



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

**RESPONSE REQUIRED**

September 29, 2017

Kesha Smith  
PO Box 947  
Salisbury, NC 28145

**Conditional Approval**

Project ID #: F-11370-17  
Facility: Trinity Place  
Project Description: Acquire and relocate 17 ACH beds from Forrest Oakes Healthcare Center in Stanly County and construct an addition, for a total of 27 ACH and 76 NF beds at Trinity Place and 60 NF beds and no ACH beds at Forrest Oakes  
County: Stanly  
FID #: 923316

Dear Ms. Smith:

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, N.C. Gen. Stat. §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 N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

1. Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall materially comply with all representations made in the certificate of need application and any supplemental responses. In the event that representations conflict, Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall materially comply with the last made representation.

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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. Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall relocate 17 adult care home beds from Forrest Oaks Healthcare Center to Trinity Place, pursuant to Policy LTC-2, for no more than 27 adult care home beds at Trinity Place upon project completion.
3. Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall provide care to recipients of State/County Special Assistance with Medicaid, commensurate with representations made in the application.
4. For the first two years of operation following completion of the project, Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall not increase private pay charges more than 5% of the projected private pay charges provided in Section IX 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.
5. No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:
  - a. Payor mix for the services authorized in this certificate of need.
  - b. Utilization of the services authorized in this certificate of need.
  - c. Revenues and operating costs for the services authorized in this certificate of need.
  - d. Average gross revenue per unit of service.
  - e. Average net revenue per unit of service.
  - f. Average operating cost per unit of service.
6. Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency 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 **\$2,554,560**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by N.C. Gen. Stat. §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 N.C. Gen. Stat. §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).]

N.C. Gen. Stat. §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:

Lisa G. Corbett  
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 **October 30, 2017**. 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:

- |   |                  |
|---|------------------|
| 1. Construction/Renovation Contract(s) Executed                           | December 1, 2017 |
| 2. 25% of Construction/Renovation Completed (25% of the cost is in place) | April 15, 2018   |
| 3. 50% of Construction/Renovation Completed                               | June 1, 2018     |
| 4. 75% of Construction/Renovation Completed                               | August 1, 2018   |
| 5. Construction/Renovation Completed                                      | October 1, 2018  |
| 6. Services Offered   | October 1, 2018  |
| 7. Medicare and/or Medicaid Certification Obtained                        | October 1, 2018  |
| 8. Final Annual Report Due  | January 1, 2021  |

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.

Kesha Smith  
September 29, 2017  
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Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Gloria C. Hale  
Project Analyst

Lisa Pittman  
Team Leader, Certificate of Need

Attachment

cc: Construction Section, DHSR  
Nursing Home Licensure and Certification Section, DHSR  
Sharetta Blackwell, 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:

Keshia Smith  
PO Box 947  
Salisbury, NC 28145

This the 29<sup>th</sup> day of September, 2017.

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Gloria C. Hale  
Project Analyst, Certificate of Need