

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: June 14, 2024

Findings Date: June 14, 2024

Project Analyst: Cynthia Bradford

Co-Signer: Lisa Pittman

Project ID #: F-12475-24

Facility: The Gardens of Taylor Glen Retirement Community

FID #: 980257

County: Cabarrus

Applicant(s): Baptist Retirement Homes of North Carolina, Incorporated

Project: Add no more than 12 adult care home (ACH) beds pursuant to Policy LTC-1 for a total of no more than 36 ACH beds and 24 nursing facility beds upon project completion

REVIEW CRITERIA

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

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

CA

Baptist Retirement Homes of North Carolina, Inc., (“the applicant”) proposes to develop 12 ACH beds pursuant to Policy LTC-1, to its existing Continuing Care Retirement Community (CCRC) The Gardens of Taylor Glen Retirement Community (“The Gardens”), for a total of 24 nursing facility (NF) beds and 36 adult care home (ACH) beds at The Gardens 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 2024 State Medical Facilities Plan (SMFP).

Policies

There is one policy in the 2024 SMFP which are applicable to this review: *Policy LTC-1: Plan Exemption for Continuing Care Retirement Communities - Adult Care Home Beds*

Policy LTC-1

Policy LTC-1, on page 25 of the 2024 SMFP, states:

“Qualified continuing care retirement communities may include from the outset or add or convert bed capacity for adult care without regard to the adult care home bed need shown in Chapter 11: Adult Care Homes. To qualify for such exemption, the applicant shall document that the proposal meets all the following requirements:

- 1. will only be developed concurrently with, or subsequent to, construction on the same site, of independent living accommodations (apartments and homes) for people who are able to carry out normal activities of daily living without assistance; such accommodations may be in the form of apartments, flats, houses, cottages, and rooms.*
- 2. will provide for the provision of nursing services, medical services, or other health related services as required for licensure by the North Carolina Department of Insurance.*
- 3. will be used exclusively to meet the needs of people with whom the facility has continuing care contracts (in compliance with the North Carolina Department of Insurance statutes and rules) who have lived in a non-nursing or adult care unit of the continuing care retirement community for a period of at least 30 days. Exceptions shall be allowed when one spouse or sibling is admitted to the adult care home unit at the time the other spouse or sibling moves into a non-nursing or adult care unit, or when the medical condition requiring nursing or adult care home care was not known to exist or be imminent when the individual became a party to the continuing care contract.*
- 4. reflects the number of adult care home beds required to meet the current or projected needs of residents with whom the facility has an agreement to provide continuing care after making use of all feasible alternatives to institutional adult care home care.*
- 5. will not participate in the Medicaid program or serve State-County Special Assistance recipients.”*

In Section B, pages 22-23, the applicant provides responses that demonstrate compliance with the requirements of Policy LTC-1 and provides supporting documentation in Exhibit B.11. The applicant adequately demonstrates conformance with the requirements of Policy LTC-1.

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 because the applicant adequately demonstrates that the proposal is consistent with Policy LTC-1 based on the following reasons:

- The applicant adequately documents its plan for developing the proposed adult care home beds to be used exclusively to meet the needs of its independent living (IL) residents.
- The applicant adequately documents that it will provide for the provision of nursing services, medical services, or other health related services as required for licensure by the North Carolina Department of Insurance.
- The applicant adequately documents the number of ACH beds required to meet the current and projected needs of residents with whom the facility has an agreement to provide continuing care.
- The applicant adequately documents that the proposed additional ACH beds will not be certified for participation in the Medicaid program or serve State-County Special Assistance recipients.

(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 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

Patient Origin

On page 179, the 2024 SMFP defines the service area for adult care home beds as “*the county in which the adult care home bed is located.*” Thus, the service area for this proposal is Cabarrus County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin.

Gardens at Taylor Glen Retirement Community Historical Patient Origin		
Last Full FY 10/01/2023-09/30/2023 (FY 2023)		
ZIP Code	# of Patients	% of Total
ACH		
27106	21	100%
Total	21	100%
NF		
27106	15	100%
Total	15	100%

Source: Section C, page 26

Gardens at Taylor Glen Retirement Community Projected Patient Origin						
	1st Full FY 10/1/26-9/30/27		2nd Full FY 10/1/27-9/30/28		3rd Full FY 10/1/28-9/30/29	
ZIP Code	FY 2026		FY 2027		FY 2028	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
ACH						
27106	29	100%	32	100%	35	100%
Total	29	100%	32	100%	35	100%
NF						
27106	19	100%	19	100%	19	100%
Total	19	100%	19	100%	19	100%

Source: Section C, page 28

In Section C, page 28, the applicant provides the assumptions and methodology used to project its patient origin. On page 28, the applicant states:

“Because Taylor Glen’s ACH units and NF beds are restricted to Taylor Glen’s ILU population, all of Taylor Glen’s healthcare residents come from Taylor Glen’s ZIP code, 27106.”

The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C, pages 31-32, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The applicant states that Taylor Glen has historically experienced high occupancy within their health center and projects a deficit of beds given the current number of NF and ACH beds and life-care residents.

- The applicant states that the facility was forced to utilize NF beds to residents who would be better served in an ACH bed. The applicant states that although the proposal does not include additional NF beds, the proposed 12 ACH beds will allow the facility to use NF beds appropriately by providing a short-term, high acuity option that meets the definition of skilled care. The applicant states that the ACH beds would better serve its residents in need of additional assistance with Activities of Daily Living (ADL) and increased supervision.

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

- The facility’s historical occupancy rate for NH and ACH beds in comparison to the amount of available beds demonstrates a possible deficit of beds in the future.
- The proposed 12 ACH beds are part of a larger expansion project that will allow the facility to continue to meet the needs of current and future residents.

Projected Utilization

In Section Q, the applicant provides historical and projected utilization, as illustrated in the following tables.

Gardens at Taylor Glen Retirement Community Historical and projected Utilization Nursing Facility and Adult Care Home Beds			
	Last Full FY	Interim Full FY	Interim Full FY
	FY 2023	FY 2024	FY 2025
NF			
# of Beds	24	24	24
# of Admissions	73	58	80
# of Patient Days	5,504	4,976	6,890
Average Length of Stay	75	86	86
Occupancy Rate	62.8%	56.8%	78.7%
ACH			
# of Beds	24	24	24
# of Admissions	17	17	17
# of Patient Days	7,715	8,352	8,352
Average Length of Stay	514	484	484
Occupancy Rate	88.1%	95.3%	95.3%

Source: Section Q, Form C.1a

Gardens at Taylor Glen Retirement Community Projected Utilization Nursing Facility and Adult Care Home Beds			
	1st Full FY	2nd Full FY	3rd Full FY
	FY 2026	FY 2027	FY 2028
NF			
# of Beds	24	24	24
# of Admissions	80	80	80
# of Patient Days	6,890	6,890	6,890
Average Length of Stay	86	86	86
Occupancy Rate	78.7%	78.7%	78.7%
ACH			
# of Beds	36	36	36
# of Admissions	22	24	26
# of Patient Days	10,506	11,583	12,659
Average Length of Stay	484	484	484
Occupancy Rate	80.0%	88.1%	96.3%

Source: Section Q, Form C.1b

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

- The applicant utilized total annual patient days to determine the average annual number of ACH beds occupied.
- The applicant determined the trendline equation for ACH resident days for FY21 through FY23. To estimate the average number of ACH beds needed to support forecast resident days, the applicant divided estimated days by 365.
- The applicant added an additional 11.8 beds needed to the estimated beds needed. With growth in independent living units, and continued aging of existing residents, the applicant assumed the wait list will feed admissions through FY29.
- The applicant assumes that during interim project years FY24 through FY26, Taylor Glen will maintain an annual average of 23 beds occupied.
- The applicant reviewed its own historical data to determine how many annual admissions per occupied ACH bed Taylor Glen experienced in the last three full fiscal years, and used this information to forecast annual admissions to the assisted living beds.
- The applicant assumes that the 3-year average rate of admissions is a reasonable indicator of admissions needed to fill the forecast beds. The applicant also assumes that the rate of admissions will remain constant through 2029.

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

- Projected utilization is based upon, and supported by, the historical utilization of the NF and ACH beds and the decrease in the number of available ACH beds within Taylor Glen.
- As a CCRC, the applicant reasonably projects that upon completion of the project, utilization of the ACH beds will remain constant for the first two years of the project.

Access to Medically Underserved Groups

In Section C, page 37, the applicant states,

“Taylor Glen does not, and will not, participate in the Medicaid program. It provides ACH and SNF services only to its CCRC resident population. All of its residents are over age 65.”

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 not applicable 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.

NA

The applicant does not propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

- (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 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

In Section E, page 46, the applicant states they did not consider alternatives, and explains why this option is more effective than any alternative proposal to meet the need. The applicant states,

“The expansion of the ACH beds in the Taylor Glen Health Center is due to both the persistent waiting list of ACH beds for ILU residents and to support a concurrent

expansion of the ILUs. The incremental ACH beds will only be filled by those within the continuum of care at the CCRC. The number of beds needed are based on actuarial projections, industry norms, and management input.

The residents of Taylor Glen expect a high level of service based on their life-care contracts, and with this comes the proper setting of care. ThriveMore wants to provide the most appropriate level of Health Care setting for its residents for both personal dignity and proper services. This would also reflect an economic benefit for Taylor Glen residents, as there would be less chance of a resident paying for skilled level of care vs. assisted living (ACH). The campus of Taylor Glen is much better served with additional ACH beds for use by its residents.”

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

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

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- 1. Baptist Retirement Homes of North Carolina, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application and any supplemental responses. If representations conflict, the certificate holder shall materially comply with the last made representation.**
- 2. The certificate holder shall develop no more than 12 adult care beds pursuant to Policy LTC-1 to its existing Continuing Care Retirement Community, The Gardens of Taylor Glen Retirement Community, for a total of no more than 24 nursing home beds and 36 adult care beds upon project completion.**
- 3. The Policy LTC-1 adult care home beds shall not participate in the Medicaid program or serve State-County Special Assistance recipients.**

- 4. The Policy LTC-1 adult care home beds shall be used exclusively to meet the needs of persons with whom the facility has continuing care contracts (in compliance with the Department of Insurance statutes and regulations) who have lived in a non-nursing or adult care unit of the continuing care facility for a period of at least 30 days. Exceptions shall be allowed when one spouse or sibling is admitted to the adult care home unit at the time the other spouse or sibling moves into a non-nursing or adult care unit, or when the medical condition requiring nursing or adult care home care was not known to exist or be imminent when the individual became a party to the continuing care contract.**
 - 5. The new Policy LTC-1 adult care home beds shall be developed on the same site with the independent living units.**
 - 6. 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. Progress reports shall be due on the first day of every sixth month. The first progress report shall be due on December 1, 2024.**
 - 7. 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.**
 - 8. The certificate holder shall submit a written statement to the Agency describing the project's plan to conserve water.**
 - 9. 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.

The applicant proposes to develop 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

Capital and Working Capital Costs

In Section A, page 15, the applicant states that the total projected capital cost of the project is \$980,000. In supplemental information provided by the applicant, the applicant states that the correct total projected capital cost is \$990,502.

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

Capital Costs	
Construction/Renovation Contract(s)	\$820,000
Architect/Engineering Fees	\$60,000
Furniture	\$100,000
Financing Costs	\$10,502
Total	\$990,502

In Section Q, 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 that are based on the overall square footage needed for the additional ACH beds.

In Exhibit F.1, the applicant provides a letter dated January 15, 2024, from the project architect confirming the capital costs associated with this project.

In Section F, page 49, the applicant states that there will be no working capital associated with this project because all operating costs will be included in the overall operations of the Gardens campus.

Availability of Funds

In Section F, page 47, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing		
Type	Baptist Retirement Homes of North Carolina, Incorporated	Total
Loans	\$0	\$0
Accumulated reserves or OE *	\$980,000	\$980,000
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$980,000	\$980,000

* OE = Owner's Equity

In Exhibit F.2, the applicant provides a letter dated January 2, 2024, from the President and CEO of ThriveMore, stating that their Board of Directors has allocated the funds to complete this project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the applicant’s ability to secure financing due to their high credit rating and their long-standing relationship with an experienced investment banking firm.

Financial Feasibility

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

Gardens at Taylor Glen Retirement Community (NF and ACH Beds)	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
	FY 2026	FY 2027	FY 2028
Total Patient Days (NF and ACH beds Only)^	17,396	18,473	19,549
Total Gross Revenues (Charges)	\$20,324,764	\$21,630,144	\$23,015,249
Total Net Revenue	\$19,357,695	\$20,600,963	\$21,920,164
Average Net Revenue per Patient days	\$1,113	\$1,115	\$1,121
Total Operating Expenses (Costs)	\$19,677,561	\$20,238,694	\$20,781,267
Average Operating Expense per Patient Day	\$1,131	\$1,096	\$1,063
Net Income	(\$319,866)	\$362,269	\$1,138,897

^Source: Section Q, Form C.1b

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 adequately explains the assumptions used to project revenue, such as projected self-pay revenue, and operating costs, such as salaries and professional fees.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
 - The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.
 - The 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 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

On page 179, the 2024 SMFP defines the service area for adult care home beds as “*the county in which the adult care home bed is located*”. Thus, the service area for this proposal is Cabarrus County. Facilities may also serve residents of counties not included in their service area.

On pages 185-186 of the 2024 SMFP, Table 11A documents that there is a total of 24 existing or approved facilities in Cabarrus County that offer or will offer ACH services that are available to the general population. Based on the data reported in Table 11E, page 217, Taylor Glen currently has a total of 24 ACH beds, all of which are Policy LTC-1 beds and excluded from the total planning inventory.

In Section G, page 54, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved adult care services in Cabarrus County. The applicant states:

“...Taylor Glen does not compete with the open market within the service area. The existing SNF and ACH beds are dedicated to Taylor Glen residents with life contracts. The additional 12 ACH beds included in this proposal would only be available to life-care residents of Taylor Glen.”

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 applicant adequately documenting that the 36 ACH beds will be used exclusively by individuals who already reside at the CCRC.

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 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

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

Position	Current FTE Staff	Projected FTE Staff
	(As of (01/01/2024)	3 rd Full Fiscal Year (FY 2028)
Nurse Practitioners	0.25	0.25
Registered Nurses	3.2	3.2
Licensed Practical Nurses	8.4	9.5
Certified Nurse Aides/ Nursing Assistants	16.8	23.5
Director of Nursing	1	1
Assistant Director of Nursing	1	1
MDS Nurse	0.25	0.25
Alzheimer's Coordinator	0	1
Staff Development Coordinator	0.5	0.5
Pharmacists	0.1	0.1
Physical Therapists	1.25	1.25
Physical Therapy Assistant	1.5	1.5
Speech Therapist	1	1
Occupational Therapists	2	2
Occupational Therapy Aides	0.5	0.5
Respiratory Therapists	0.1	0.1
Dieticians	0.1	0.1
Cooks	11.5	11.5
Dietary Aides	10.5	10.5
Social Workers	1	1
Activity Director	4	4
Laundry and Linen	1.2	1.2
Housekeeping	11.5	12.5
Central Sterile Supply	1	1
Information Technology	0.1	0.1
Maintenance/Engineering	12	13
Administrator / CEO	2	2
Business Office	3	3
Clerical	2.5	2.5
TOTAL	98	109

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 F.3b. In Section H, page 56, the applicant describes the methods used to recruit or fill new positions and its existing 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:

- Methods used to recruit staff include the facility's website, social media, career websites.

- The applicant has a dedicated recruiter on staff and utilizes Hireology and ADP to help recruit for open positions.

Conclusion

The Agency reviewed the:

- Application

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

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

C

The applicant proposes to develop 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

In Section I, page 57, the applicant identifies the necessary ancillary and support services for the proposed services. On page 57, the applicant explains how each ancillary and support service is or will be made available and provides 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:

- Ancillary and support services are currently available at Taylor Glen.
- The applicant provides letters of support from entities currently providing services, such as dietician, therapy, pharmacy and hospice.

Coordination

In Section I, page 59, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- Taylor Glen's established relationships with local hospitals, nursing facilities, hospice providers, and physician practices.
- In Exhibit I.2, the applicant provides letters of support from local 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 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

In Section K, page 63, the applicant states that the project involves renovating 6,346 square feet of new space. Line drawings are provided in Exhibit K.2.

On page 63, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the facility's high occupancy driving the need for additional ACH beds.

On page 63, 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.

On page 63, the applicant 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;

C

In Section L, page 65, the applicant provides the historical payor mix during for the proposed services.

Gardens at Taylor Glen Retirement Community Historical Payor Mix 10/01/2022 - 09/30/2023		
Payor Source	NF Beds as Percent of Total	ACH Beds as Percent of Total
Private Pay	86.0%	100.0%
Charity Care	0.0%	0.0%
Medicare*	10.0%	0.0%
Medicaid*	0.0%	0.0%
Insurance*	4.0%	0.0%
Workers Compensation	0.0%	0.0%
TRICARE	0.0%	0.0%
Other	0.0%	0.0%
Total	100.0%	100.0%

*Including any managed care plans.

In Section L, page 67, the applicant provides the following comparison.

Taylor Glen ACH	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	75.0%	50.9%
Male	25.0%	49.1%
Unknown		
64 and Younger		86.2%
65 and Older	100.0%	13.8%
American Indian		0.7%
Asian		6.5%
Black or African-American		21.8%
Native Hawaiian or Pacific Islander		0.01%
White or Caucasian	100.0%	68.2%
Other Race		2.8%
Declined / Unavailable		

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 applicant adequately documents 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. Therefore, the application is conforming to this criterion.

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

C

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 69, the applicant states that the facility is not obligated to provide uncompensated care, community service or access by minorities and persons with disabilities.

In Section L, page 69, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in 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.

- (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 70, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Gardens at Taylor Glen Retirement Community Projected Payor Mix 3rd Full FY, FY 2028		
Payor Source	NF Beds as Percent of Total	ACH Beds as Percent of Total
Private Pay	86.0%	100.0%
Charity Care	0.0%	0.0%
Medicare*	10.0%	0.0%
Medicaid*	0.0%	0.0%
Insurance*	4.0%	0.0%
Workers Compensation	0.0%	0.0%
TRICARE	0.0%	0.0%
Other	0.0%	0.0%
Total	100.0%	100.0%

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 86.0% of total NF services and 100.0% of total ACH services will be provided to self-pay patients, and 10.0% of total NF services to Medicare patients.

On page 69, 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:

- All of the 36 ACH beds will be designated to Taylor Glen residents only as private pay.
- The facility provides a “Residency Fund” for residents who can no longer pay for services. The applicant provides supporting documentation in Exhibit L.4.

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 72, the applicant states,

“Taylor Glen is a CCRC. ACH services are only available to ILU residents with life-care contracts. When a resident needs a higher level of care, the resident, their support system, and Taylor Glen Health Care Center staff work together to arrange placement in an ACH bed.”

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.

C

The applicant proposes to develop 12 ACH beds pursuant to Policy LTC-1, to its existing CCRC, The Garden, for a total of 24 NF beds and 36 ACH beds at The Garden upon project completion.

In Section M, page 73, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides documentation of outreach to health professional training programs in Exhibit M.1.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

demonstrate that its application is for a service on which competition will not have a favorable impact.

NA

Policy LTC-1 of the 2024 SMFP requires the applicant to use the proposed additional ACH beds exclusively to meet the needs of people with whom the facility has continuing care contracts and who have lived at the CCRC for at least 30 days. The policy also prohibits the applicant from participation in the Medicaid program and serving State-County Special Assistance recipients in the Policy LTC-1 beds.

- (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 three other facilities located in North Carolina owned, operated or managed by the applicant or a related entity. In Section O, pages 77-78, the applicant states that none of their facilities have had any deficiencies in the past 18 months and provides supporting documentation in Exhibits I.1 and I.2. 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 have not occurred in this facility. 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 Taylor Glen, 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 ACH beds pursuant to Policy LTC-1. 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 beds added pursuant to Policy LTC-1 are used exclusively to meet

the needs of people with whom the facility has continuing care contracts who have lived in a non-nursing unit of the center for a period of at least 30 days.