



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

May 12, 2020

Max Mason, VP Strategic Planning & Ops Support
maxm@principleltc.com

Exempt from Review

Record #: 3273
Facility Name: Kerr Lake Nursing and Rehabilitation Center
FID #: 953401
Business Name: Eagle Peak LTC Group, LLC
Business #: 670
Project Description: Renovations to an existing nursing facility with no change in the number of licensed beds
County: Vance

Dear Mr. Mason:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of April 21, 2020, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(e). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Nursing Home Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

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 Agency. 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

[Handwritten signature of Michael J. McKillip]

Michael J. McKillip
Project Analyst

[Handwritten signature of Martha J. Frisone]

Martha J. Frisone
Chief

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
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Eagle Peak LTC Group, LLC

P.O. Box 1010
Garner, NC 27529
P: 919-779-5095
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April 21, 2020

Martha J. Frisone, Chief
Health Care Planning & Certificate of Need Section
North Carolina Department of Health & Human Services
Division of Health Service Regulation
809 Ruggles Dr.
Raleigh, NC 27603

RE: Kerr Lake Nursing and Rehabilitation Center
Henderson, NC (Vance County)
New Addition

Dear Ms. Frisone:

This letter is sent to inform you that Eagle Peak LTC Group intends to incur a capital expense in excess of \$2,000,000 at its Kerr Lake Nursing & Rehabilitation Center in Vance County. We are specifically requesting confirmation that this project is exempt from CON review pursuant to NCGS 131E-184(e) which provides that:

(e) The department shall exempt from certificate of need review a capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b if all of the following conditions are met:

(1) The proposed capital expenditure would meet all of the following requirements:

a. Be used solely for the purpose of renovating, replacing on the same site, or expanding any of the following existing facilities:

- 1. Nursing home facility.*
- 2. Adult care home facility.*
- 3. Intermediate care facility for individuals with intellectual disabilities.*

b. Not result in a change in bed capacity, as defined in G.S. 131(E-176(5), or the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.

(2) The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that demonstrates that the proposed capital expenditure would be used for one or more of the following purposes:

- a. Conversion of semiprivate resident rooms to private rooms.*
- b. Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes, or private dining areas to accommodate residents and their families or visitors.*
- c. Renovating, replacing, or expanding residential living or common areas to improve the quality of life of residents.*

The purpose of this expenditure is for partial replacement of, and extensive renovations to, the physical plant of an existing nursing home facility and adult care home to improve the resident experience and quality of life. The focus of the renovations is creating a homelike environment and other general overall enhancements, to include: creation of 14 private rooms; creation of a new dining room and therapy gym on the same site; replacement of the kitchen on the same site (to include energy-saving appliances); updating and refreshing floor coverings and paint; upgrading common areas; and creating additional parking for staff and visitors.

In summary, this project does not include any planned change in bed capacity or the addition of any health service facility or new institutional health services. Furthermore, all changes are occurring on the same site.

We would appreciate your confirmation of CON exemption at your earliest convenience.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Max Mason', written over a horizontal line.

Max Mason
VP, Strategic Planning & Ops Support