase out these 10 ACH beds.
- The applicant adequately demonstrates that the residents of Windsor Run CCRC, who have continuing care contracts, need the proposed ACH beds in addition to the existing or approved ACH bed services.
- The projected population growth in Mecklenburg County particularly in the population cohort 65+.

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.

- (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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

In Section Q, Form H, pages 97-98, the applicant provides both the projected staffing for Windsor Run Assisted Living through the first three operating years of the project. The applicant projects a total of 67.1 full-time employees (FTE's) in the third project year.

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Section Q, Form F.3b, page 95. In Sections H.2 and H.3, pages 66-67, 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.

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.

- (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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

Ancillary and Support Services

In Section I.1, page 68, the applicant identifies the necessary ancillary and support services for the proposed services. On page 68-69, 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.

Coordination

In Section I, pages 69-70, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in

Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- Windsor Run is an existing CCRC and maintains existing relationships with social service and local healthcare providers in Mecklenburg County. Windsor Run has established relationships with hospice programs, physician practices and area hospitals.
- The applicant provides letters of support in Exhibit I.2.

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 stated 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 to develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

In Section K, page 72, the applicant states that the project involves constructing 79,200 square feet of new space. Line drawings are provided in Exhibit K.1.

On pages 73, 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 developer and manager of Windsor Run CCRC has 39 years of experience with senior living communities and its in-house team manages the entire process from planning and design to construction.
- The project architect relied upon published construction cost data, a detailed review of the project and the architect's experience designing and constructing similar projects.
- Exhibit K.3 includes a cost certification letter from the architect.

On 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 based on the following:

- The project costs will not increase charges for assisted living services to the general public as the ACH beds will be used by Windsor Run's CCRC residents.
- The applicant states that the project costs will not unduly increase costs to Windsor Run's residents and that the costs incurred to develop and operate the project are deemed necessary and appropriate to ensure adequate access to assisted living services for Windsor Run's residents.

In Section B, pages 27-28 and Section K, 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

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;

NA

Windsor Run Assisted Living is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

(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;

NA

Windsor Run Assisted Living is not an existing facility. Therefore, Criterion (13b) is not applicable to this review.

(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 provides the projected payor mix for Windsor Run Assisted Living during the third full fiscal year (CY2032) of operation for the proposed services, as shown in the table below.

Payor Category	Percentage of Total Patients Served
Self-Pay	100.0%
Medicare*	0.0%
Medicaid*	0.0%
Insurance*	0.0%
Other (TRICARE and other payors)	0.0%
Total	100.0%

Source: Table on page 79 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 100.0% of total adult care bed services will be provided to self-pay patients.

In Section L, pages 79-80, 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:

- Policy LTC-1 requires the 86 ACH beds being developed pursuant to that policy be used exclusively to meet the needs of people with whom the Windsor Run CCRC has continuing care contracts; and
- The 10 relocated ACH beds were not developed pursuant to a CON; therefore, no representations were made regarding access to medically underserved utilizing those beds. These 10 ACH beds will allow Windsor Run CCRC to accommodate individuals who inquire about entering the CCRC directly at the stage where they are in need of ACH services as opposed to entering after having resided in one of the CCRC's independent living units.

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. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

In Section L, page 81, 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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

In Section M, page 83, 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 health professional training programs in the area will have access to the facility for training purposes based on the following:

- In Exhibit M.1 the applicant provided a copy of a letter to Cabarrus College of Health Sciences regarding the applicant's desire to develop a training program for nurse aide students upon project completion.

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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

On page 179, the 2024 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.*” The 10 non-Policy LTC-1 ACH beds were in a facility in Mecklenburg County and the applicant proposes to relocate those same 10 ACH beds to, and develop 86 Policy LTC-1 ACH beds in, a new facility also in Mecklenburg County. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

Table 11A: *Inventory of Adult Care Home (Assisted Living) Beds* of the 2024 SMFP, pages 197-198, shows a total of 41 facilities in Mecklenburg County with ACH beds. The total planning inventory is 2,981 ACH beds with 2,931 licensed ACH beds in Adult Care facilities and 50 ACH beds in Nursing Facilities.

Regarding the expected effects of the proposal on competition in the service area, cost-effectiveness, quality and access, in Section N, page 84, the applicant states:

“Policy LTC-1 of the 2024 SMFP requires the applicant to use the proposed additional ACH beds exclusively to meet the needs of people with whom the facility has continuing care contracts and who have lived at the CCRC for at least 30 days. The policy also prohibits the applicant from participation in the Medicaid program and serving State-County Special Assistance recipients in the Policy LTC-1 beds. Therefore, there would be no impact on competition within the service area.”

The applicant anticipates the members of the general public who are admitted to the “open” ACH beds will be private pay individuals seeking admission to the Windsor Run community via the proposed facility (as opposed to Windsor Run’s ILUs). Therefore, relocating the 10 ACH beds from Pineville Rehabilitation Center to Windsor Run will not impact on competition within the service area.”

Regarding the impact of the proposal on cost effectiveness, in Section K, page 73, the applicant states that the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The developer and manager of Windsor Run CCRC has 39 years of experience with senior living communities and its in-house team manages the entire process from planning and design to construction.
- The project architect relied upon published construction cost data, a detailed review of the project and the architect's experience designing and constructing similar projects.
- Exhibit K.3 includes a cost certification letter from the architect.

Regarding the impact of the proposal on quality, in Section O, page 86, the applicant states:

“The proposed facility will utilize a Quality Assurance / Process Improvement committee to oversee, coordinate, support, and direct quality assurance and performance improvement activities within the proposed ACH facility. In addition, the Quality Assurance / Process Improvement committee will monitor risk management/safety activities for both residents and staff in the facility.”

Regarding the impact of the proposal on access by medically underserved groups, in Section C, page 44, the applicant states:

“Windsor Run will afford equal treatment and access to its services for all persons, without discrimination due to race, color, religion, sex, age, marital status, national origin, sexual orientation, ancestry, or disability, or any other factor that would classify a resident as underserved.”

See also Sections C, F, L, O and Q 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.

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 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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

In Section O, page 99, Form O, the applicant identifies the NF facility with ACH beds 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 87, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care did not occur in the facility identified in Form O.

According to the files in the Adult Care Licensure and Certification Section, DHSR,

“This facility does not participate in Medicare or Medicaid, so substandard quality of care does not apply. The facility has not had any concerning licensure surveys either.”

After reviewing and considering information provided by the applicant and by the Adult Care Licensure and Certification Section and considering the quality of care provided at the one facility, 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 develop a new 96 ACH facility on its existing Windsor Run CCRC campus by developing 86 ACH beds pursuant to Policy LTC-1 and relocating 10 existing ACH beds from Pineville Rehab Center.

The Criteria and Standards for Nursing Facility or Adult Care Home Facility Services, promulgated in 10A NCAC 14C .1100 are not applicable to a Continuing Care Retirement Community developing new Policy LTC-1 adult care home beds.

The Criteria and Standards for Nursing Facility or Adult Care Home Services, which are promulgated in 10A NCAC 14C .1100, are not applicable to this review because the applicant is not proposing to develop NF beds or ACH beds pursuant to a need determination.