



**North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section**

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief
Phone: (919) 855-3873
Fax: (919) 733-8139

July 2, 2012

Doug Whitman
Development Director
Liberty Healthcare Management
2334 S. 41st Street
Wilmington, North Carolina 28403

RE: No Review / Three Rivers Health and Rehabilitation Center, LLC (Three Rivers) / Construction to include additional resident rooms (for the purpose of adding private rooms without increasing the licensed bed complement or category), and a new rehabilitation gym. / Bertie County
FID #953224

Dear Mr. Whitman:


The Certificate of Need (CON) Section received your letter dated June 15, 2012 and certified cost estimate dated June 27, 2012 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

In addition, you should contact the Construction Section, DHSR to determine if they have any requirements for development of the proposed project. Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D.# 953224 (FID).

Sincerely,


Jane Rhoe-Jones
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

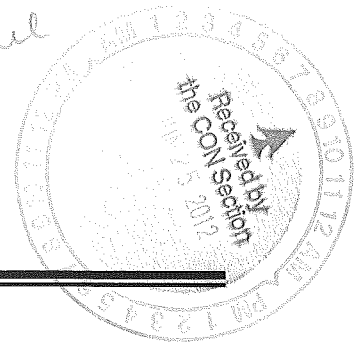
c: Construction Section, DHSR
Licensure and Certification, DHSR





Liberty Healthcare Management

June



2334 S. 41st Street • Wilmington, NC 28403
(910) 512-2988 • FAX: (910) 815-3111

June 15, 2012

Craig Smith, Section Chief
Jane Rhoe-Jones, Analyst
NC Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Request for Letter of No Reivew, Exempt from Review/ Three Rivers Health and Rehabilitation Center, LLC (Three Rivers), License #NH0522, Medicare #345404, located in Windsor, Bertie County; proposed construction of addition for existing skilled nursing beds including a new rehabilitation therapy gym, with no change in bed count or bed type.

Dear Mr. Smith and Ms. Rhoe-Jones:

I am writing to request a letter from the Certificate of Need Section acknowledging that the above referenced proposal is exempt from Certificate of Need review. Pursuant to North Carolina General Statutes § 131E-176(b), "New institutional health service" is defined as either "a) the construction, development, or other establishment of a new health service facility, or b) the obligation by any person of a capital expenditure exceeding two million dollars (\$2,000,000) to develop or expand a health service or a health service facility, or which relates to the provision of a health service."

So long as the proposed project costs do not exceed two million dollars (including all expenses identified in the aforementioned statute), thereby not falling under the definition as a "new institutional health service," this proposal would then not fall under the requirements of North Carolina General Statutes § 131E-178(d), which states that "No person shall offer or develop a new institutional health service without first obtaining a Certificate of Need from the Department." The details of our proposal are described below.

This building is licensed for 80 beds as follows: 60 skilled beds and 20 adult care beds. The bed count and bed type in this proposal will remain the same for skilled nursing (60 beds) and adult care (20 beds). Our facility is currently configured with a limited number of private rooms, so we are adding resident rooms to provide more private rooms with existing beds. We propose to:

1. After obtaining approval from the Construction Section and municipal zoning, and after financing is obtained, we propose to construct a new 14 room addition to house existing

skilled nursing beds and a new rehabilitation therapy gym. Upon completion, we will relocate 14 existing skilled nursing beds to the new addition, thus spreading out our existing beds to provide 28 additional private rooms for existing skilled nursing beds. The cost to construct this addition will be under two million dollars. The building plans for the 14-bed skilled nursing addition have already been prepared and submitted by our architect to the Construction Section. This will not change the bed count or bed type.

The purpose of this request is to create more private rooms for our existing skilled nursing beds in order to meet the demand of our customers for private rooms. We believe that this proposal falls outside the scope of a requirement for a Certificate of Need, and we respectfully request that the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section provide a letter recognizing the project as being exempt from a Certificate of Need requirement.

Thank you for your consideration of this matter. If you should have any further questions regarding our proposal, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Doug Whitman". The signature is written in a cursive, flowing style.

Doug Whitman

Development Director

DWhitman@LibertyHCare.com

910.512.2988

aktai

Architects Kurmaskie & Tolson Associates, Inc.
1101 Haynes Street, Suite 003
Raleigh, NC 27604
(919) 846-1600 (919) 846-9404 fax
www.architectskt.com

June 27, 2012

Mr. Doug Whitman, MBA, NHA
Liberty Healthcare Management, LLC
2334 South 41st Street
Wilmington, NC 28403

Re: **Windsor, NC CON 80 Bed Facility [60 SNF / 20 ACH]**
1403 Conner Drive
Windsor, NC 27983

DHSR# NH-2360 ND/SS
(14 Private Bed) Building Addition – Rehabilitation Residence Hall
New Rehabilitation Gym / Therapy Garden; Covered Canopy

Dear Mr. Whitman,

We examined the feasibility of several design alternatives for the construction of a new building addition with (14) private resident rooms, rehabilitation therapy gym, and covered porte cochere. Based on our final design (11,387 S.F.), I would estimate the square foot cost for the new building addition work will be approximately \$123.60 for a total new building addition budget of **\$1,407,379**. The renovation costs within the existing building, associated with the areas of the building new addition work, are included in the estimated construction cost.

The total site development costs including demolition, grading, erosion control, site utilities, paving, walks, and landscaping will be approximately **\$213,270**.

The project development costs including equipment and furniture, Professional Consulting / Design Fees, and financing / interest costs will be approximately **\$233,527**.

Thus, the estimated overall total development costs for the building, site improvements, along with associated project development costs would be approximately **\$1,854,176**.

The above square footages and estimates of costs are similar to several Senior Living / Long Term Care projects we have completed in North Carolina and in the Southeast during the past two years.

Sincerely,



Timothy Kurmaskie, AIA, NCARB

North Carolina Architect No. RA10580
Firm's North Carolina Corporation No. 51883

rhoe-jones, jane e

From: rhoe-jones, jane e
Sent: Wednesday, June 27, 2012 7:32 AM
To: 'Doug Whitman'
Subject: RE: Request for Letter of No Review, Bertie County-Three Rivers Health & Rehab Ctr-FID#953224

Good morning Doug.
Thank you for the budget. Yes, please send a certified estimate.

Thanks,
Jane

Jane Rhoe-Jones, MSPH
Project Analyst | Certificate of Need
DHHS | DHSR
2704 Mail Service Center
Raleigh, NC 27699-2704
Telephone: 919.855.3873 | Fax: 919.733.8139
jane.rhoe-jones@dhhs.nc.gov

From: Doug Whitman [mailto:DWhitman@libertyhcare.com]
Sent: Tuesday, June 26, 2012 3:30 PM
To: rhoe-jones, jane e
Subject: RE: Request for Letter of No Review, Bertie County-Three Rivers Health & Rehab Ctr-FID#953224

Hi Jane:

Thank you for reviewing our request for a No Review Letter for our building addition project at Three Rivers Nursing and Rehabilitation Center in Windsor, Bertie County. You requested a copy of our capital budget, which I have attached. I would be happy to also get a letter from our architect certifying this budget if you would like.

Thanks,
Doug

From: rhoe-jones, jane e [mailto:jane.rhoe-jones@dhhs.nc.gov]
Sent: Tuesday, June 26, 2012 11:00 AM
To: Doug Whitman
Subject: RE: Request for Letter of No Review, Bertie County-Three Rivers Health & Rehab Ctr-FID#953224

Good morning Doug,

I have reviewed your electronically submitted letter of June 21, 2012 requesting a determination of Exemption from Review for the above referenced facility. Before I make a determination regarding your request, I would like to review a certified cost estimate pursuant to 131E-178(d).

(d) Where the estimated cost of a proposed capital expenditure, including the fair market value of

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equipment acquired by purchase, lease, transfer, or other comparable arrangement, is certified by a licensed architect or engineer to be equal to or less than the expenditure minimum for capital expenditure for new institutional health services, such expenditure shall be deemed not to exceed the amount for new institutional health services regardless of the actual amount expended, provided that the following conditions are met:

- (1) The certified estimated cost is prepared in writing 60 days or more before the obligation for the capital expenditure is incurred. Certified cost estimates shall be available for inspection at the facility and sent to the Department upon its request.*
- (2) The facility on whose behalf the expenditure was made notifies the Department in writing within 30 days of the date on which such expenditure is made if the expenditure exceeds the expenditure minimum for capital expenditures. The notice shall include a copy of the certified cost estimate.*

Thank you,
Jane

From: Doug Whitman [mailto:DWhitman@libertyhcare.com]
Sent: Thursday, June 21, 2012 1:42 PM
To: rhoe-jones, jane e
Cc: Evans, Stephanie
Subject: Request for Letter of No Review, Bertie Countie

Dear Ms. Jane Rhoe-Jones:

I have attached a request for a Letter of No Review for a small addition to Three Rivers Nursing and Rehabilitation Center located in Windsor, Bertie County, North Carolina. The cost of this project will be below two million dollars. Thank you for considering this request. Please let me know if you have any questions...I have listed my cell phone number below to make myself readily available to you.

Thanks,
Doug Whitman
Development Director
Liberty Healthcare
910.512.2988

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Windsor - Three Rivers Nursing

Estimated Capital Costs

A. Site Costs

(1) Full purchase price of land # Acres XXX Price per acre \$XXX	\$	-	
(2) Closing costs and legal fees	\$	-	
(3) Site inspection and survey	\$	1,738	
(4) Site preparation costs			
Soil borings	\$	1,692	
Clearing - earthwork - grading	\$	89,901	
Roads - paving - sidewalks	\$	79,325	
Landscaping	\$	15,230	
Water and sewer hookup	\$	25,384	
Water treatment plant	\$	-	
Septic system	\$	-	
Other (specify)	\$	-	
Subtotal site preparation costs	\$	211,532	
(5) Other	\$	-	
(6) Subtotal Site Costs			\$ 213,270

B. Construction Contract(s)

(7) Cost of construction contract(s)	\$	1,404,032	
(8) Other (Construction Project Fee)	\$	3,347	
(9) Subtotal construction contract(s)			\$ 1,407,379

C. Miscellaneous Project Costs

(10) Building purchase	\$	-	
(11) Equipment & furniture not included above	\$	40,000	
(12) Consultant fees			
Architect & engineering fees	\$	89,040	
Certificate of need preparation	\$	-	
Legal fees	\$	5,000	
Market analysis	\$	-	
Other (10% contingency)	\$	8,904	
Subtotal consultant fees	\$	102,944	
(13) Financing costs			
Bond	\$	-	
HUD	\$	-	
Commercial loan	\$	37,406	
Other (specify)	\$	-	
Subtotal financing costs	\$	37,406	
(14) Interest during construction	\$	53,177	
(15) Other (specify)	\$	-	
(16) Subtotal miscellaneous project costs			\$ 233,527

D. Total Capital Cost of the Project

[sum of lines (6), (9) and (16)]			\$ 1,854,176
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