

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: August 31, 2023

Findings Date: August 31, 2023

Project Analyst: Terris Riley

Co-Signer: Gloria C. Hale

Project ID #: J-12383-23

Facility: Britthaven of Holly Springs

FID #: 110707

County: Wake

Applicants: Hillco, Ltd.
Eagle Peak LTC Group, LLC
Britthaven, Inc.

Project: COS/COR for Project ID# J-12123-21 (Cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility)) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County) for a total of 120 NF beds upon project completion

REVIEW CRITERIA

G.S. 131E-183(a): The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

C

Hillco, Ltd, Eagle Peak LTC Group, LLC, and Britthaven, Inc, (hereinafter collectively referred to as the “applicant”) propose a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

A certificate of need was issued on January 1, 2022, for Project ID #J-12123-21, a cost overrun for Project ID #J-8618-10 (Develop new 90-bed NF facility). The combined capital cost was \$25,007,121.

This application proposes a COS in which the applicant proposes to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County for a total of no more than 120 NF beds upon project completion. This application also proposes a COR due to the increase in materials and other associated project costs since Project ID# J-12123-21 was approved and is proposing an increase of \$6,703,093 for a combined total project cost of \$31,710,214.

Need Determination

The original project did not involve a need determination pursuant to any of the applicable State Medical Facilities Plans (SMFP) and the current COS/COR application does not involve the addition of any new health service facility beds, services, or equipment for which there is a need determination in the 2023 SMFP. Therefore, there are no need determinations applicable to this review.

Policies

There are three policies in the 2023 SMFP which are applicable to this review: *Policy NH-6: Relocation of Nursing Facility Beds*, *Policy NH-8: Innovations in Nursing Home Facility Design* and *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

Policy NH-6: Relocation of Nursing Facility Beds, on page 24 of the 2023 SMFP states:

“Relocations of existing licensed nursing home facility beds to another service area are allowed. Certificate of need applicants proposing to relocate licensed nursing home facility beds to another service area shall:

- 1. demonstrate that the proposal shall not result in a deficit, or increase an existing deficit in the number of licensed nursing home facility beds in the county that would be losing nursing home facility beds as a result of the proposed project, as reflected in the North Carolina State Medical Facilities Plan in effect at the time the certificate of need review begins; and*
- 2. demonstrate that the proposal shall not result in a surplus or increase an existing surplus of licensed nursing home facility beds in the county that would gain nursing home facility beds as a result of the proposed project, as reflected in the North Carolina State Medical Facilities Plan in effect at the time the certificate of need review begins.”*

This application proposes a COS in which the applicant proposes to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County for a total of no more than 120 NF beds upon project completion.

According to the 2023 SMFP, Table 10C, pages 166 and 168, Halifax County has a surplus of 144 NF beds, and Wake County has a deficit of 451 NF beds. The proposed project will reduce the surplus in the NF bed inventory in Halifax County and decrease the deficit in Wake County. This is illustrated in the table below.

	NF Beds: Prior to Project Completion	NF Beds: After to Project Completion
County	Surplus/-Deficit	Surplus/-Deficit
Halifax	144	119
Wake	-451	-426

Source: Section B, page 27; Table 10A of 2023 SMFP, pages 166 and 168.

The application is consistent with Policy NH-6 because the surplus of NF beds in Halifax County will not be increased and the deficit of N beds in Wake County will not be increased.

Policy NH-8: Innovations in Nursing Home Facility Design, on page 24 of the 2023 SMFP, states:

“Certificate of need applicants proposing new nursing home facilities and replacement nursing home facilities shall pursue innovative approaches in environmental design that address quality of care and quality of life needs of the residents. These plans could include innovative design elements that encourage less institutional, more home-like settings, privacy, autonomy and resident choice, among others.”

In Section B, pages 26-31, and Exhibit K.5, the applicant describes the innovative approaches in environmental design that it plans to incorporate into the proposed project. The applicant states that the design will address a wide array of cognitive, social and physical abilities, not just age. Utilizing color theory research, the applicant intends to promote health in the dining areas of the facility. The applicant also intends to incorporate stimulation for mental and physical activities through the effective use of artwork, gardens and textured colors.

The application is consistent with Policy NH-8 because the applicant describes its planned innovative approaches in nursing facility design that will address quality of care and quality of life needs of the residents.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2023 SMFP, states:

“Any person proposing a capital expenditure greater than \$4 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

In approving a certificate of need proposing an expenditure greater than \$5 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178, Certificate of Need shall impose a condition requiring the applicant to 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 representation in the written statement as described in paragraph one of Policy GEN-4.

Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 is required to submit a plan for energy efficiency and water conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant's representation in the written statement as described in paragraph one of Policy GEN-4. The plan shall not adversely affect patient or resident health, safety, or infection control."

The proposed capital expenditure of the project is over \$5 million dollars. In Section B, pages 30-31, the applicant describes its plan to assure improved energy efficiency and water conservation. On page 31, the applicant includes a number of methods they intend to implement for the purpose of energy conservation: (1) building and life safety code lighting controlled by motion sensors; (2) programmable thermostats throughout facility; (3) solar panels to the extent practicable; (4) geothermal heating and cooling systems; and (5) certified energy efficient appliances. As it relates to water conservation, the applicant states:

"For the purposes of conserving water and lowering water use at this site, xeriscaping-landscaping techniques to the extent possible will be used within the unified development code of the local municipality. Water usage will be further limited by using rainwater harvesting irrigation systems. Low flow plumbing fixtures will also be installed throughout the facility."

Additionally, the applicant provided a letter in Exhibit B.2-2 in which the project architects confirm that upon completion, this project will exceed energy efficiency and water conservation standards.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop any beds, services, or equipment for which there is a need determination in the 2023 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with Policies NH-6, NH-8 and Policy GEN-4 based on the following:

- The applicant adequately demonstrates that the proposal is consistent with Policy NH-6 because the proposed project will not result in a deficit, or increase an existing deficit in the number of licensed nursing home facility beds in the county that would be losing nursing home facility beds as a result of the proposed project, and the proposal shall not result in a surplus or increase an existing surplus of licensed nursing home facility beds in the county that would gain nursing home facility beds.
 - The applicant adequately demonstrates that the proposal is consistent with Policy NH-8 because they adequately document the innovative approaches in environmental design to address quality of care and quality of life needs of the residents.
 - The applicant adequately demonstrates that the application includes a written statement describing the project's plan to assure improved energy efficiency and water conservation.
- (2) Repealed effective July 1, 1987.
- (3) The applicant shall identify the population to be served by the proposed project and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low-income persons, racial and ethnic minorities, women, persons with disabilities, the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

Patient Origin

On page 139, the 2023 SMFP defines the service area for nursing home beds as "... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*" Thus, the service area for this facility is Wake County. Facilities may also serve residents of counties not included in their service area.

In Section C, page 56, the applicant provides the projected patient origin for the NF beds at Britthaven of Holly Springs. Given the time since the approval of Project ID# J-8618-10, the applicant has updated the patient origin for NF beds at Britthaven of Holly Springs as shown in the table below.

NF Beds	Britthaven of Holly Springs					
	1st Full FY		2nd Full FY		3rd Full FY	
	10/01/2026 to 09/30/2027		10/01/2027 to 09/30/2028		10/01/2028 to 09/30/2029	
County	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Wake	48	80.0%	86	80.0%	90	80.0%
Durham	2	3.0%	3	3.0%	3	3.0%
Franklin	1	2.0%	2	2.0%	2	2.0%
Johnston	1	2.0%	2	2.0%	2	2.0%
Harnett	1	1.0%	1	1.0%	1	1.0%
Nash	1	1.0%	1	1.0%	1	1.0%
Chatham	1	1.0%	1	1.0%	1	1.0%
Granville	1	1.0%	1	1.0%	1	1.0%
Orange	1	1.0%	1	1.0%	1	1.0%
Lee	1	1.0%	1	1.0%	1	1.0%
Other^	4	7.0%	8	7.0%	8	7.0%
Total	60	100.0%	108	100.0%	113	100.0%

Source: Application, Section C, page 58

^Other includes other North Carolina counties and other states

In Section C, pages 58-59, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant bases their projections, in part, on the anticipated population growth in and around Wake County as well as the increase in the number of NFs in the county.
- Since historical data is not available, the applicant analyzed patient origin for all existing Wake County NF beds using data from the 2023 License Renewal Applications. The data referenced reflects that 83 percent of all patients that use NF beds, originated in Wake County.
- The applicant also analyzed the historical patient origin for a sister facility, Tower Nursing and Rehabilitation Center, which is also owned and operated by a related entity. This historical data reflects that 76 percent of all NF bed patients at this facility originated from Wake County.
- Utilizing the data collected in the 2023 License Renewal Applications as well as the historical patient origin for the Tower Nursing and Rehabilitation Center, the applicant conservatively projects that 80 percent of all NF bed patients will originate from Wake County.

The applicant's assumptions are reasonable and adequately supported because the patient origin projections are based on Wake County nursing facilities' historical experience in FY2022.

Analysis of Need

In Section C, pages 45-54, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services.

Projected Population Growth and Aging in Wake County and Need for Additional NF Beds

On pages 45-51, the applicant discusses population growth and aging and the need for additional NF beds in Wake County. The applicant states, on pages 45-46, that Wake County has the highest number of persons age 65+ and is projected to have the highest growth in that number between 2023 and 2033 according to the North Carolina Office of State Budget and Management. In addition, the applicant states, on page 46, that Wake County's compound annual growth rate from 2013 to 2023 was double the rate of the state, as a whole, driving the need for additional NF beds in the county.

On page 48, the applicant discusses the need for additional NF beds, and states,

“Wake County’s projected 451 NF bed deficit is the highest projected deficit in the SMFP since revision of the NF bed need methodology that was enacted in the 2017 SMFP. According to Table 10B in the 2023 SMFP, aside from Northampton County, which, according to NC OSBM population data is projected to experience a decrease in population from 2023 to 2033 (See Exhibit C.8-1). Wake County experienced the highest actual average change in its five-year NF bed use rate (6.7 percent).”

Need to Distribute NF Bed Inventory

On pages 51-52, the applicant discusses the need to distribute inventory in Principle LTC Managed Nursing Facilities. The application states,

“While Wake County has a projected deficit of NF beds, there is no need for additional statewide inventory; thus, the only way to meet the need for additional capacity in the county is to relocate existing beds. As one of the largest providers of NF services in the state, the applicants and its affiliates are well-positioned to relocate valuable assets to not only meet the need for more capacity in Wake County but to also improve the distribution of statewide SNF bed inventory.”

Need for Proven Nursing Facility Services

On page 52-53, the applicant states,

“...Principle LTC is the management company for all 37 existing NFs owned by the applicants or related parties. Principle LTC has extensive experience operating under North Carolina regulations and guidelines. This experience facilitates the delivery of quality care to residents by creating specialized environments to foster rehabilitation and long-term care. Principle LTC’s organizational philosophy has been built around its mission – providing the highest quality of care and services assuring human dignity and quality of life, for its residents, their families, and employees – since its inception in 1980.”

In Section C, page 54, the applicant states that its application is also a COR. The following table compares the previously approved capital cost and the proposed capital cost, as reported on Form F.1b in Section Q.

Britthaven of Holly Springs – Previously Approved & Proposed Capital Cost			
	Previously Approved Capital Costs Project ID# J-12123-21	New Total Capital Cost Project ID# J-12383-23	Difference
Purchase Price of Land	\$2,200,000	\$2,200,000	\$0
Closing Costs	\$39,600	\$39,600	\$0
Site Preparation	\$1,100,000	\$1,450,864	\$350,860
Construction/Renovation Contract(s)	\$17,320,000	\$22,418,980	\$5,098,980
Landscaping	\$300,000	\$738,580	\$438,580
Architect/Engineering Fees	\$958,688	\$1,073,404	\$87,716
Medical Equipment	\$0	\$26,315	\$26,315
Non-Medical Equipment	\$0	\$78,944	\$78,944
Furniture	\$2,600,000	\$2,705,259	\$105,259
Consultant Fees (CON and legal fees)	\$100,000	\$100,000	\$0
Financing Costs	\$0	\$0	\$0
Interest during Construction	\$348,333	\$842,658	\$494,325
Other (filing fee)	\$13,500	\$35,609	\$22,109
Total Capital Cost	\$25,007,121	\$31,710,214	\$6,703,093

In Section C, pages 58-59, the applicant explains why it believes the proposed increase in capital cost is necessary to develop the proposed project:

- All of the line-item costs have increased due to inflation.
- Interest during construction has increased not only due to inflation, but also due to different financing terms.
- The increased cost includes the application filing fee.

The information is reasonable and adequately supported based on the following:

- The applicant states it is well-positioned to know which of its existing NF beds should be relocated based on costs, utilization, population growth and aging, and the needs of the service area.
- The applicant adequately explains the reasons the additional costs are necessary to develop the proposed project.
- The applicant provides supporting documentation for its statements in Exhibit C.8-2 and C.8-3.
- The applicant proposes to provide the same type of services to the patients projected to be served by the proposed project as it proposed in its original project.

Projected Utilization

In Section Q, Form C.1b, the applicant states the current application represents a change in projected utilization from what was originally projected in Project ID #J-8618-10. In Section Q, Form C.1b, the applicant provides projected utilization, as shown below:

BRITTHAVEN OF HOLLY SPRINGS	1ST FULL FY 10/1/2026 - 09/30/2027	2ND FULL FY 10/1/2027 - 09/30/2028	3RD FULL FY 10/1/2028 - 09/30/2029
Number of NF Beds	120	120	120
Total Admissions	480	480	480
Number of Pt. Days	21,900	39,420	41,172
ALOS*	46	82	86
Occupancy Rate	50.0%	90.0%	94.0%

*Average Length of Stay

In Section Q, Form C, the applicant provides the assumptions and methodology used to project utilization, as summarized below:

- The applicant relies on the historical experience from one of the sister facilities owned by the applicant or a related entity in developing and operating NF facilities in North Carolina.
- The applicant analyzed historical fill-up rates for multiple sister facilities owned by the applicant and determined that those facilities averaged between 10-14 admissions per week by the second year of operation. Moreover, occupancy rates averaged between 90 and 95 percent during their second years of operation.

- The applicants then analyzed internal data for other sister facilities of comparable size and scope and determined that four (4) NF bed admissions per NF bed per year is a reasonable and conservative assumption for Britthaven of Holly Springs.

Projected utilization is reasonable and adequately supported based on the following:

- The applicant relies on its historical experience with NF facilities located in highly populated urban areas similar to Wake County and managed by the same management company that will manage this facility.
- The applicant relies on its experience with sister facilities of comparable size and scope to project utilization at the proposed facility.

Access to Medically Underserved Groups

In Section C, page 61, the applicant states the current application does not project a change in access by medically underserved groups from what was previously approved in Project ID# J-12123-21. That project was conforming to this portion of the criterion and the applicant proposes no changes in the current application as submitted which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant provided reasonable and adequately supported assumptions for the projected patient origin that differed from its original application, Project ID# J-8618-10.
- Projected utilization was reasonable and adequately supported based on historical data from sister facilities of similar size and geographical location.
- There is no change in access by medically underserved groups from previously-approved Project ID# J-12123-21.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, persons with disabilities, and other underserved groups and the elderly to obtain needed health care.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

In Section D, page 67, the applicant explains why it believes the needs of the population presently utilizing the services to be reduced will be adequately met following completion of the project. The applicant states that Enfield Oaks Nursing and Rehabilitation is licensed to operate 63 NF beds; however, following completion of approved Project ID# L-11623-18, it will be licensed to operate 60 NF beds. The applicant further states, on page 69, that the facility has not been operational since September 2019 and that previous to that date, all patients were transferred to other facilities.

Moreover, in Section D, page 66, the applicant states all the beds at Enfield Oaks Nursing and Rehabilitation are proposed to be relocated to other facilities via concurrent applications. Upon approval of those applications and completion of concurrent projects, the facility will be delicensed. Therefore, the needs of the population that had been served at Enfield Oaks Nursing and Rehabilitation Center were met by alternative arrangements. At the completion of this project and concurrent projects, Halifax County will continue to have a surplus of NF beds with which to serve the needs of the population, including the medically underserved.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

CA

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

In Section E, pages 70-71, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the Status Quo - The applicant states that if it was to maintain the status quo, Wake County and surrounding residents will increasingly encounter access issues due to the unavailability of NF capacity, which will result in patients and their families having to travel for, or possibly even forego skilled nursing care.
- Relocate a Different Number of Beds – The applicant states that this would result in a less effective alternative as there would be a reduced capacity to meet the significant deficit projected for Wake County. In contrast, the applicant could have proposed to relocate a greater number of NF beds but that would lead to a more costly alternative and the applicant believes that a 120 bed NF (through the addition of 30 NF beds to the previously approved NF beds) can be efficiently and effectively staffed and operated.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria. Therefore, the application can be approved.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. Hillco, Ltd., Eagle Peak LTC Group, LLC, and Britthaven, Inc. (hereinafter certificate holder) shall materially comply with the representations in this application and the representations in Project ID# J-12123-21. Where representations conflict, the certificate holder shall materially comply with the last made representation.**
- 2. The total combined cost for both projects is \$31,710,214, an increase of \$6,703,093 over the capital expenditure of \$25,007,121 previously approved in Project ID# J-12123-21.**

- 3. The certificate holder shall relocate a total of no more than 25 NF beds from Enfield Oaks Health and Rehabilitation Center to Britthaven of Holly Springs for a total of no more than 120 NF beds upon completion of this project and Project I.D. # J-12123-21.**
- 4. Upon completion of this project and Project ID# J-12123-21, Britthaven of Holly Springs shall be licensed for no more than 120 NF beds.**
- 5. The certificate holder shall delicense 30 NF beds at Enfield Oaks Health and Rehabilitation Center, for a total of no more than 30 NF beds following completion of this project.**
- 6. For the first two years of operation following completion of the project, the certificate holder 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 made in the certificate of need application.**
- 7. The certificate holder shall certify at least 75% of the total number of NF beds in the facility for participation in the Medicaid program and shall provide care to Medicaid recipients commensurate with representations made in this application, Project ID # J-12123-21 and Project ID # J-8618-10.**
- 8. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. The first progress report shall be due on January 1, 2024.**
- 9. The certificate holder 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.**

10. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
 11. **The certificate holder 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.**
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

Capital and Working Capital Costs

A certificate of need was issued on January 11, 2022, for Project ID# J-12123-21 and authorized a combined capital cost of \$25,007,121 for that project and Project ID# J-8618-10. The current application proposes a capital cost increase of \$6,703,093 over the previously approved combined capital cost for a total new combined capital cost of \$31,710,214.

The following table compares the previously combined approved capital costs and the proposed capital cost for this project, as reported by the applicant in Section Q, Form F.1(b):

Britthaven of Holly Springs – Previously Approved & Proposed Capital Cost			
	Previously Approved Capital Costs Project ID# J-12123-21	New Total Capital Costs Project ID# J-12383-23	Difference
Purchase Price of Land	\$2,200,000	\$2,200,000	\$0
Closing Costs	\$39,600	\$39,600	\$0
Site Preparation	\$1,100,000	\$1,450,864	\$350,864
Construction/Renovation Contract(s)	\$17,320,000	\$22,418,980	\$5,098,980
Landscaping	\$300,000	\$738,580	\$438,580
Architect/Engineering Fees	\$985,688	\$1,073,404	\$87,716
Medical Equipment	\$0	\$26,315	\$26,315
Non-Medical Equipment	\$0	\$78,944	\$78,944
Furniture	\$2,600,000	\$2,705,259	\$105,259
Consultant Fees (CON and legal fees)	\$100,000	\$100,000	\$0
Interest during Construction	\$348,333	\$842,658	\$494,325
Other (filing fee)	\$13,500	\$35,609	\$22,109
Total Capital Cost	\$25,007,121	\$31,710,214	\$6,703,093

In Section Q, following Form F.1b, the applicant provides the assumptions used to project the capital cost for this COR/COS project. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions because it is based on the applicant’s experience with similar projects in North Carolina and a review of current market conditions.

In Section F, page 79, the applicant states the current application proposes a decrease in working capital costs from what was originally projected in Project ID# J-12123-21. On page 81, the applicant projects that start-up costs will be \$252,714 and initial operating expenses will be \$1,335,556 for a total working capital of \$1,588,271. This represents an decrease of \$513,469 in total working capital from what was approved in Project ID # J-12123-21. On page 82, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions because the nursing facility is not expected to be as challenged with COVID-19 positive residents and thus, has adjusted its working capital needs based on current economic conditions.

Availability of Funds

In Section F, page 79, and in Exhibits F.5-1 and F.5-2, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	Britthaven, Inc.	Hillco, LTD	Principle Long Term Care, Inc.*	Total
Loans		\$5,998,250	\$ 0	\$5,998,250
Accumulated reserves or OE *		\$494,325	\$ 210,519	\$210,519
Bonds		\$0	\$0	\$0
Other (Specify)		\$0	\$0	\$0
Total Financing		\$6,492,575	\$210,519	\$6,709,093

* OE = Owner's Equity

* Principle Long Term Care, Inc. is the parent company of Eagle Peak LTC Group, LLC.

In Section F, page 79, and in Exhibit F.5-2, the applicant states that the capital cost will be funded by accumulated reserves and a bank loan.

In Section F, page 81 the applicant states that its proposed working capital costs have decreased since Project ID# J-12123-21 was approved. The applicant adequately demonstrated in that application that sufficient funding was available for the working capital needs of the project and nothing has changed in this application that would change that determination.

In Exhibit F.5-1, the applicant provides a letter dated April 17, 2023, from Truist Bank, confirming an intent to consider financing up to \$7 million for the capital needs of the project. In Exhibit F.5-2, the applicant also provides a letter dated April 17, 2023, signed by the President of Hillco, Ltd., confirming an intent to consider financing in the amount of \$494,324 from the accumulated reserves for a portion of the capital costs of the project. In addition, in Exhibit F.5-2, the applicant provides a letter dated April 17, 2023, signed by the CFO of Principle Long Term Care, Inc., confirming an intent to consider financing in the amount of \$210,519 from accumulated reserves for the capital costs of the project. Lastly, the applicant provides a copy of Hillco, Ltd. and Principle Long Term Care, Inc.'s balance sheets in Exhibit F.5-3, confirming the availability of accumulated reserves for the proposed project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project because the applicant provides documentation that confirms the availability of accumulated reserves and a loan sufficient to cover those costs. The applicant also provides documentation of the applicants' commitment to utilize these funds for the proposed project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project because the applicant provides documentation that confirms the availability of a loan and accumulated reserves sufficient to cover those costs.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years (FY) of operation (October 1, 2025-September 30, 2028) following project completion. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the second and third full fiscal years following project completion, as shown in the following table:

BRITTHAVEN OF HOLLY SPRINGS PROJECTED REVENUES AND NET INCOME UPON PROJECT COMPLETION	1 ST FULL FY (10/1/25-09/30/26)	2 ND FULL FY (10/1/26-09/30/27)	3 RD FULL FY (10/1/27-09/30/28)
Total Patient Days of Care (DOC)	21,900	39,420	41,172
Total Gross Revenues (Charges)	\$8,148,708	\$14,667,675	\$15,319,572
Total Net Revenue	\$7,985,734	\$14,374,322	\$15,013,180
Average Net Revenue per DOC*	\$365	\$365	\$365
Total Operating Expenses (Costs)	\$9,323,797	\$13,906,546	\$14,805,204
Average Operating Expense per DOC*	\$426	\$353	\$360
Net Income	(\$1,338,063)	\$467,776	\$207,977

* Rounded by project analyst.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported for the following reasons:

- The applicant accounts for the increase in projected operating expenses, such as salaries, consistent with projections elsewhere in the application.
- The applicant accounts for increases in other expenses consistent with representations made in the application based on the increase in the number of NF beds and related costs.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.

- The applicants adequately demonstrate sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of costs and charges for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

On page 139, the 2023 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” Thus, the service area for this facility is Wake County. Facilities may also serve residents of counties not included in their service area.

Table 10A on page 160 of the 2023 SMFP shows a total of 2,760 existing and approved NF beds in Wake County. The table below summarizes the existing and approved NFs and hospitals with NF beds as shown in the 2023 SMFP.

Wake County Inventory of Existing/Approved NF Beds				
Facility	Total Licensed NF Beds	CON Bed Transfer	Total Available Beds	Total Planning Inventory
BellaRose Nursing and Rehab	100	0	100	100
Brightmore Healthcare Center of Cary	0	0	28	25
Brittany Place	25	0	25	-24
Britthaven of Holly Springs	0	90	90	90
Capital Nursing and Rehabilitation Center	125	0	125	125
Cary Health and Rehabilitation Center	120	0	120	120
Dan E & Mary Louise Stewart Health Center of Springmoor	173	0	173	0
Glenaire	71	0	71	20
Hillcrest Raleigh at Crabtree Valley	134	0	134	134
Hillside Nursing Center of Wake Forest	130	0	130	130
Litchford Falls Healthcare and Rehabilitation Center	90	-90	0	0
PruittHealth-Raleigh	150	18	168	168
Raleigh Rehabilitation Center	157	0	157	157
Rex Hospital	0	0	120	120
Sunnybrook Rehabilitation Center	95	0	95	95
Swift Creek Health Center	28	0	28	28
The Cardinal at North Hills	15	0	15	0
The Laurels of Forest Glenn	120	0	120	120
The Oaks at Whitaker Glen-Mayview	139	0	139	139
The Rosewood Health Center	57	0	57	0
Tower Nursing and Rehabilitation Center	180	-90	90	90
UNC Rex Rehabilitation and Nursing Care Center of Apex	107	0	107	107
Universal Health Care/Fuquay-Varina	100	0	100	100
Universal Health Care/North Raleigh	132	0	132	132
Universal Health Care/Wake Forest	0	119	119	119
Wake County Health and Rehabilitation Center	0	0	95	95
WakeMed	0	0	13	13
WakeMed Cary Hospital	0	0	24	24
Wellington Rehabilitation and Healthcare	80	0	80	80
Windsor Point Continuing Care Retirement Community	45	0	45	0
Zebulon Rehabilitation Center	60	0	60	60
Total	2,590	47	2,760	2,367

Project ID# J-12123-21 was conforming to this criterion and the applicant proposes no changes in the current application as submitted that would affect that determination. Therefore, the

applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

In Section Q, Form H, page 10, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Projected FTE Staff		
	1 st FFY FY 2026	2 nd FFY FY 2027	3 rd FFY FY 2028
Registered Nurses	5.9	9.5	9.8
Licensed Practical Nurse	9.5	17.2	17.9
Certified Nurse Aides Assistant	23.3	40.4	42.2
Director of Nursing	1.0	1.0	1.0
Assistant Director of Nursing	1.0	1.0	1.0
MDS Nurse	1.0	2.0	2.0
Staff Development Coordinator	1.0	1.0	1.0
Dieticians	1.0	1.0	1.0
Cooks	2.5	2.5	2.5
Dietary Aides	3.0	6.0	6.0
Social Workers	1.0	1.5	1.5
Activities Director	1.0	1.0	1.0
Activities Assistant	0.0	1.0	1.0
Medical Records	1.0	1.0	1.0
Housekeeping	4.0	6.0	6.0
Central Supply	1.0	1.0	1.0
Maintenance/ Engineering	1.0	1.0	1.0
Business Office	1.0	1.0	1.0
Clerical	1.5	1.5	1.5
Nursing Home Administrator	1.0	1.0	1.0
Admissions Administrator	1.0	1.0	1.0
Environmental Services	1.0	1.0	1.0
Floor Technicians	1.0	1.0	1.0
Accounts Receivable Representative	0.5	1.0	1.0
Accounts Payable	1.0	1.0	1.0
TOTAL	66.2	102.6	105.5

The assumptions and methodology used to project staffing are provided in Section H. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Section Q, Form F.3b. In Project ID# J-12123-21, the applicant adequately described the methods used to recruit or fill new positions as well as existing and proposed training and continuing education programs and nothing has changed in this application that would change that determination.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant’s projected staffing needs are based on reasonable assumptions based on past experience.

- The applicant's extensive experience in operating nursing home facilities throughout the state of North Carolina and its existing recruitment and training programs.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

In Section I, page 89, the applicant states there are no changes to the provision of necessary ancillary and support services or changes to coordination with the existing health care system than approved in Project ID# J-12123-21. In Project ID# J-12123-21, the applicant was conforming to this criterion and the applicant proposes no changes in the current application as submitted that would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reason described above.

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health

service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
 - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
 - (iii) would cost no more than if the services were provided by the HMO; and
 - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

In Section K, page 92, the applicant states this project proposes construction of 18,943 square feet of new construction. The additional square footage proposed in this application will accommodate the additional 30 NF beds proposed to be relocated in this application from the initial 90 beds to a total of 120 beds upon project completion. Line drawings are provided in Exhibit K.5.

On page 93, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal. The applicant proposes to use a design-build method of project delivery along with targeted value design in order to (1) lower project design and construction costs; (2) prevent delays; and (3) change orders and rework that could increase costs. The applicant also states its intent to use modular construction techniques in anticipation of the rise in construction costs and shortage of skilled laborers. The applicant is also working with McMillan Pazdan Smith Architecture to create an environment that feels more “home-like” for the residents as they believe doing so will encourage high-quality care in an effective manner.

On pages 93-94, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states that construction costs for this type of facility is low-to-average— as such, sustaining the facility will be within the applicant’s projected cost parameters.
- The proposed project-build is expected to operate within state and federal reimbursement programs just as they now exist.
- Minimizing costs and implementing innovative design-builds will help avoid unnecessary cost increases to the public.

In Section B, pages 30-31, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans and provides supporting documentation in Exhibit B.2-2.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as

medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and persons with disabilities, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

- (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

Project ID# J-12123-21 was conforming to this criterion and the applicant proposes no changes in the current application as submitted that would affect that determination. Therefore, the application is conforming to this criterion.

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and persons with disabilities to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

Project ID# J-12123-21 was conforming to this criterion and the applicant proposes no changes in the current application as submitted that would affect that determination. Therefore, the application is conforming to this criterion.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

Project ID# J-12123-21 was conforming to this criterion and the applicant proposes no changes in the current application as submitted that would affect that determination. Therefore, the application is conforming to this criterion.

- (d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

Project ID# J-12123-21 was conforming to this criterion and the applicant proposes no changes in the current application as submitted that would affect that determination. Therefore, the application is conforming to this criterion.

- (14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

Project ID# J-12123-21 was conforming to this criterion and the applicant proposes no changes in the current application as submitted that would affect that determination. Therefore, the application is conforming to this criterion.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (15) Repealed effective July 1, 1987.
- (16) Repealed effective July 1, 1987.
- (17) Repealed effective July 1, 1987.
- (18) Repealed effective July 1, 1987.
- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

On page 139, the 2023 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” Thus, the service area for this facility is Wake County. Facilities may also serve residents of counties not included in their service area.

Table 10A on page 159 of the 2023 SMFP shows a total of 2,760 existing and approved NF beds in Wake County. The table below summarizes the existing and approved NFs and hospitals with NF beds as shown in the 2023 SMFP.

Wake County Inventory of Existing/Approved NF Beds				
Facility	Total Licensed NF Beds	CON Bed Transfer	Total Available Beds	Total Planning Inventory
BellaRose Nursing and Rehab	100	0	100	100
Brightmore Healthcare Center of Cary	0	0	28	25
Brittany Place	25	0	25	-24
Britthaven of Holly Springs	0	90	90	90
Capital Nursing and Rehabilitation Center	125	0	125	125
Cary Health and Rehabilitation Center	120	0	120	120
Dan E & Mary Louise Stewart Health Center of Springmoor	173	0	173	0
Glenaire	71	0	71	20
Hillcrest Raleigh at Crabtree Valley	134	0	134	134
Hillside Nursing Center of Wake Forest	130	0	130	130
Litchford Falls Healthcare and Rehabilitation Center	90	-90	0	0
PruittHealth-Raleigh	150	18	168	168
Raleigh Rehabilitation Center	157	0	157	157
Rex Hospital	0	0	120	120
Sunnybrook Rehabilitation Center	95	0	95	95
Swift Creek Health Center	28	0	28	28
The Cardinal at North Hills	15	0	15	0
The Laurels of Forest Glenn	120	0	120	120
The Oaks at Whitaker Glen-Mayview	139	0	139	139
The Rosewood Health Center	57	0	57	0
Tower Nursing and Rehabilitation Center	180	-90	90	90
UNC Rex Rehabilitation and Nursing Care Center of Apex	107	0	107	107
Universal Health Care/Fuquay-Varina	100	0	100	100
Universal Health Care/North Raleigh	132	0	132	132
Universal Health Care/Wake Forest	0	119	119	119
Wake County Health and Rehabilitation Center	0	0	95	95
WakeMed	0	0	13	13
WakeMed Cary Hospital	0	0	24	24
Wellington Rehabilitation and Healthcare	80	0	80	80
Windsor Point Continuing Care Retirement Community	45	0	45	0
Zebulon Rehabilitation Center	60	0	60	60
Total	2,590	47	2,760	2,367

The applicant was conforming to this criterion in Project ID# J-12123-21 and proposes no changes in the current application as submitted that would affect that determination. Therefore, the application is conforming to this criterion.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described above.

- (19) Repealed effective July 1, 1987.
- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

In Section Q, Form O, the applicant identifies the nursing facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 41 of this type of facility located in North Carolina.

In Section O, page 107, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in six of these facilities. The applicant states that all the problems have been corrected. According to the files in the Nursing Home Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in six of these facilities.

After reviewing and considering information provided by the applicant and by the Nursing Home Licensure and Certification Section and considering the quality of care provided at all 41 facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and

may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

NA

The applicant proposes a change of scope/cost overrun (COS/COR) for Project ID# J-12123-21 which was a cost overrun for Project ID# J-8618-10 (Develop a new 90-bed nursing facility) to relocate 30 NF beds from Enfield Oaks Nursing and Rehabilitation Center in Halifax County to Britthaven of Holly Springs in Wake County for a total of 120 NF beds upon project completion.

The Criteria and Standards for Nursing Facility or Adult Care Home Services, promulgated in 10A NCAC 14C .1100, are not applicable to this project because the applicant does not propose to add new NF beds to an existing facility or develop a new facility.