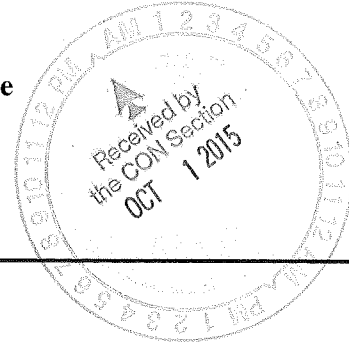


**COMMENTS ON COMPETING CON APPLICATIONS
340 ADULT CARE HOME BEDS
BRUNSWICK COUNTY**

**Presented by
Arbor Landing at Ocean Isle
Project I.D. # O-011056-15**

October 1, 2015



I. EXECUTIVE SUMMARY

Arbor Landing at Ocean Isle submitted its certificate of need application (“CON”) to develop a new 132-bed adult care home (“ACH”) which includes a 32 bed special care unit in response to the projected unmet need for adult care beds in Brunswick County identified in the 2015 State Medical Facilities Plan, Project ID. #O-011056-15. The following competing applications also seek approval to develop adult care home beds in Brunswick County.

Project ID#	Applicant
O-011061-15	The Brunswick Community – establish a 110-bed adult care home including a 48-bed special care unit
O-011065-15	Brunswick PropCo Holdings – establish a new 80-bed adult care home
O-011066-15	Leland Health Holdings and Leland House – add 40 adult care home beds to an existing 78-bed adult care home
O-011069-15	Liberty of Brunswick – establish a new 110-bed adult care home

Key evaluation points for each competing applicant are presented below.

The Brunswick Community

- The need methodology is based upon assumptions that are not supported by objective, quantifiable documentation but instead rely upon anecdotal information, particularly reported interviews with members of the Brunswick County community who provided general, county-wide information.
- The applicants’ projections for providing services to underserved is lower than the County average.
- The availability of all funds necessary for the projected expenditures is not documented with actual financials.

Brunswick PropCo Holdings/Calabash Manor

- The projections for providing services to underserved is lower than the County average and decreases between YR 2 and YR 3.
- The Financial Feasibility is questionable given the high commercial loan interest rates of 9% for the construction costs and 12% for initial operating expenses and the YR 2 Net profit of just \$23,569.
- The property that is the proposed site of the project is not yet purchased, and the initial site would need to be annexed and then rezoned. It is unclear what steps would need to be taken to make secondary site zoning appropriate.

Leland House

- The application routinely references an 80-bed project and refers to itself as a new provider, failing to provide information required of an existing provider.
- The financial feasibility is questionable because the rates proposed are very different from the historical rates charged at the existing facility.
- Financial feasibility is questionable because of failure to include special care unit revenues and expenses in YR 1 and YR 2.
- The application fails to meet required occupancy rate for an existing facility.
- Projections for providing services to underserved are lower than the County average and decreases between YR 2 and YR 3.
- The proposed project is not located in the area of County with the greatest need.

Liberty Commons Assisted Living of Brunswick County/Liberty of Brunswick

- The application fails to provide salary information in a manner that can be appropriately analyzed and which will allow the Agency to make the necessary assessment of the applicants' ability to recruit and hire necessary manpower for the project.
- Financial comparisons related to salaries are difficult to assess for Liberty due to manner in which the salaries were reported.
- It is the most expensive project.
- The proposed project is not in area of County with the greatest need.

Detailed comments for each individual competing applicant are presented in **Sections II-V** below. Unless otherwise noted, data was taken from the CON application submissions and the 2015 State Medical Facilities Plan (SMFP). A comparative analysis is presented in **Section VI**. The comparative analysis demonstrates Arbor Landing's comparatively superiority based on its conformity with the necessary criteria and its demonstration of:

- Superior service to the underserved;
- Most cost effective project;

- Ability to best meet the needs of the Brunswick County Community due to its superior location in the area of the County most in need of beds.

II. THE BRUNSWICK COMMUNITY

The application submitted by The Brunswick Community, LLC and Brunswick AL Properties, LLC (the “Brunswick Community Application”) proposes to establish a 110-bed adult care home, including a 48-bed special care unit (“SCU”) in Sunset Beach. A review of the Brunswick Community Application demonstrates that it is not conforming with all necessary review criteria and is not the most effective alternative.

General Review Criteria:

N.C. Gen. Stat. § 131E-183(a)

- (3) Population Need. 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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

Comment. The Brunswick Community Application does not adequately demonstrate the need for the *particular project* it proposes to develop because its need methodology merely demonstrates the recognized need for additional adult care home beds in Brunswick County in general. The Brunswick Community Application attempts to demonstrate the need for its particular project based upon a series of unsupported assumptions and anecdotal evidence regarding the occupancy rates, patient origin, and payor mix of the proposed facility. There is a lack of substantive data and analysis to demonstrate the need for this project and the population it will serve.

In Section III of the Brunswick Community Application, the applicants identify the population to be served in broad terms as “Brunswick County” and note that Shallotte Township is the particular focus. Page 85 of the Brunswick Community Application states that 95% of the patients at the proposed facility will come from Brunswick County and that the remaining patients will come from Horry County (2%), New Hanover County (2%), and Columbus County (1%). While the Application discusses the need for additional ACH beds in Shallotte Township as a reason why the Application should be approved, it does not provide supportive analysis regarding where the potential ACH residents will come from within Brunswick County and relies on anecdotal information from DSS and other members of the community to support the need for its particular project.

The Brunswick Community Application also fails to address the respective market shares of the existing Brunswick County ACHs and how the Brunswick Community proposed project will fit within the existing market, including how the existing facility's respective market shares will change, if at all, because of the project.

The Application does not provide any concrete data to support its proposed occupancy rate beyond the identification of the need in the SMFP itself. The remaining "support" offered comes from reported discussions with various community members, the proposed Medicaid payor mix, an unexplained pre-marketing effort, an "[o]verwhelming positive response" from the community regarding the need for additional ACH beds, and the operators' fill up experience. Importantly, no information about the premarketing efforts or the operators' fill up experience or is given. Further, the conversations with community members and "positive response" all deal with the need, in the most general terms, for additional ACH beds in Brunswick County, not for the particular project proposed.

In sum, because it lacks any specific quantitative analysis that shows the need for the proposed project rather than simply additional ACH beds in Brunswick County and relies upon unsupported allegations regarding the occupancy rates, patient origin, and payor mix of the proposed ACH, the Brunswick Community Application fails to demonstrate the need of the population to be served for the services proposed and the extent to which underserved groups will likely have access to the proposed services.

- (4) Least costly or most effective alternative. 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.

Comment. Brunswick Community is not the least costly alternative given its proposed price per bed of \$56,968. Additionally, it is not the most effective alternative, given that it only proposes to serve 64% Special Assistance Residents in year two.

- (5) Availability of funds and reasonable projections of costs and charges. 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.

Comment. The Brunswick Community Application proposes to develop the project without any outside financing, instead using the assets of Community Real Estate Holding Company, the sole member of both applicant entities, for the capital and working capital needed for the proposed project. Letters provided as Exhibits to the Application state that the assets of Community Real Estate Holding Company will be

made available and that if additional resources are needed, the individual owners of Community Real Estate Holding Company – Stanley A. Figlewski and C. Saunders Roberson, Jr. – would provide their personal assets to fund the capital and working capital to the extent necessary.

The Application contains the unaudited financial statements of Community Real Estate Holding Company. The most recent unaudited financial statements provided in the Application note that Community Real Estate Holding Company has total assets of \$11,418,288.30 and total liabilities of \$8,376,265.49 so that \$3,042,022.81 equity would be available for the project. On pages 113 through 124, the Brunswick Community Application estimates that the total capital costs for the project will be \$6,266,527, and the working capital needed will be \$258,751. If Community Real Estate Holding Community commits all \$3,042,022.81 of its equity to the development of the Brunswick Community Application's proposed project, there is still over \$3,000,000 needed for the capital and working capital needs projected in the Application. The application provides no information regarding the assets of Mr. Figlewski and Mr. Saunders. While Mr. Figlewski and Mr. Saunders are willing to provide funds, there is nothing to demonstrate that Mr. Figlewski and Mr. Saunders would be able to furnish all (or any) of the remaining funding needed.

- (13) Medically underserved populations. 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 handicapped persons, 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:

- 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;

Comment. Brunswick Community Application proposes to serve 64% Medicaid/Special Assistance Residents in its 2nd year of operation. A review of the license renewal applications of the other facilities that care for assisted living residents, demonstrates the County Average is actually 66%. It is notable that the Brunswick Community Application claims that a key purpose is to expand access to ACH beds to Medicaid patients, but it proposes to provide less access to those patients than what is already offered by existing providers. When its projections are compared to the access to Medicaid patients already provided by Brunswick County ACHs, Brunswick Community Application will not adequately serve the underserved.

Conclusions

- When considered standing alone, the above comments raise questions concerning whether Brunswick Community's application conforms with Criteria 3, 4, 5, and 13(c). The Brunswick Community Application is also not the least costly or most effective alternative.

III. BRUNSWICK PROPCO HOLDINGS

Brunswick PropCo Holdings, proposes to establish a new 80 bed facility in Calabash, N.C. named "Calabash Manor" (the "Calabash Manor Application"). A review of the Calabash Manor Application demonstrates that it is not conforming with all necessary review criteria and is not the most effective alternative.

General Review Criteria:

N.C. Gen. Stat. §131E-183(a)

- (5) Availability of funds and reasonable projections of costs and charges. 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.

Comment: Calabash Manor proposes to finance its project with a commercial loan which will charge 9% interest for construction costs and 12% for operational costs. These interest rates are well above standard interest rates for similar commercial loans. The impact of the high interest rate is evident based on the low net revenue of just \$23,569 in year two of operations. This low net revenue is experienced even though Calabash Manor proposes to serve the *lowest* percentage of Special Assistance residents of any application.

- (13) Medically underserved populations. 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 handicapped persons, 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:
- 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;

Comment. Calabash Manor proposes to serve only 41% Medicaid/Special Assistance Residents in its second year of operation. In its third year of operation, it proposes to serve even fewer Medicaid/Special Assistance Residents, with a projected payor mix of 40% Medicaid/Special Assistance. A review of the 2015 license renewal applications of the other assisted living facilities in Brunswick County demonstrates the County Average for Medicaid/Special Assistance Residents is actually 66%. Calabash Manor does not meet this County average and as such does not propose to adequately serve the underserved.

- (20) Quality. An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

Comment. Calabash Manor will be managed by Meridian Senior Living. The Calabash Manor Application states that Meridian Senior Living manages 65 adult care home facilities in N.C. but does not list the names of the facilities, or provide any information regarding the quality of care provided at these facilities. The failure to provide this information means that this Criterion cannot be appropriately analyzed and the application cannot be deemed in conformity with Criterion 20.

Conclusions

- When considered standing alone, the above comments raise questions concerning whether Calabash Manor's application conforms with Criteria 4, 5, 13(c) and 20. Calabash Manor is not the least costly or most effective application, proposing the lowest percentage of service to the Special Assistance/Medicaid Residents, and one of the highest costs per bed.

IV. LELAND HOUSE

The Leland House Application proposes to add Adult Care Home Beds to an existing 78 bed adult care home facility in Leland, N.C. The application is filled with references to an 80 bed facility, "Calabash Manor" and a "new entity" rather than an existing entity. While some of these erroneous references are arguably immaterial, other errors result in the failure of the applicant to provide necessary requested information, directly impacting its ability to demonstrate conformity with necessary criteria.

A. Material Incomplete or Inaccurate Responses

- i. **Section V.4. "Coordination with Existing Health Care Providers",** Page 34 – In response to the question "how the proposed project will have a positive impact on the cost effectiveness, quality of care and access of underserved groups to the services proposed," information regarding the 80

bed new facility is provided. There is no response provided that specifically addresses how the 40 bed addition has a positive impact on the cost effectiveness, quality of care and access to the underserved.

- ii. **Section VI.1 “Accessibility”**, page 36 – In response to the request for information from an existing facility regarding payor sources, Leland House states: “Not applicable-the proposed project is a new facility.”
- iii. **Section VI.5 “Accessibility”**, page 37 – In response to the request to identify all civil rights access complaints that have been filed against the existing facility, Leland House states: “Not applicable- the proposed project is a new facility.”
- iv. **Section VII.1 “Staffing”**, page 39 – Leland House did not provide any requested information regarding current staffing and calculation of same, or whether services are contracted out because “the proposed project is a new facility.”
- v. **Section VIII.8(a) “Capital Costs and Financing”**, page 52 – In response to a request to provide the most recent audited financial reports of Applicants, Leland House states: “Not applicable – the co-applicants are single purpose entities set up for the sole purpose of constructing and operating the proposed project.”
- vi. **Section VIII.9 and 11 “Capital Costs and Financing”**, pages 52, 60 – In response to request for information regarding projects the applicants or related applicants have under development or under Certificate of Need review, Leland House states: “N/A – the Applicants are single purpose entities set up for the sole purpose of constructing and operating proposed Adult Care Home with 80 adult care home beds in Brunswick County, N.C.”
- vii. **Section X.6 “Charges and Rates/Operating Costs”**, page 65 – In response to request for most recent cost report or if it did not file a cost report to complete Form A, for an application “for the addition or conversion of beds”, Leland House states: “Not applicable – the proposed project is a new facility addition not a conversion.” However, information is requested for the “addition” of beds which is what is at issue here.
- viii. **Section XI.13, 14 “Site Information/Construction Design”**, pages 76-77, the description of the new facility is identical to the description of the new 80

bed facility proposed by Calabash Manor. There is no description specific to the 40 bed addition.

Due to Leland House's failure to provide complete and accurate information it cannot be found conforming with Criteria 4, 5, 13, and 20.

B. Leland House's application also contains the following additional issues:

General Review Criteria, N.C. Gen. Stat. § 131E-183(a)

- (1) Policies and need. 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.

Comment. As set forth in detail below, Leland House is not currently operating at 85% occupancy. Therefore, the project does not meet the necessary need determination.

- (5) Availability of funds and reasonable projections of costs and charges. 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.

Comment. Leland House does not demonstrate financial feasibility, based on the following information:

- a. Significant increase in Special Assistance/Medicaid Charges

	Current Charge	First Year Charge
Special Assistance ACH	\$23.06	\$74.38
Special Assistance Special Care Unit	\$23.06	\$50.50

No explanation is provided to explain why there will be such a large increase between the current rates and proposed rates.

- b. Leland House failed to include calculation of Special Care Unit revenue/expense when assessing financial feasibility in YR 2, if such information had been provided it would have shown that the proposed project is not financially feasible.

Section X.7(d) specifically states that "if the applicant currently provides or proposes other special care, add additional columns as necessary to Forms B and C for these units and project revenues and operating expense for each special care unit." Leland House

failed to add column for special care unit in Form B for any year. It also failed to include a column for the special care unit in Form C for year one or year two.

Based on information available in the application, if Form B had been completed for the SCU for year one it would have shown a much more significant loss, which, when carried over to year two would have resulted in the facility not being financially feasible in year two. Additionally, utilizing the information available in the application the project was also operating at a loss in year three, even if there are not additional losses to be carried over from year two.

The SCU revenues for year three can be calculated as follows:

	Rate	Patient Days	Revenue
Private Pay	\$126.67 (p. 64)	3,404 (p. 29)	\$431,184
Medicaid/SA	\$50.50 (p. 64)	4,765 (p.29)	\$240,632
Total			\$671,816

The ACH revenue for year three is \$2,643,740 (Form B, p 83.). So the total revenue for year three is \$3,315,556.50.

The total expenses for year three are \$3,481,874 (Form C, p. 95)

Subtracting expenses of \$3,481,874 for revenues of \$3,315,556.50, results in a deficit of (\$166,317.50) for year three.

- (13) Medically underserved populations. 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 handicapped persons, 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:
- (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 handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;
 - (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

Comment.

(b) Leland House did not answer the question regarding whether any civil rights complaints had been filed against it in the past, so a decision regarding whether it is conforming with (13)(b) cannot be reached.

(c) On page 20 Leland House projects that it will serve 60% low income residents “once stabilized” occupancy. However, while its projections for year two is 60%, that projection of service to the underserved decrease in year three to 55%. Even if Leland House did actually demonstrate 60% in its pro formas, for year two and year three that is still not sufficient to demonstrate conformity with N.C. Gen. Stat. § 131E-183(13)(c). The average occupancy rate for the underserved in Brunswick County is 66% based on 2015 license renewal application.

(18a) Enhanced competition. 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.

Comment. Leland House is already in the marketplace, providing adult care services. It does not propose to have a positive impact on access to services, proposing to provide services to the medically underserved in an amount lower than the County average and at a higher cost than currently charged.

(20) Quality. An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

Comment:

First, as noted above, Leland House did not answer whether any civil rights access complaints had been filed against it stating that the question was “not applicable” because it was a “new facility.”

Second, Leland House is managed by Meridian which, according to the application, manages over 65 adult care homes in North Carolina. However, no details are provided regarding the quality of care provided at the adult care homes managed by Meridian. Sufficient information was not provided to assess applicants’ conformity with the Criterion.

Special Criteria

10A N.C.A.C. 14C.1102 PERFORMANCE STANDARDS

(c) An applicant proposing to add adult care home beds to an existing facility shall not be approved unless the average occupancy, over the nine months immediately preceding the submittal of the application, of the total number of licensed adult care home beds within the facility in which the new beds are to be operated was at least 85 percent

Comment: In response to 10A N.C.A.C. 14C.1102(c) Applicant States “See Section IV. The occupancy information provided in Section IV for “total adult care home patient days” shows an average occupancy of 82.1% rather than the required 85%.

Additionally, Leland House is an existing 78 bed facility with a 24 bed Special Care Unit. However, when calculating the occupancy rate, it identified between 68 and 61 beds for any month. See Leland House Application, page 25. If the occupancy rate was calculated based on the actual licensed capacity it would look as follows:

	1	2	3	4	5	6	7	8	9	Total
ACH										
Total Available Patient Days	1620	1674	1674	1512	1674	1620	1674	1620	1674	14,742
Occupancy Rate ¹	86%	76%	72%	78%	76%	86%	86%	76%	72%	79%
# of beds	54	54	54	54	54	54	54	54	54	54
SCU										
Patient Days	720	744	744	672	744	720	744	720	744	6,552
Occupancy rate	56%	50%	50%	46%	34%	45%	45%	50%	34%	46%
# of beds	24	24	24	24	24	24	24	24	24	24
Total AC Home										
Patient Days	2340	2418	2418	2184	2418	2340	2418	2340	2418	21,294
Occupancy Rate	77%	68%	66%	69%	63%	73%	73%	68%	61%	69%
# of beds	78	78	78	78	78	78	78	78	78	78

Utilizing the actual number of licensed beds, Leland House’s occupancy rate is even lower than originally reported and is well below the 85% required to satisfy Special Criteria 10A N.C.A.C. 14C.1102.

¹ Calculated by taking the total days set forth in Table IV.1, multiplying by percentage rate set forth in Table IV.1 to identify actual patient days and then dividing total available patient days by actual days for occupancy rate.

Conclusions

- When considered standing alone, the above comments raise questions concerning whether Leland House's application conforms with Criteria 1, 4, 5, 13, 18(a), 20 and 10A N.C.A.C. 14C.1102(c). Leland House is also not the least costly or most effective alternative.

V. LIBERTY

The application of Liberty Commons Assisted Living of Brunswick County ("Liberty of Brunswick") proposes to develop a new 110 bed facility in Leland, N.C. A review of the Liberty Application demonstrates that it is not conforming with all necessary review criteria and is not the most effective alternative.

General Review Criteria:

N.C. Gen. Stat. §131E-183(a)

- (4) Least costly or most effective alternative. 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.

Comment. Liberty of Brunswick is not the least costly alternative given its proposed price per bed of \$172,370. It is the most costly application based on the price per bed. It is also not the most effective alternative, given that it proposes to build a facility in Leland, N.C. which does not have as high a need for beds as Shallotte, N.C. and the proposed initial site has not been purchased and is not zoned for an adult care home.

- (5) Availability of funds and reasonable projections of costs and charges. 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.

Comment.

- a. Liberty of Brunswick fails to identify salaries for individual categories of staff such as aides, instead providing one lump sum for aides and another lump sum for "other." See Liberty of Brunswick Application, Form C, page 106. It is not possible to assess the reasonableness of the proposed salaries given the manner in which it is presented. If the proposed salaries are not reasonable, or within County expectations than it may be that higher salaries will be necessary, impacting facility revenue and financial feasibility.

- b. Liberty already has four approved projects with total costs of \$68,233,313 that are said to have “no current financing” because they are in the “pre-construction” phase. Liberty states that applicants have funds available to cover these projects and the current project but the letter of financing does not demonstrate the availability of almost \$90,000,000 to cover costs of all pending or proposed projects or how having to provide the financing for the four approved projects will impact the ability to provide financing for the proposed project, especially when Liberty proposes to finance the proposed project through the “owner equity of John A. McNeill, Jr. and Ronald B. McNeill.” See Liberty Application, pp 72-82. The letter from CPA Joel M. White attached as Exhibit 13 to the Liberty Application and referenced in the Application as the documentation of available funding states only that “John A. McNeill Jr. and Ronald B. McNeill each have in excess of \$15,000,000 in cash, stocks, or short term investments in order to fund the construction and operation of the proposed addition, including any working capital, start-up and capital expenditures associated with the project.” According to the letter, there is at least \$30,000,000 in owner equity available, rather than the almost \$90,000,000 required for the four existing projects that have already been approved and this proposed project.

(7) N.C. Gen Availability of resources, including health manpower. 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.

Comment. Liberty of Brunswick fails to identify salaries for individual categories of staff such as personal care aides and med techs. As such, it is not possible to assess whether Liberty of Brunswick will be able to attract necessary manpower to run the facility.

Conclusions

- When considered standing alone, the above comments raise questions concerning whether Liberty of Brunswick’s application conforms with Criteria 4, 5, and 7. As the most costly application which will be located in the area of the County that does not have the greatest need, Liberty of Brunswick is not the most effective alternative.

VI. COMPARATIVE ANALYSIS

A sample of certain criteria and comparative considerations demonstrates that from a comparative standpoint Arbor Landing is both the least costly and the most effective alternative:

A. Service to Underserved Residents Year 2

Arbor Landing	Liberty of Brunswick	Brunswick Community	Leland House	Calabash Manor
68%	66%	64%	60%	41%

B. Service to Underserved Residents Year 3

Arbor Landing	Liberty of Brunswick	Brunswick Community	Leland House	Calabash Manor
68%	66%	64%	55%	40%

C. Per Bed Cost of Project

Arbor Landing	Brunswick Community	Leland House	Calabash Manor	Liberty of Brunswick
\$14,699	\$56,968	\$83,284	\$107,877	\$172,370

D. Geographic Access

1. Greatest need – Shallotte, NC (based on analysis set forth in Arbor Landing’s application, Liberty of Brunswick’s application and Calabash Manor application)

Arbor Landing, is located in Shallotte

E. Availability of Land

1. Arbor Landing, Leland House – existing property
2. Brunswick Community – not purchased
3. Liberty – not purchased, not zoned
4. Calabash Manor – not purchased, not zoned, needs to be annexed

VII. CONCLUSION

The Brunswick Community Application, Calabash Manor Application and Liberty of Brunswick Application should be found non-conforming with numerous statutory review criteria and the Leland House Application should be found non-conforming with numerous statutory and

applicable regulatory criteria based on the numerous and substantial issues set forth in detail above.

Additionally, it should be determined from a comparison standpoint, that Arbor Landing is both the least costly and most effective alternative, projecting to serve the largest number of underserved residents, in an area of the county that has the greatest need for additional adult care home beds, and for the lowest cost per bed.