



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

RESPONSE REQUIRED

November 27, 2013

Jordan Qualls
533 Meadowmont Village Circle
Chapel Hill, NC 27517

Conditional Approval

Project I.D. #: N-10151-13
Facility: Raeford Manor
Project Description: Replace and relocate the 75 adult care home beds at Raeford Manor to a new location within Hoke County
County: Hoke
FID #: 130277

Dear Mr. Qualls:

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 there under, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. 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. HC AL Investors, LLC and HC Operations, LLC shall materially comply with all representations made in the certificate of need application and in the supplemental information materials submitted during the review. In those instances where representations conflict, HC AL Investors, LLC and HC Operations, LLC shall materially comply with the last made representation.
2. HC AL Investors, LLC and HC Operations, LLC shall construct a replacement adult care home facility (ACH) which shall be licensed for no more than 75 ACH beds upon project completion.
3. For the first two years of operation following completion of the project, HC AL Investors, LLC and HC Operations, LLC 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

Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 • Fax 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



determination from the Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.

4. HC AL Investors, LLC and HC Operations, LLC shall provide care to recipients of State/County Special Assistance with Medicaid for the facility, commensurate with representations made in Section VI. 2 and Exhibit 23 and supplemental materials.
5. HC AL Investors, LLC and HC Operations, LLC shall submit all patient charges and patient admissions for each source of patient payment to the CON Section at year end for each of the first three operating years following licensure of the beds in the facility.
6. HC AL Investors, LLC and HC Operations, LLC shall develop and implement an Energy Efficiency and Sustainability plan for the replacement facility that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.
7. HC AL Investors, LLC and HC Operations, LLC 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 \$6,827,170. 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, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 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 Mail Service Center
Raleigh, North Carolina, 27699-2001

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

Jordan Qualls
Page 3
November 27, 2013

The certificate of need will not be issued before the completion of this 30 day period ending December 27, 2013. 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:

Final Drawings Submitted to the Construction Section, DHSR _____	January 15, 2014
Approval of Site by Construction Section, DHSR _____	March 14, 2014
Building Permit Obtained _____	April 1, 2014
Site Preparation _____	April 2, 2014
25% Completion of Construction _____	June 2, 2014
50% Completion of Construction _____	July 7, 2014
75% Completion of Construction _____	August 11, 2014
Completion of Construction _____	September 22, 2014
Licensure _____	October 1, 2014

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,

Gregory F. Yakaboski, Project Analyst

Martha J. Frisone, Assistant Chief
Certificate of Need Section

GFY:MJF:mw

Attachment

cc: Construction Section, DHSR
Adult Care Licensure & Certification Section, DHSR

CERTIFICATE OF SERVICE

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

Jordan Qualls
533 Meadowmont Village Circle
Chapel Hill, NC 27517

Project I.D. # N-10151-13
FID #130277

This the 27th day of November, 2013.

Gregory F. Yakaboski
Project Analyst