



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

Pat McCrory  
Governor

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

Drexdal Pratt  
Division Director

**RESPONSE REQUIRED**

July 31, 2014

Dale Melton  
1000 Salemtowne Drive  
Winston-Salem, NC 27106

**Conditional Approval**

Project I.D. #: G-10291-14  
Facility: Salemtowne  
Project Description: Replace nursing facility and develop 16 additional beds pursuant to Policy NH-2 and 20 memory support adult care home beds pursuant to LTC-1  
County: Forsyth  
FID #: 923440

Dear Mr. Melton:

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. Moravian Home, Inc. d/b/a Salemtowne shall materially comply with all representations made in its certificate of need application.
2. Moravian Home, Inc. d/b/a Salemtowne shall develop no more than 16 additional nursing facility beds for a total of 100 nursing facility beds and 20 additional adult care home beds for a total of 20 ACH beds upon completion of this project and the exempt relocation/replacement and separate licensing of the existing 46 ACH beds.

**Certificate of Need Section**

[www.ncdhhs.gov](http://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

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3. Moravian Home, Inc. d/b/a Salemtowne shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building codes. The plan must be consistent with the applicant's representations in the written statement as described in paragraph one of Policy GEN-4.
4. The 16 new nursing facility beds shall not be certified for participation in the Medicaid program.
5. The 16 new nursing facility beds shall be used exclusively to meet the needs of persons with whom the facility has continuing care contracts (in compliance with the Department of Insurance statutes and regulations) who have lived in a non-nursing unit of the continuing care facility for a period of at least 30 days. Exceptions shall be allowed when one spouse or sibling is admitted to the nursing unit at the time the other spouse or sibling moves into a non-nursing unit, or when the medical condition requiring nursing care was not known to exist or be imminent when the individual became a party to the continuing care contract.
6. The 20 new adult care home beds shall not be certified for participation in the Medicaid program or serve State-County Special Assistance recipients.
7. The 20 new adult care home beds shall be used exclusively to meet the needs of persons with whom the facility has continuing care contracts (in compliance with the Department of Insurance statutes and regulations) who have lived in a non-nursing unit of the continuing care facility for a period of at least 30 days. Exceptions shall be allowed when one spouse or sibling is admitted to the nursing unit at the time the other spouse or sibling moves into a non-nursing unit, or when the medical condition requiring nursing care was not known to exist or be imminent when the individual became a party to the continuing care contract.
8. The 16 new nursing facility beds and 20 new adult care home beds shall be developed on the same site with the independent living units.
9. Moravian Home, Inc. d/b/a Salemtowne 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 \$41,928,010. 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.

The certificate of need will not be issued before the completion of this 30 day period ending September 2, 2014. 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:

Completion of Final Drawings and Specifications _____	January 31, 2015
Contract Award _____	October 15, 2015
25% Completion of Construction _____	May 15, 2016
50% Completion of Construction _____	September 15, 2016
75% Completion of Construction _____	January 15, 2017
Completion of Construction _____	April 28, 2017
Licensure of Facility _____	May 28, 2017
Certification of Beds _____	June 28, 2017
Occupancy/Offering of Service _____	July 1, 2017

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.

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

Sincerely,

Celia C. Inman, Project Analyst

Lisa Pittman, Team Leader  
Certificate of Need Section

CCI:LP:mw

Attachment

cc: Medical Facilities Planning Branch, DHSR  
Adult Care Licensure Section, DHSR  
Nursing Home Licensure & Certification Section, DHSR  
Construction 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:

Dale Melton  
1000 Salemtowne Drive  
Winston-Salem, NC 27106

Project I.D. # G-10291-14  
FID #923440

This the 31<sup>st</sup> day of July, 2014.

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Celia C. Inman  
Project Analyst