

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: July 21, 2023

Findings Date: July 21, 2023

Project Analyst: Cynthia Bradford

Co-Signer: Gloria C. Hale

Project ID #: J-12384-23

Facility: Triangle Health and Rehabilitation Center

FID #: 230342

County: Wake

Applicants: Hillco, Ltd.
Maple LTC Group, LLC
Britthaven, Inc.

Project: Develop a new 120-bed NF by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County)

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, Maple LTC Group, LLC, and Britthaven, Inc., (hereinafter collectively referred to as the “applicant”) propose to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from

Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

Need Determination

The proposed project 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 State Medical Facilities Plan (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 applicant 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.”*

The proposed project involves relocating existing NF beds from various counties to Wake County. According to the 2023 SMFP, Stanly County has a surplus of 145 NF beds, Halifax County has a surplus of 144 NF beds, Lenoir County has a surplus of 175 NF beds, Guilford County has a surplus of 369 NF beds, Davidson County has a surplus of 150 NF beds, Mecklenburg County has a surplus of 860 NF beds, Wilkes County has a surplus of 126, and

Wayne County has a surplus of 144 NF beds. The proposed project will not result in a deficit or increase an existing deficit in the NF bed inventory in the counties losing NF beds nor result in a surplus or increase an existing surplus in the NF bed inventory in the county gaining NF beds, as illustrated in the table below.

	NF Beds: Prior to Project Completion	NF Beds: After to Project Completion
County	Surplus/-Deficit	Surplus/-Deficit
Stanly	+145	+115
Halifax	+144	+139
Lenoir	+9	0
Guilford	+369	+359
Davidson	+150	+138
Mecklenburg	+860	+840
Wilkes	+126	+106
Wayne	+144	+130
Wake	-451	-331

Source: Section B, page 27; Table 10C of 2023 SMFP.

The application is consistent with Policy NH-6

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

“Certificate of need applicant 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 29-31, the applicant explains why it believes its application is conforming to Policy NH-8. The applicant states it is utilizing color theory in its design as a means to assist patients with thinking positively, stabilize their mood, and encourage activity engagement as well as adding other textural and outdoor features which will create a calmer and more homelike atmosphere while maximizing residents’ quality of life and autonomy.

The application is consistent with Policy NH-8.

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."

In Section B, pages 31-32, the applicant explains why they believe their application is conforming to Policy GEN-4. The applicant provides a written statement of the energy and water conservation features they will utilize. Additionally, the applicant provides a letter from the architect in Exhibit B.2, which states that the architect will assist in developing plans for water and energy conservation that meet all applicable laws, regulations, and codes.

The application is consistent with Policy GEN-4.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was 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 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 Policy NH-6 because the proposed relocations are less than or equal to the surplus of NF beds in each county and will decrease the deficient of NF beds in Wake County; thus, not resulting in a deficit or increase an existing deficit in the NF bed inventory in the counties from which NF beds are being relocated, nor resulting in a surplus in Wake County where the NF beds are being relocated to.
- The applicant adequately demonstrates that the proposal is consistent with Policy NH-8 because they adequately document the list of innovative approaches in environmental design to address quality of care and quality of life needs of the residents.

- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-4 because the application contains 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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 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.*”

The applicant proposes relocating NF beds from Davidson, Guilford, Halifax, Lenoir, Mecklenburg, Stanly, Wayne, and Wilkes counties to Wake County. Thus, the service area for this facility is Wake County. Facilities may also serve residents of counties not included in their service area.

Triangle Health and Rehabilitation Center is not an existing facility. The following table illustrates projected patient origin for the first three fiscal years following project completion.

County	Triangle Health and Rehabilitation Center Projected Patient Origin					
	1 st Full FY (10/1/2026-9/30/2027)		2 nd Full FY (10/1/2027-9/30/2028)		3 rd Full FY (10/1/2028-9/30/2029)	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Wake	43	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	54	100.0%	108	100.0%	113	100.0%

Source: application, Section C, page 40.

^Other includes other North Carolina counties and other states.

In Section C, pages 38-40, 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 used patient origin for all existing Wake County NF beds using data from 2023 License Renewal Applications (“LRAs”).
- The applicant used patient origin information from Tower Nursing and Rehabilitation Center, which is the only existing NF in Wake County that is owned by one of the applicants.
- The applicant estimated the number of patients by county based on projections that the majority of patients would be Wake County residents. The remaining census will be comprised of patients from surrounding counties. This information is provided in Exhibit C.3.

Analysis of Need

In Section C, pages 42-50, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

Projected Population Growth and Aging in Wake County

In Section C, page 43, the applicant states,

“...Wake County’s population age 65 and older is expected to grow by over 150,000 from 2023 to 2033. The age 65 and over population of the county is particularly

significant as these residents use NF beds at a much higher rate compared to individuals that are less than 65 years of age. According to the most recent data published in [sic] by the National Center for Health Statistics...

... Wake County is projected to add over a quarter of a million people from 2023 to 2033, which is over one-fifth of the total population growth for the entire state over the same time period...

... Wake County is projected to add the greatest number of persons age 65 and older from 2023 to 2033.”

Need for Additional NF Beds in Wake County

In Section C, page 45, the applicant states,

“According to Table 10C of the 2023 SMFP, based on the NF bed need methodology in Chapter 10, Wake County is projected to have a deficit of 451 NF beds by 2026. Of note, every other county in the state is projected to have a surplus of NF beds...

... Wake County experienced the highest actual average change in its five-year NF bed use rate (6.7 percent).”

Need to Distribute Inventory in Principle Long Term Care Managed Nursing Facilities

Principle Long Term Care, as stated in Section C, page 51, is the management company for the applicants’ and related entities’ existing NFs in the state and will provide management for the proposed NF facility. In Section C, page 50, the applicant states,

“It is the duty and responsibility of the applicant and their related entities to ensure that available resources are properly distributed to where they are most needed and where they can be well-utilized. 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.”

Need for Proven Nursing Facility Services

In Section C, page 51, the applicant states,

“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.”

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

- The applicant states that the 65+ age cohort is the percentage of the population most likely to need nursing services.
- In Wake County the percentage of the population 65+ is currently 20% of the total population. The 65+ population is projected to be 27% of the total population by 2033 according to the North Carolina Office of State Budget and Management Population Data. See Exhibit C.4.
- The 2023 SMFP, Table 10C, page 168, identifies Wake County as having a 451 NF bed deficit by 2026.

Projected Utilization

In Section Q, Form C.1.b, the applicant provides projected utilization, as illustrated in the following table.

Triangle Health and Rehabilitation Center			
	1st Fiscal Year (10/1/2026 – 9/30/2027)	2nd Fiscal Year (10/1/2027 – 9/30/2028)	3rd Fiscal Year (10/1/2028 – 9/30/2029)
# of Patient Days	21,900	39,420	41,172
Total # of Beds	120	120	120
# of Admissions	480	480	480
Average Length of Stay	45.6	82.1	85.8
Occupancy Rate	50%	90%	94%

Source: Section Q, Form C.1.b

In Section Q, Form C, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The applicant projects the proposed NF to ramp up from 50 percent of its available capacity in FFY 2027, to 90 percent in FFY 2028, and 94 percent in FFY 2029.
- The applicant relies on its experience operating “sister” nursing facilities in Mecklenburg County, a highly populated and urban county that is comparable to Wake County.
- The applicant considered the current and projected population and demographic data for Wake County in projecting utilization.

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

- The applicant considered the current and projected population and demographic data for Wake County in projecting utilization.
- The applicant relies on its experience operating 37 nursing facilities within North Carolina, including the four “sister” facilities located in comparable-sized urban areas.

Access to Medically Underserved Groups

In Section C, page 60, the applicant states:

“The proposed facility will be equally accessible to all persons, including those with low income, racial and ethnic minority groups, women, people with disabilities, the elderly, and Medicare beneficiaries, and Medicaid recipients. The applicants will accommodate all admissions for whom they are able to provide healthcare services. Please see Exhibit C.6 for a copy of the applicant’s Non-Discrimination Policy.”

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients
Low-income persons	58.4%
Racial and ethnic minorities*	58.2%
Women	58.7%
Persons with Disabilities*	Not available
Persons 65 and older	84.0%
Medicare beneficiaries	16.2%
Medicaid recipients	58.4%

Source: Section C, page 41.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the applicant’s policy.

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.

- (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.

The applicant proposes to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

Bethany Woods Nursing and Rehabilitation (Stanly County)

In Section D, pages 69-70, the applicant explains why it believes the needs of the population presently utilizing the services at Bethany Woods Nursing and Rehabilitation to be relocated will be adequately met following completion of the project. On page 70, the applicant states:

“Following the proposed relocation of 30 beds, Bethany Woods Nursing and Rehabilitation Center will be licensed to operate 150 NF beds and Stanly County will have a remaining surplus of 115 NF beds...”

... Based on this information, subsequent to the proposed relocation, Bethany Woods Nursing and Rehabilitation Center will have sufficient capacity to meet existing and future patient demand.”

In Section Q, Form D.1, the applicant provides the historical and projected utilization for Bethany Woods Nursing and Rehabilitation, as illustrated in the following table.

Bethany Woods Nursing and Rehabilitation Center - Projected Utilization			
	Interim Fiscal Year 2025	Interim Fiscal Year 2026	Full Fiscal Year 1 2027
# of Patient Days	37,684	38,382	39,094
Total # of Beds	180	180	150
# of Admissions	373	373	311
Average Length of Stay^	101	103	126
Occupancy Rate	57.36%	58.42%	71.40%

Source: Section Q, Form D.1, page 2

^Totals may not sum due to rounding.

In Section Q, Form D, pages 1-3, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized the previous census and admissions from the facility to project interim and FFY 1 utilization.

- The 2023 SMFP, Table 10C, page 167, identifies Stanly County as having a 145 NF bed surplus. The applicant proposes to relocate 30 NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).
- Bethany Woods Nursing and Rehabilitation is licensed for 180 NF beds and has a current occupancy rate of 55.29%. By relocating 30 NF beds to the proposed facility, the occupancy rate increases to 71.4% at the end of the first operating year of the proposed project, thereby leaving sufficient capacity to meet existing and future patient demand.

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

- Relocating NF beds from Bethany Woods Nursing and Rehabilitation will increase occupancy rates to 71.4% by FFY2027 which leaves adequate capacity.
- The applicant states that relocating 30 beds to another facility will not affect the patients currently utilizing the facility because these beds are not filled.
- Stanly County has a 145 NF bed surplus. The applicant proposes to relocate 30 NF beds to Wake County. Wake County has a 451 NF bed deficit.

Enfield Oaks Nursing and Rehabilitation Center (Halifax County)

In Section D, page 70, the applicant explains why it believes the needs of the population presently utilizing the services at Enfield Oaks Nursing and Rehabilitation Center to be relocated will be adequately met following completion of the project. On page 70, the applicant states:

“Enfield Oaks Nursing and Rehabilitation Center is currently licensed to operate 63 NF beds. Pursuant to previously approved Project ID # L-11623-18, three NF beds are approved to relocate from Enfield Oaks Nursing and Rehabilitation Center to Wilson Pines Nursing and Rehabilitation Center. Previously approved Project ID # L-11623-18 is expected to be completed prior to development of the project proposed in this application; thus, for purposes of this application, the applicant assumes 60 NF beds to be located at Enfield Oaks Nursing and Rehabilitation Center prior to the proposed relocation in this current application. Further, in two concurrent and complementary applications, the propose to relocate the remaining 55 NF beds from Enfield Oaks Nursing and Rehabilitation Center – 25 to previously approved Wake County Health and Rehabilitation Center and 30 to previously approved Britthaven of Holly Springs. Therefore, upon completion of previously approved Project ID # L-11623, the project proposed in this application, and the two proposed in concurrent and complementary applications, Enfield Oaks Nursing and Rehabilitation Center will no longer be licensed to operate NF beds.”

In Section Q, Form D.1, page 2, the applicant states that Enfield Oaks Nursing and Rehabilitation Center has not been operational since 2019. Therefore, there is no historical utilization to report. The applicant states, on page 70, that it does not expect to have any licensed beds at the facility pending conditional approvals for concurrent and complementary applications and completion of Project ID#L-11623-18. Therefore, the applicant does not project any utilization for this facility.

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

- The 2023 SMFP, Table 10C, page 166, identifies Halifax County as having a 144 NF bed surplus. The applicant proposes to move 5 NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).
- Enfield Oaks Nursing and Rehabilitation is licensed for 63 NF beds and has a current occupancy rate of 0%. All of the licensed beds are expected to be relocated based on concurrent CON applications. Once the final beds are relocated, this facility will no longer be licensed.

Harmony Hall Nursing and Rehabilitation Center (Lenoir County)

In Section D, page 70, the applicant explains why it believes the needs of the population presently utilizing the services at Harmony Hall Nursing and Rehabilitation Center to be relocated will be adequately met following completion of the project. On page 70, the applicant states:

“Following the proposed relocation of nine beds, Harmony Hall Nursing and Rehabilitation Center will be licensed to operate 166 NF beds and Lenoir County will have a remaining surplus of zero NF beds...”

In Section Q, Form D.1, page 4, the applicant provides the historical and projected utilization for Harmony Hall Nursing and Rehabilitation Center, as illustrated in the following table.

Harmony Hall Nursing and Rehabilitation Center - Projected Utilization			
	Interim Fiscal Year 2025	Interim Fiscal Year 2026	Full Fiscal Year 1 2027
# of Patient Days	40,961	42,066	43,200
Total # of Beds	175	175	166
# of Admissions	380	380	360
Average Length of Stay	108	111	120
Occupancy Rate	64.13%	65.86%	71.30%

Source: Section Q, Form D.1, page 4

In Section Q, Form D, pages 1-3, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized previous census and admissions from the facilities to project interim and FFY 1 utilization.
- Harmony Hall Nursing and Rehabilitation Center is licensed for 175 NF beds and has a current occupancy rate of 64.13%. By relocating nine NF beds to the proposed facility, the occupancy rate increases to 71.30%.
- Applicant states that relocating nine beds to another facility will not affect the patients currently utilizing the facility because these beds are not filled.

- The 2023 SMFP, Table 10C, page 166, identifies Lenoir County as having a nine NF bed surplus. The applicant proposes to relocate nine NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).

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

- Relocating NF beds from Harmony Hall Nursing and Rehabilitation Center will increase occupancy rates only to 71.30%, allowing for adequate capacity.
- The relocation of nine NF beds would allow Lenoir County to be reduced by nine NF beds which would zero out the number of surplus NF beds in that service area.
- The relocation of NF beds will not affect the population to be served because the beds being relocated are not being utilized.

Maple Grove Health and Rehabilitation Center (Guilford County)

In Section D, pages 70-71, the applicant explains why it believes the needs of the population presently utilizing the services at Maple Grove Health and Rehabilitation Center to be relocated will be adequately met following completion of the project. On pages 70-71, the applicant states:

“Following the proposed relocation of 10 beds, Maple Grove Health and Rehabilitation Center will be licensed to operate 200 NF beds and Guilford County will have a remaining surplus of 359 NF beds...”

... Based on this information, subsequent to the proposed relocation, Maple Grove Health and Rehabilitation Center will have sufficient capacity to meet existing and future patient demand.”

In Section Q, Form D.1, page 5, the applicant provides the historical and projected utilization for Maple Grove Health and Rehabilitation Center, as illustrated in the following table.

Maple Grove Nursing and Rehabilitation Center - Projected Utilization			
	Interim Fiscal Year 2025	Interim Fiscal Year 2026	Full Fiscal Year 1 2027
# of Patient Days	34,974	34,974	34,974
Total # of Beds	210	210	200
# of Admissions	276	276	263
Average Length of Stay	127	127	133
Occupancy Rate	45.63%	45.63%	47.91%

Source: Section Q, Form D.1, page 5

In Section Q, Form D, pages 1-3, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized previous census and admissions from the facilities to project interim and FFY 1 utilization.

- Maple Grove Health and Rehabilitation Center is licensed for 210 NF beds and has a current occupancy rate of 45.6%. By relocating 10 NF beds to the proposed facility, the occupancy rate increases to 47.91%.
- Applicant states that relocating 10 beds to another facility will not affect the patients currently utilizing the facility because these beds are not filled.
- The 2023 SMFP, Table 10C, page 166, identifies Guilford County as having a 369 NF bed surplus. The applicant proposes to relocate 10 NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).

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

- Relocating NF beds from Maple Grove Health and Rehabilitation Center will increase its occupancy rate to 47.91%, allowing for adequate capacity.
- Guilford County has a 369 NF bed surplus. The applicant proposes to relocate 10 NF beds to Wake County. Wake County has a 451 NF bed deficit.
- The relocation of NF beds will not affect the population because the beds being relocated are not being utilized.

Pine Ridge Health and Rehabilitation Center in (Davidson County)

In Section D, page 71, the applicant explains why it believes the needs of the population presently utilizing the services at Pine Ridge Health and Rehabilitation Center to be relocated will be adequately met following completion of the project. On page 71, the applicant states:

*“Following the proposed relocation of 12 beds, Pine Ridge Health and Rehabilitation Center will be licensed to operate 128 NF beds and Davidson County will have a remaining surplus of 138 NF beds...
 ... if Pine Ridge Health and Rehabilitation Center were operating with 128 NF beds today, occupancy would be 60.9 percent (78 / 128 = 0.609). Based on this information, subsequent to the proposed relocation, Pine Ridge Health and Rehabilitation Center will have sufficient capacity to meet existing and future patient demand.”*

In Section Q, Form D.1, page 6, the applicant provides the historical and projected utilization for Pine Ridge Health and Rehabilitation Center, as illustrated in the following table.

Pine Ridge Health and Rehabilitation Center - Projected Utilization			
	Interim Fiscal Year 2025	Interim Fiscal Year 2026	Full Fiscal Year 1 2027
# of Patient Days	27,879	27,879	27,879
Total # of Beds	140	140	128
# of Admissions	201	201	184
Average Length of Stay	139	139	152
Occupancy Rate	54.56%	54.56%	59.67%

Source: Section Q, Form D.1, page 6

In Section Q, Form D, pages 1-3, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized previous census and admissions from the facilities to project interim and FFY 1 utilization.
- Pine Ridge Health and Rehabilitation Center is licensed for 140 NF beds and has a current occupancy rate of 54.56%. By relocating 12 NF beds to the proposed facility, the occupancy rate increases to 59.67%.
- The 2023 SMFP, Table 10C, page 165, identifies Davidson County as having a 150 NF bed surplus. The applicant proposes to relocate 12 NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).

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

- Relocating 12 NF beds from Pine Ridge Health and Rehabilitation Center will increase occupancy rates to 59.67%, allowing for adequate capacity.
- Davidson County has a 150 NF bed surplus. The applicant proposes to relocate 12 NF beds to Wake County. Wake County has a 451 NF bed deficit.
- The relocation of NF beds will not affect the population because the beds being relocated are not being utilized.

University Place Nursing and Rehabilitation Center (Mecklenburg County)

In Section D, page 71, the applicant explains why it believes the needs of the population presently utilizing the services at University Place Nursing and Rehabilitation Center to be relocated will be adequately met following completion of the project. On page 71, the applicant states:

“Following the proposed relocation of 20 beds, University Place Nursing and Rehabilitation Center will be licensed to operate 187 NF beds and Mecklenburg County will have a remaining surplus of 840 NF beds...”

...Based on this information, subsequent to the proposed relocation, University Place Nursing and Rehabilitation Center will have sufficient capacity to meet existing and future patient demand.”

In Section Q, Form D.1, page 7, the applicant provides the historical and projected utilization for University Place Nursing and Rehabilitation Center, as illustrated in the following table.

University Place Nursing and Rehabilitation Center - Projected Utilization			
	Interim Fiscal Year 2025	Interim Fiscal Year 2026	Full Fiscal Year 1 2027
# of Patient Days	53,045	53,045	53,045
Total # of Beds	207	207	187
# of Admissions	281	281	254
Average Length of Stay [^]	189	189	209
Occupancy Rate	70.21%	70.21%	77.72%

Source: Section Q, Form D.1, page 7

[^]Totals may not sum due to rounding.

In Section Q, Form D, pages 1-3, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized the previous census and admissions from the facility to project interim and FFY 1 utilization.
- The 2023 SMFP, Table 10C, page 167, identifies Mecklenburg County as having an 860 NF bed surplus. The applicant proposes to relocate 20 NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).
- University Place Nursing and Rehabilitation Center is licensed for 207 NF beds and has a current occupancy rate of 70.21%. By relocating 20 NF beds to the proposed facility, the occupancy rate increases to 77.72% thereby leaving sufficient capacity to meet existing and future patient demand.

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

- Relocating 20 NF beds from University Place Nursing and Rehabilitation Center will increase occupancy rates to 77.72%.
- Applicant states that relocating 20 beds to another facility will not affect the patients currently utilizing the facility because these beds are not filled.
- Mecklenburg County has an 860 NF bed surplus. The applicant proposes to relocate 20 NF beds to Wake County. Wake County has a 451 NF bed deficit.

Westwood Hills Nursing and Rehabilitation Center (Wilkes County)

In Section D, page 71, the applicant explains why it believes the needs of the population presently utilizing the services at Westwood Hills Nursing and Rehabilitation Center to be relocated will be adequately met following completion of the project. On page 71, the applicant states:

“Following the proposed relocation of 20 beds, Westwood Hills Nursing and Rehabilitation Center will be licensed to operate 151 NF beds and Wilkes County will have a remaining surplus of 106 NF beds...”

...Based on this information, subsequent to the proposed relocation, Westwood Hills Nursing and Rehabilitation Center will have sufficient capacity to meet existing and future patient demand.”

In Section Q, Form D.1, page 8, the applicant provides the historical and projected utilization for Westwood Hills Nursing and Rehabilitation Center, as illustrated in the following table.

Westwood Hills Nursing and Rehabilitation Center - Projected Utilization			
	Interim Fiscal Year 2025	Interim Fiscal Year 2026	Full Fiscal Year 1 2027
# of Patient Days	31,722	31,722	31,722
Total # of Beds	171	171	151
# of Admissions	333	333	294
Average Length of Stay^	95	95	108
Occupancy Rate	50.82%	50.82%	57.56%

Source: Section Q, Form D.1, page 8

^Totals may not sum due to rounding.

In Section Q, Form D, pages 1-3, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized the previous census and admissions from the facility to project interim and FFY 1 utilization.
- The 2023 SMFP, Table 10C, page 168, identifies Wilkes County as having a 126 NF bed surplus. The applicant proposes to relocate 20 NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).
- Westwood Hills Nursing and Rehabilitation Center is licensed for 171 NF beds and has a current occupancy rate of 50.82%. By relocating 20 NF beds to the proposed facility, the occupancy rate increases to 57.56% thereby leaving sufficient capacity to meet existing and future patient demand.

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

- Westwood Hills Nursing and Rehabilitation Center will increase occupancy rates to 57.56% by relocating 20 NF beds, allowing for adequate capacity.
- Applicant states that relocating 20 beds to another facility will not affect the patients currently utilizing the facility because these beds are not filled.
- Wilkes County has a 126 NF bed surplus. The applicant proposes to relocate 20 NF beds to Wake County. Wake County has a 451 NF bed deficit.

Willow Creek Nursing and Rehabilitation Center (Wayne County)

In Section D, page 72, the applicant explains why it believes the needs of the population presently utilizing the services at Willow Creek Nursing and Rehabilitation Center to be relocated will be adequately met following completion of the project. On page 72, the applicant states:

“Following the proposed relocation of 14 beds, Willow Creek Nursing and Rehabilitation Center will be licensed to operate 186 NF beds and Wayne County will have a remaining surplus of 130 NF beds...”

... Based on this information, subsequent to the proposed relocation, Willow Creek Nursing and Rehabilitation Center will have sufficient capacity to meet existing and future patient demand.”

In Section Q, Form D.1, page 9, the applicant provides the historical and projected utilization for Willow Creek Nursing and Rehabilitation Center, as illustrated in the following table.

Willow Creek Nursing and Rehabilitation Center - Projected Utilization			
	Interim Fiscal Year 2025	Interim Fiscal Year 2026	Full Fiscal Year 1 2027
# of Patient Days	52,040	52,040	52,040
Total # of Beds	200	200	186
# of Admissions	698	698	649
Average Length of Stay^	75	75	80
Occupancy Rate	71.29%	71.29%	76.65%

Source: Section Q, Form D.1, page 9

^Totals may not sum due to rounding.

In Section Q, Form D, pages 1-3, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- The applicant utilized the previous census and admissions from the facility to project interim and FFY 1 utilization.
- The 2023 SMFP, Table 10C, page 168, identifies Wayne County as having a 144 NF bed surplus. The applicant proposes to relocate 14 NF beds to Wake County. Wake County has a 451 NF bed deficit according to the same table (2023 SMFP, page 168).
- Willow Creek Nursing and Rehabilitation Center is licensed for 200 NF beds and has a current occupancy rate of 71.29%. By relocating 14 NF beds to the proposed facility, the occupancy rate increases to 76.65% thereby leaving sufficient capacity to meet existing and future patient demand.

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

- Relocating NF beds from Willow Creek Nursing and Rehabilitation Center will increase occupancy rates to 76.65%, allowing for adequate capacity.
- Applicant states that relocating 14 beds to another facility will not affect the patients currently utilizing the facility because these beds are not filled.
- Wayne County has a 144 NF bed surplus. The applicant proposes to relocate 14 NF beds to Wake County. Wake County has a 451 NF bed deficit.

Access to Medically Underserved Groups

In Section D, page 72, the applicant states that all of the beds to be relocated,

“are all currently underutilized and /or not in service. Following relocation...there will be adequate capacity to serve the groups listed above [see list on page 72] in the facilities and counties that will lose beds. As such, the proposed project will have no negative impacts on the underserved groups...”

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use NF bed services will be adequately met following completion of the project for the following reasons:

- The applicant's projections are based on historical and recent experiences at each of their facilities.
- Of the eight facilities proposing to relocate beds, three project utilization rates of less than 50%, and five project utilization rates less than 80% upon completion of the proposed project, thereby projecting adequate capacity to meet current and future patient needs, including from medically underserved groups.

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 the following reasons:

- The applicant adequately demonstrates that the needs of the population currently using the services to be relocated will be adequately met following project completion for all the reasons described above.
- The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services following project completion 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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

In Section E, pages 76-77, 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* - If the applicant were to maintain the status quo, Wake County and surrounding residents will increasingly encounter access issues due to the unavailability of NF beds, which will result in patients and their families having to travel for, or possibly even forego skilled nursing care.
- *Relocate a Different Number of NF Beds* – Relocating less NF beds 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 relocating greater than 120 NF beds, but that would have led to a more costly alternative and the applicant believes that a 120 bed NF can be efficiently and effectively staffed and operated.
- *Develop the NF Beds at a Different Location* - The lack of suitable/available land in the three-township area is corroborated by the low concentration of building permits, particularly compared to other areas of the county, including the Wendell area. The relatively low number of building permits issued in this area underscores the applicant's examination. If there were more available land and expected population growth in the Cedar Fork, House Creek, and Leesville area, one would expect that to be reflected in the number of residential and commercial building permits issued.

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
- 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 the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. Hillco, Ltd., Maple LTC Group, LLC, and Britthaven, Inc., (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**

- 2. The certificate holder shall develop a new nursing facility by relocating no more than 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), no more than 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), no more than 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), no more than 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), no more than 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), no more than 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), no more than 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and no more than 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County) to develop Triangle Health and Rehabilitation Center in Wendell, Wake County.**
- 3. Upon completion of the project Triangle Health and Rehabilitation Center shall be licensed for no more than 120 nursing facility beds.**
- 4. Upon completion of this project the certificate holder shall take the necessary steps to delicense no more than 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County) for a total of no more than 150 beds, no more than 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County) for a total of no more than 55 beds, no more than 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County) for a total of no more than 166 beds, no more than 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County) for a total of no more than 200 beds, no more than 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County) for a total of no more than 128 beds, no more than 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County) for a total of no more than 187 beds, no more than 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County) for a total of no more than 151 beds, no more than and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County) for a total of no more than 186 beds.**
- 5. The certificate holder shall certify at least 65.0% of the total number of licensed nursing home beds in the facility for participation in the Medicaid program and shall provide care to Medicaid recipients commensurate with representation made in the application.**
- 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 in the certificate of need application.**
- 7. 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.**

- 8. Prior to the issuance of the Certificate of Need, the certificate holder shall provide the Agency with documentation that an effort has been made to accommodate the clinical needs of health professional training programs in the area at Triangle Health and Rehabilitation Center.**
 - 9. 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.**
 - 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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

TRIANGLE HEALTH AND REHABILITATION CENTER CAPITAL COSTS	
Purchase of Land	\$3,162,500
Closing Costs	\$79,063
Site Preparation	\$1,682,209
Construction Contracts	\$24,446,918
Landscaping	\$2,102,761
Architect/ Engineering Fees	\$420,552
Medical Equipment	\$126,166
Non-Medical Equipment	\$378,497
Furniture	\$504,663
Interest During Construction	\$1,178,600
Other	\$50,000
Total	\$34,131,928

In Section Q, Form F.1.a, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant states the purchase price of the land was calculated using 11.5 acres at \$275,000/acre. Closing costs are projected to be 2.5% of the price of the land.
- Interest during construction costs is based on the current Secured Overnight Financial Rate (SOFR) rate of 4.8% as of the date of this application.
- In Exhibit F.1, the applicant provides a letter from the architects certifying the construction costs of \$29,661,765 which includes the construction costs of \$24,446,918 listed above, site preparation of \$1,682,209, and contingency costs which total \$34,131,928.

In Section F.3, pages 81-82, the applicant projects that start-up costs will be \$245,628 and initial operating expenses will be \$1,311,160 for a total working capital of \$1,556,788. 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 based on the following:

- The applicant assumes the initial operating period to be the number of months during which cash outflow (operating costs) for the proposed NF exceeds cash inflow (revenues) for the entire NF.
- The applicant determined the initial operating period to be three months, which is the number of months that the applicant projects it will take for the proposed facility to be cash flow positive.

- Start-up costs are assumed to be the expenses to be incurred during a one-month start-up period as the proposed NF initiates operations and include equipment, supplies, marketing, and advertising, staffing, and miscellaneous operational expenses.

Availability of Funds

In Section F.2, pages 79-80, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing			
Type	Hilco, Ltd.	Maple LTC Group, LLC	Total
Loans	\$22,360,802	\$0	\$22,360,802
Cash and Cash Equivalents, Accumulated reserves, or OE *	\$10,761,801	\$1,009,325	\$11,771,126
Bonds	\$0	\$0	
Other (Specify)	\$0	\$0	
Total Financing	\$33,122,603	\$1,009,325	\$34,131,928

* OE = Owner's Equity

In Section F.3, page 82, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	
Maple LTC Group, LLC	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$1,556,788
Lines of credit	\$0
Bonds	\$0
Total *	\$1,556,788

* OE = Owner's Equity

In Exhibit F.2-1, the applicant provides a letter dated April 17, 2023, from the Senior Vice President of Wells Fargo Bank stating that they would lend up to approximately \$25 million to Britthaven, Inc., and its parent company, Hilco, Ltd. to finance this project.

Exhibit F.2-2 also contains a letter dated April 22, 2023, from the president of Hilco, Ltd., stating that they would pledge \$10,761,801 for the proposed project.

Exhibit F.2-3 also contains a letter dated April 17, 2023, from the CFO of Principle Long Term Care, Inc., stating that they would pledge \$2,566,113 for the proposed project.

Exhibit F.2-3 also contains a copy of the audited financials of Hilco, Ltd. and Affiliates showing cash and cash equivalents of \$228 million as of December 31, 2021.

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project based on the following:

- The applicant provides documentation of the commitment to use the necessary funding toward development of the proposed project.
- The applicant provides documentation of the availability of sufficient financial resources to fund the proposed changes to capital and working capital costs.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Section Q, Form F.2b, the applicant projects that revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

Triangle Health and Rehabilitation Center	1 st Full Fiscal Year (10/1/2026 – 9/30/2027)	2 nd Full Fiscal Year (10/1/2027 – 9/30/2028)	3 rd Full Fiscal Year (10/1/2028 – 9/30/2029)
Total Patient Days	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 Patient Day*	\$365	\$365	\$365
Total Operating Expenses (Costs)	\$9,049,062	\$13,814,247	\$14,755,862
Average Operating Expense per Patient Day*	\$413	\$350	\$358
Net Income	(\$1,063,328)	\$560,074	\$257,318

*Sum may differ due to rounding.

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 based on the following:

- The applicant accounts for projected operating expenses and income, such as salaries and charges, consistent with projections elsewhere in the application.
- The Medicare and Medicaid rates and percentages were projected based on the operators’ other existing nursing facilities in North Carolina.
- 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
- 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 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 and working capital needs of the proposal for all the reasons described above.
 - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses 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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 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.*” The applicant proposes relocating NF beds to Wake County. 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 59 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 facilities 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

In Section G, page 89, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved NF bed services in Wake County. The applicant states:

“The proposed project is to relocate and develop 120 NF beds; thus, Wake County will have a remaining deficit of 331 NF beds. In light of this information, the proposed project will not result in an unnecessary duplication of the existing or approved health service facilities located in the proposed service area that provide the same service component proposed in this application (NF beds) and the proposed project will not result in an unnecessary duplication of existing or approved NF bed services.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- The proposal would not result in an unnecessary duplication of the existing or approved health service facilities located in Wake County because there will still be a 331 NF bed deficit in this service area upon project completion.
- The applicant adequately demonstrates that the proposed NF is needed in addition to the existing and approved NF beds in the service area. See the discussion regarding need, including projected utilization, in Criterion (3) which is incorporated herein by reference.

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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and

Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

In Section Q, Form H, 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 CY 2027	2 nd FFY CY 2028	3 rd FFY CY 2029
Registered Nurses	4.5	9.5	9.9
Licensed Practical Nurses	9.5	18.0	18.8
Certified Nurse Aides/Nursing Assistants	21.9	39.4	41.2
Director of Nursing	1.0	1.0	1.0
Asst. 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 Director	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	63.4	102.4	105.4

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 91-93, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

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

- The applicant has extensive historical experience with nursing facilities, owning 41 other nursing facilities in North Carolina which provides a basis for staffing schedules.
- The applicant based their projections on the operating costs of similarly sized healthcare center staffing for related companies.

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.

- (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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

Ancillary and Support Services

In Section I, page 95, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 95-96, the applicant explains how each ancillary and support service is or will be made available and provided supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant provides a listing of each ancillary and support service it will provide and indicates how each will be provided.
- The applicant has extensive experience and relationships with existing ancillary and support service providers in the service area.

Coordination

In Section I, page 96, the applicant describes its efforts to develop relationships with other local health care and social service providers and provides supporting documentation in Exhibits I-1 and I-2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant provides letters from other local health care providers offering to provide their services to Triangle Health and Rehabilitation.
- The applicant has extensive experience providing skilled nursing and other healthcare support services in the service area and has pre-existing relationships with local healthcare providers.

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.

- (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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

In Section K, page 99, the applicant states that the project involves constructing 74,100 square feet of new space. Line drawings are provided in Exhibit K.1.

On pages 99-102, the applicant identifies the proposed site and provides information about the current owner, zoning and special use permits for the site, and the availability of water, sewer and waste disposal and power at the site. Supporting documentation is provided in Exhibits K.3-2 and K.3-3. The site appears to be suitable for the proposed nursing home facility based on the applicant's representations and supporting documentation.

On pages 99-100, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant will be using modular construction techniques on this project, which means having some components of the building constructed off-site and delivered to the site.
- The applicant will use a design-build method of project delivery along with targeted value design in order to lower project design and construction costs and prevent delays, change orders, and rework that could be costly.
- General contracting services will be provided in-house, thereby further lowering the cost.
- The construction costs are justified based on the architect's costs estimates in Exhibit F.1.

On page 100, 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 the proposed project will be built to operate within current state and federal reimbursement levels and private pay rates will be comparable to competitor rates.
- The applicant states that the proposed project will be constructed for a low-to-average cost per square foot for this type of facility.

In Exhibit K.3-3, the applicant provides a letter from the architects which identifies any applicable energy saving features that will be incorporated into the construction plans.

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;

NA

Triangle Health and Rehabilitation is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

- (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;

NA

Triangle Health and Rehabilitation is not an existing facility. Therefore, Criterion (13b) is not applicable to this review.

- (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

In Section L, page 113, the applicant projects the following payor mix for the proposed services during the third full fiscal year (FY 2029) of operation following completion of the project, as shown in the table below.

Payor Category	Percent of Total Patients Served
Self-Pay	11.2%
Medicare	23.8%
Medicaid	65.0%
Other	0.0%
Total	100.0%

Source: Table on page 113 of the application.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 11.2% of total services will be provided to self-pay patients, 23.8% to Medicare patients and 65.0% to Medicaid patients.

On pages 112-113, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The applicant analyzed payor mix information from 2023 LRAs for all non-hospital-based NFs in Wake County.

- The applicant analyzed FFY 2022 payor mix for Tower Nursing and Rehabilitation Center, an existing NF in Wake County that is owned by the applicant and managed by Principle LTC.
- The applicant believes the projected payor mix above to be conservative and reasonable based on FFY 2022 Wake County NF data and experience operating 37 NFs across North Carolina.

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 reasons stated above.

- (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

In Section L, page 115, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that 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.

CA

The applicant proposes to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and

Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 120 NF beds upon project completion.

In Section M, page 116, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes but does not provide documentation of outreach to health professional training programs.

In Section M, page 116, the applicant states,

“The proposed facility will seek to formalize contracts with local area health professional training programs, including those at Wake Technical Community College, Shades of Purple, Johnston Community College, and Vance-Granville Community College. Each of these schools has various health professional training programs. The applicants’ facilities, as well as those of related entities throughout the state, have relationships with numerous institutions that offer nurse training programs and require practical training and the proposed facility will leverage those existing relationships.”

As conditioned in Criterion (4), the applicant shall provide the Agency with documentation that an effort has been made to accommodate the clinical needs of health professional training programs in the area at Triangle Health and Rehabilitation Center prior to the issuance of the Certificate of Need for this proposed project.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conditionally 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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, to be located in Wendell, will be licensed for 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.*” The applicant proposes relocating NF beds to Wake County. 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 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

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 118, the applicant states:

“This project, if approved, will enhance the benefits of competition in the service area by delivering need-responsive services, state-of-the-art amenities, and staff-oriented workplace practices, all of which will contribute to quality of care. As a result, existing providers must, in order to compete, adjust their practices to this enhanced standard the applicant and their related entities are committed to delivering.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 118, the applicant states:

“Through the network of related facilities and ancillary services, the applicant and related entities are able to obtain resources and supplies at competitive prices that tend to reduce operating expenses.”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 118, the applicant states:

“Principle LTC’s central office includes professionals working in operations, clinical services, financial management, human resources, and risk management, among other departments, that allow for expertise to be disseminated as needed to the network of providers. Similarly, the clinical services team, along with operations, consist of new individuals with a proven track record of providing quality care.”

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 118, the applicant states:

“Lastly, the applicant and their affiliated facilities have demonstrated a long-standing commitment to serving the groups considered ‘medically underserved’, and particularly the Medicaid population.”

See also Sections C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services and the applicant’s record of providing quality care in the past.

- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

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 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

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 123, 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.

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 eight of these facilities and all eight facilities are back in compliance. 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 to develop a new nursing facility (NF) in Wake County by relocating 30 NF beds from Bethany Woods Nursing and Rehabilitation (Stanly County), 5 NF beds from Enfield Oaks Nursing and Rehabilitation Center (Halifax County), 9 NF beds from Harmony Hall Nursing and Rehabilitation Center (Lenoir County), 10 NF beds from Maple Grove Health and Rehabilitation Center (Guilford County), 12 NF beds from Pine Ridge Health and Rehabilitation Center in (Davidson County), 20 NF beds from University Place Nursing and Rehabilitation Center (Mecklenburg County), 20 NF beds from Westwood Hills Nursing and Rehabilitation center (Wilkes County), and 14 NF beds from Willow Creek Nursing and Rehabilitation Center (Wayne County). The new NF facility, Triangle Health and Rehabilitation Center, will be licensed for no more than 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 review because the applicant does not propose to add new NF beds to an existing facility or to develop a new facility.