



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

**RESPONSE REQUIRED**

July 27, 2018

Hunter Trefzger  
P.O. Box 2568  
Hickory, NC 28603

**Conditional Approval**

Project ID #: **G-11496-18**  
Facility: **Guilford House**  
Project Description: **Relocate 29 ACH beds from Wellington Oaks to Guilford House for a total of 85 SCU beds at Wellington Oaks and a total of 89 ACH beds at Guilford House, including 32 SCU beds**  
County: **Guilford**  
FID #: **100777**

Dear Mr. Trefzger:

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. Greensboro AL Holdings, LLC and Guilford Propco Holdings, LLC shall materially comply with all representations made in the certificate of need application.**
- 2. Greensboro AL Holdings, LLC and Guilford Propco Holdings, LLC, shall relocate no more than 29 adult care home beds pursuant to Policy LTC-2 for a total of no more than 89 licensed adult care home beds, including 32 Special Care Unit (SCU) beds, upon completion of the project.**

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701  
www.ncdhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- 3. Greensboro AL Holdings, LLC and Guilford Propco Holdings, LLC 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, Greensboro AL Holdings, LLC and Guilford Propco Holdings, LLC shall not increase private pay charges more than 5% of the projected private pay charges provided in Section Q 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, Greensboro AL Holdings, LLC and Guilford Propco Holdings, LLC shall submit, on the form provided by 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 unity of service.**
  - f. Average operating cost per unit of service.**
- 6. Greensboro AL Holdings, LLC and Guilford Propco 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 **\$2,446,875**. 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 **August 27, 2018**. 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. **Financing Obtained** \_\_\_\_\_ **October 1, 2019**
2. **Drawings Completed** \_\_\_\_\_ **July 15, 2019**
3. **Construction/Renovation Contract(s) Executed** \_\_\_\_\_ **October 15, 2019**
4. **25% of Construction/Renovation Completed**  
(25% of the cost is in place) \_\_\_\_\_ **January 30, 2020**
5. **50% of Construction/Renovation Completed** \_\_\_\_\_ **April 1, 2020**
6. **75% of Construction/Renovation Completed** \_\_\_\_\_ **June 30, 2020**
7. **Construction/Renovation Completed** \_\_\_\_\_ **August 30, 2020**
8. **Building/Space Occupied** \_\_\_\_\_ **September 30, 2020**
9. **Licensure Obtained** \_\_\_\_\_ **October 1, 2020**
10. **Services Offered** \_\_\_\_\_ **October 1, 2020**
11. **Medicare and/or Medicaid Certification Obtained** \_\_\_\_\_ **January 1, 2021**
12. **Final Annual Report Due** \_\_\_\_\_ **December 31, 2026**  
(Final report due no later than 3 months following the end of the third year of operation)

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.

Hunter Trefzger  
July 27, 2018  
Page 4

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

Sincerely,

Celia C. Inman  
Project Analyst

Lisa Pittman  
Assistant Chief, Certificate of Need

Attachment

cc:

Construction Section, DHSR  
Adult Care Licensure Section, DHSR  
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

**CERTIFICATE OF SERVICE**

I hereby certify that I have served the foregoing notice of **conditional approval / disapproval** 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:

Hunter Trefzger  
P.O. Box 2568  
Hickory, NC 28603

This the 27<sup>th</sup> day of July, 2018.

---

Celia C. Inman  
Project Analyst, Certificate of Need