

## Written Comments Submitted on Behalf of Universal Health Care Fuquay-Varina, Inc. and Universal Health Care North Raleigh, Inc.

In accordance with N.C.G.S. Section 131E-185(a1)(1), Universal Health Care Fuquay-Varina, Inc. (“Universal Fuquay-Varina”) and Universal Health Care North Raleigh, Inc. (“Universal North Raleigh”), hereinafter collectively “Universal”, submit the following comments regarding the August 15, 2011 Certificate of Need Applications submitted for the September 1, 2011 review cycle for Nursing Facility beds in Wake County.

After reviewing the competing applications, Universal determined that the most important factors in this review were:

- Location
- Capital Cost per Bed
- Medicare Pay Rate
- Private Pay Rate
- Medicaid Utilization
- Private Pay Utilization
- Medicare Utilization
- Nursing Hours per Patient Day

Universal compiled data from the competing applications and ranked each applicant for each factor.

### LOCATION

FACILITY	LOCATION	SERVICE AREA BY TOWNSHIP
Hillcrest	Wake Forest	Wake Forest
MFNC	Morrisville	Cedar Creek
Britthaven/120	Briar Creek	House Creek
Britthaven St. Marys	Garner	St. Mary's
The Heritage	North Raleigh	House Creek
Liberty/Garner	Garner	St. Mary's
Liberty/Morrisville	Morrisville	Cedar Creek
Liberty/House Creek	Ray Road	House Creek
Cary Operations	Cary	Cary
Raleigh Operations	Raleigh/New Bern Avenue	Raleigh
Unihealth Cary	Morrisville	Cedar Fork
Unihealth/20 bed addition	Raleigh/Lake Wheeler Road	Raleigh
Unihealth/Raleigh	Briar Creek	Swift Creek/Raleigh
BellaRose	Raleigh/Rock Quarry Road	St. Mary's
Universal/Fuquay-Varina	Fuquay-Varina	Middle Creek/Panther Branch
Universal/North Raleigh	North Raleigh	Neuse

In a county with such a high number of nursing facility beds, the location of any new beds is one of the most important factors to take into consideration. As the attached map shows, the competing applicants propose facilities in North, Central, and Western Wake County, where there is a larger market for private pay nursing care. In contrast, Universal's sites in Northeastern and Southern Wake County, where there are nursing bed deficiencies Universal's sites for its Fuquay-Varina and North Raleigh facilities are the most effective locations for the Wake County beds because they are in locations not currently oversaturated with existing beds.

#### CAPITAL COST PER BED

FACILITY	CAPITAL COST	CAPITAL COST/BED	RANK
Hillcrest	\$17,916,708	\$147,918	15
MFNC	\$13,650,000	\$113,750	11
Britthaven/120	\$10,699,186	\$94,672	7
Britthaven St. Marys	\$9,035,239	\$95,865	8
The Heritage	\$20,961,007	\$232,900	16
Liberty/Garner	\$14,719,180	\$122,659.83	14
Liberty/Morrisville	\$13,850,714	\$115,422.62	12
Liberty/House Creek	\$15,667,836	\$120,521	13
Cary Operations	\$10,933,381	\$91,111.51	5
Raleigh Operations	\$11,335,022	\$94,458.52	6
Unihealth Cary	\$9,713,726	\$97,137	9
Unihealth/20 bed addition	\$2,173,393	\$108,670	10
Unihealth/Raleigh	\$10,604,159	\$88,368	4
BellaRose	\$8,534,150	\$85,341.50	3
<b>Universal/Fuquay-Varina</b>	<b>\$3,541,100</b>	<b>\$59,018.33</b>	<b>1</b>
<b>Universal/North Raleigh</b>	<b>\$1,490,200</b>	<b>\$74,510</b>	<b>2</b>

**MEDICARE PAY RATE**

FACILITY	MEDICARE PAY RATE	RANK
Hillcrest	427.08	4
MFNC	420.00	3
Britthaven/120	462.00	10
Britthaven St. Marys	462.00	10
The Heritage	448.73	8
Liberty/Garner	445.00 444.63	7
Liberty/Morrisville	445.00 444.65	7
Liberty/House Creek	445.00 444.65	7
Cary Operations	442.13	5
Raleigh Operations	442.13	5
Unihealth Cary	458.12	9
Unihealth/20 bed addition	458.12	9
Unihealth/Raleigh	458.12	9
BellaRose	432.00	6
<b>Universal/Fuquay-Varina</b>	<b>375.00</b>	<b>1</b>
<b>Universal/North Raleigh</b>	<b>395.89</b>	<b>2</b>

**PRIVATE PAY RATE**

FACILITY	PRIVATE PAY RATE (PRIVATE ROOM)	RANK
Hillcrest	311.00	10
MFNC	250.00	8
Britthaven/120	198.00	5
Britthaven St. Marys	198.00	5
The Heritage	244.33	7
Liberty/Garner	190.00	3
Liberty/Morrisville	190.00	3
Liberty/House Creek	190.00	3
Cary Operations	240.00 340 com. Ins.	6
Raleigh Operations	240.00 340 com. Ins.	6
Unihealth Cary	188	3
Unihealth/20 bed addition	253.61	9
Unihealth/Raleigh	188.00	2
BellaRose	196.00	4
<b>Universal/Fuquay-Varina</b>	<b>190.00</b>	<b>3</b>
<b>Universal/North Raleigh</b>	<b>180.00</b>	<b>1</b>

**MEDICAID UTILIZATION**

FACILITY	MEDICAID UTILIZATION	RANK
Hillcrest	49%	10
MFNC	67.9%	4
Britthaven/120	74%	2
Britthaven St. Marys	76%	1
The Heritage	55.4%	7
Liberty/Garner	6%/79%	12
Liberty/Morrisville	6%/79%	12
Liberty/House Creek	6%/79%	12
Cary Operations	50.65%	9
Raleigh Operations	50.65%	9
Unihealth Cary	64.6%	6
Unihealth/20 bed addition	46.3%	11
Unihealth/Raleigh	Cannot determine from VI.3	
BellaRose	72%	3
<b>Universal/Fuquay-Varina</b>	<b>66.67%</b>	<b>5</b>
<b>Universal/North Raleigh</b>	<b>55.12%</b>	<b>8</b>

**PRIVATE PAY UTILIZATION**

FACILITY	PRIVATE PAY UTILIZATION	RANK
Hillcrest	25.5%	12
MFNC	5.4%	1
Britthaven/120	8%	4
Britthaven St. Marys	6%	2
The Heritage	17.2%	11
Liberty/Garner	14% SCU 21%	8
Liberty/Morrisville	14%/SCU 21%	8
Liberty/House Creek	14%/SCU 21%	8
Cary Operations	16.35%/7.33% Commercial	10
Raleigh Operations	16.35%/7.33% Commercial	10
Unihealth Cary	6.3 private/3.1 commercial	3
Unihealth/20 bed addition	11.6% private/4.9% commercial	7
Unihealth/Raleigh	Unable to determine	
BellaRose	10%	6
<b>Universal/Fuquay-Varina</b>	<b>9.52% private/2.86% commercial</b>	<b>5</b>
<b>Universal/North Raleigh</b>	<b>15.75% private/.7% commercial</b>	<b>9</b>

**MEDICARE UTILIZATION**

<b>FACILITY</b>	<b>MEDICARE UTILIZATION</b>	<b>RANK</b>
Hillcrest	25.5%	4
MFNC	26.8%	2
Britthaven/120	18%	9
Britthaven St. Marys	18%	9
The Heritage	20%	7
Liberty/Garner	19%	8
Liberty/Morrisville	19%	8
Liberty/House Creek	19%	8
Cary Operations	25.6%	3
Raleigh Operations	25.6%	3
Unihealth Cary	20.8%	6
Unihealth/20 bed addition	32.3%	1
Unihealth/Raleigh	Unable to determine	
BellaRose	17.0%	11
<b>Universal/Fuquay-Varina</b>	<b>17.14%</b>	<b>10</b>
<b>Universal/North Raleigh</b>	<b>22.83%</b>	<b>5</b>

**NURSING HOURS PER PATIENT DAY**

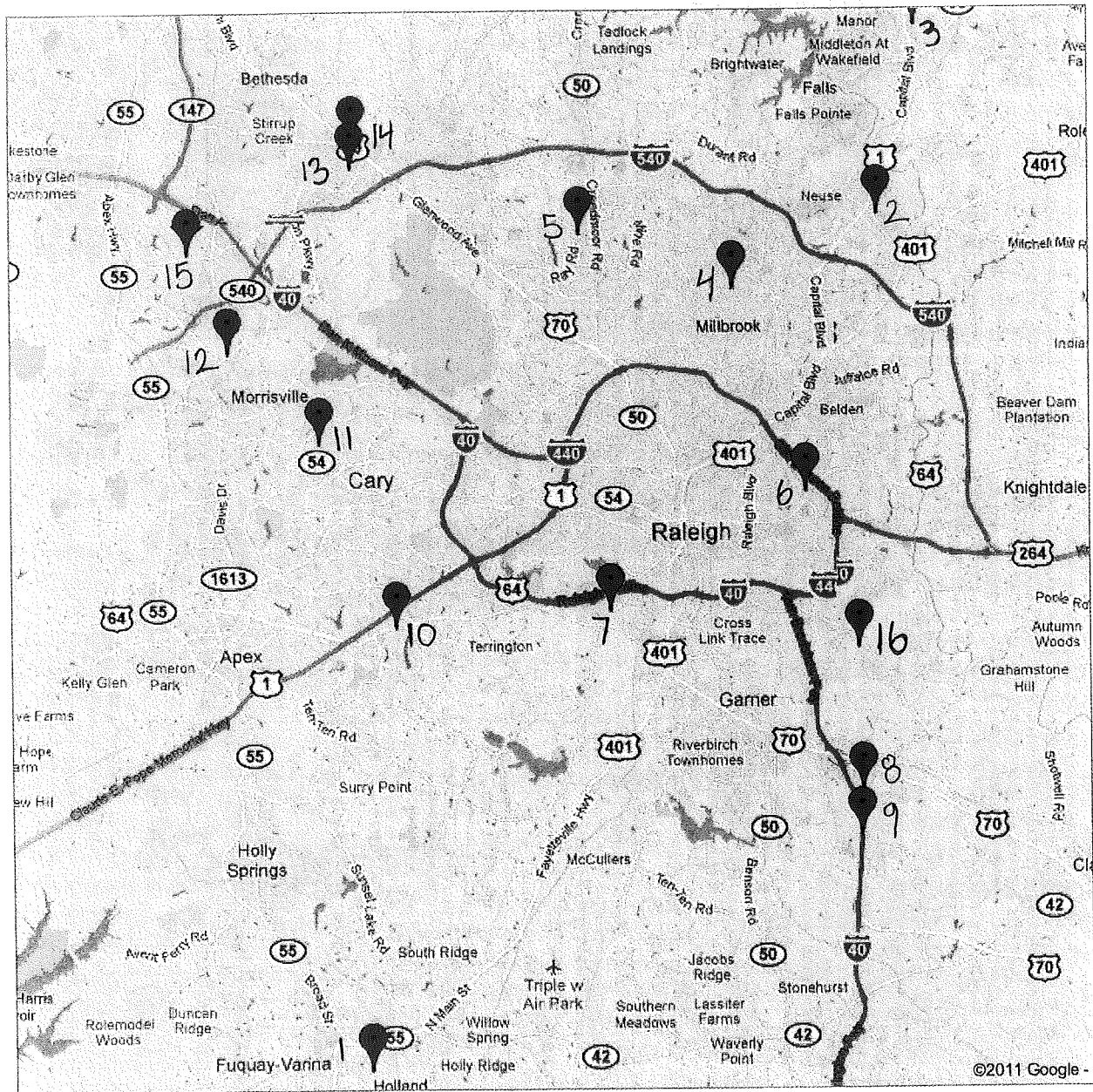
<b>FACILITY</b>	<b>NHPPD</b>	<b>RANK</b>
Hillcrest	3.74	7
MFNC	3.44	11
Britthaven/120	3.85	6
Britthaven St. Marys	3.89	5
The Heritage	3.6	9
Liberty/Garner	4.47	1
Liberty/Morrisville	4.47	1
Liberty/House Creek	4.47	1
Cary Operations	3.5	10
Raleigh Operations	3.5	10
Unihealth Cary	3.91	4
Unihealth/20 bed addition	4.13	3
Unihealth/Raleigh	4.13	3
BellaRose	4.22	2
<b>Universal/Fuquay-Varina</b>	<b>3.57</b>	<b>8</b>
<b>Universal/North Raleigh</b>	<b>2.78</b>	<b>12</b>

Universal Fuquay-Varina ranks:

- #1 in Location
- #1 in lowest Capital Cost/Bed
- #1 in lowest Medicaid Pay Rate
- #3 in lowest Private Pay Rate
- #5 in highest Medicaid Utilization
- #5 in lowest Private Pay Utilization
- #10 in highest Medicare Utilization
- #8 in Nursing Hours per Patient Day

Universal North Raleigh ranked:

- #2 in Location
- #2 in lowest Capital Cost/Bed
- #2 in lowest Medicare Pay Rate
- #1 in lowest Private Pay Rate
- #8 in highest Medicaid Utilization
- #9 in lowest Private Pay Utilization
- #5 in highest Medicare Utilization
- #12 in Nursing Hours per Patient Day



## MAP KEY

1. Universal Fuquay-Varina
2. Universal North Raleigh
3. Hillcrest
4. The Heritage
5. Libery/House Creek
6. Raleigh Operations
7. Unihealth Raleigh
8. Britthaven/Garner
9. Liberty/Garner
10. Cary Operations
11. Unihealth Cary
12. Liberty/Morrisville
13. Britthaven/120 beds
14. Unihealth 20 bed addition
15. MFNC
16. BellaRose