



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

**RESPONSE REQUIRED**

February 26, 2016

Chuck White  
PO Box 2568  
Hickory, NC 28603

**Conditional Approval**

Project ID #: F-11101-15  
Facility: Cabarrus Manor  
Project Description: Change of scope for Project ID #F-10311-14 (relocate and replace 48 ACH beds from Concord House) and Project ID #F-10263-14 (relocate and replace 60 ACH beds from Kannapolis Village) by relocating and replacing the 25 ACH beds at St. Andrews to Cabarrus Manor. Upon completion of all three projects Cabarrus Manor will be licensed for 133 ACH beds  
County: Cabarrus  
FID #: 140292

Dear Mr. White:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) 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 Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Cabarrusco, LLC and Cabarrus AL Holdings, LLC shall materially comply with all representations made in the certificate of need application.



**Healthcare Planning and Certificate of Need Section**

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

Telephone 919-855-3873 • Fax 919-715-4413

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



2. Upon completion of this project (relocate and replace 25 ACH beds), Project ID# F-10263-14 (relocate and replace 60 ACH beds) and Project ID F-10311-14 (relocate and replace 48 ACH beds) Cabarrus Manor shall be licensed for no more than 133 ACH beds.
3. For the first two years of operation following completion of the project, Cabarrus Manor 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 Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
4. Cabarrus Manor 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 L.
5. The total capital cost for this project shall be \$4,897,132.
6. Cabarrusco, LLC and Cabarrus AL Holdings, LLC 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 applicants' representations in the written statement as described in paragraph one of Policy GEN-4.
7. Cabarrusco, LLC and Cabarrus AL Holdings, 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 Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency 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 \$4,897,132. 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 Agency.

The certificate of need will not be issued before the completion of this 30 day period ending March 28, 2016. 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 Agency because the review period was extended. The timetable for this project is as follows:

Construction Contract Awarded _____	May 20, 2016
Preliminary Drawings Submitted to the Construction Section, DHSR _____	May 31, 2016
Final Drawings Approved by the Construction Section, DHSR _____	July 29, 2016
Building Permit Obtained _____	August 12, 2016
Site Preparation _____	September 5, 2016
25% Completion of Construction _____	December 30, 2016
50% Completion of Construction _____	April 28, 2017
75% Completion of Construction _____	June 30, 2017
Completion of Construction _____	August 18, 2017
Licensure of Facility/Medicare/Medicaid Certification _____	October 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 this office if any clarification of this decision is required.

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

Sincerely,

Gregory F. Yakaboski  
Project Analyst

Martha J. Frisone  
Assistant Chief, Certificate of Need

Attachment

cc: Adult Care Licensure Section, DHSR  
Construction Section, DHSR  
Kelli Fisk, Program Assistant, Healthcare Planning, 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:

Chuck White  
PO Box 2568  
Hickory, NC 28603  
Project ID #: F-11101-15  
FID #: 140292

This the 26<sup>th</sup> day of February, 2016.

---

Gregory F. Yakaboski  
Project Analyst, Certificate of Need