



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

RESPONSE REQUIRED

July 27, 2012

Charles L. Gross
260 Village Lake Road
Siler City, NC 27344

Conditional Approval

Project I.D. #: J-8773-12
Facility: Siler City Health Investors, LLC (lessor) and Coventry House of Siler City, LLC (lessee)
Project Description: Add 20 adult care home beds to the facility for a total of 72-beds which may include a special care unit of up to 20 beds upon project completion
County: Chatham
FID #: 030840

Dear Mr. Gross:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated thereunder, the State Medical Facilities Plan, and other applicable information. Written notice of all findings and conclusions upon which the decision was based will be provided to the applicants within five business days after the date of the decision in accordance with G.S. 131E-186. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Siler City Health Investors, LLC (lessor) and Coventry House of Siler City, LLC (lessee) shall materially comply with all representations made in their certificate of need application.
2. Siler City Health Investors, LLC (lessor) and Coventry House of Siler City, LLC (lessee) shall add no more than 20 adult care home beds and operate no more than 72 adult care beds, and may include a special care unit of up to 20 beds, upon completion of the project.
3. Siler City Health Investors, LLC (lessor) and Coventry House of Siler City, LLC (lessee) shall not increase actual private pay charges more than 5% of the projected private pay charges provided in Section X of the application without first obtaining a determination from the Certificate of Need Section that the proposed



Location: 809 Ruggles Drive, Dorothea Dix Hospital Campus, Raleigh, N.C. 27603
An Equal Opportunity/ Affirmative Action Employer



increase is in material compliance with the representations in the certificate of need application.

4. For the first two federal fiscal years, the applicants Siler City Health Investors, LLC (lessor) and Coventry House of Siler City, LLC (lessee) shall accept special assistance with basic Medicaid for the special care unit beds commensurate with the conditions outlined above.
5. Siler City Health Investors, LLC (lessor) and Coventry House of Siler City, LLC (lessee) shall provide letters to area health professional training programs offering the Coventry House facility as a clinical training site.
6. Siler City Health Investors, LLC (lessor) and Coventry House of Siler City, LLC (lessee) shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section, in writing prior to issuance of the certificate of need.

Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of \$830,524. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e). The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, P.O. Drawer 27447, Raleigh, North Carolina 27611-7447 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 MSC
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section.

The certificate of need will not be issued before the completion of this 30 day period ending August 27, 2012. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended.

The timetable for this project is as follows:

Permanent Loan Executed _____	September 5, 2012
Final Drawings Submitted to the Construction Section, DHSR _____	September 5, 2012
Building Permit Obtained _____	December 1, 2012
Footings/Foundation Poured _____	February 1, 2013
50% Completion of Construction _____	May 15, 2013
Completion of Construction _____	September 15, 2013
Licensure of Facility _____	October 1, 2013

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact us if any clarification of this decision is required.

Please refer to the Project I.D.# and Facility I.D.# (FID) in all correspondence.

Sincerely,

Fatimah Wilson, Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

FW:CRS:mw

Attachment

cc: Medical Facilities Planning Section, DHSR
Adult Care Licensure & Certification Section, DHSR
Medical Facilities Planning, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of conditional approval on the following persons by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelopes addressed as follows:

Charles L. Gross
260 Village Lake Road
Siler City, NC 27344

Project I.D. # J-8773-12

FID # 030840

Don Poole
2501 Blue Ridge Road, Suite 500
Raleigh, NC 27607

Project I.D. # J-8772-12

FID # 110283

This the 27th day of July, 2012.

Fatimah Wilson
Project Analyst