

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: December 19, 2025

Findings Date: December 19, 2025

Project Analyst: Chalice L. Moore

Co-Signer: Micheala Mitchell

Project ID #: F-12669-25

Facility: Grace Senior Living of Lake Norman

FID #: 250686

County: Iredell

Applicant: Grace Senior Living of Lake Norman, LLC

Project: Develop a new 60-bed ACH facility by relocating no more than 60 ACH beds from Crown Colony

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

Grace Senior Living of Lake Norman, LLC (referred to as “the applicant”) proposes develop a new 60-bed adult care home (ACH) facility by relocating no more than 60 ACH beds from Crown Colony which is an existing facility in Iredell County. The new 60 bed ACH facility will be Grace Senior Living of Lake Norman, also located in Iredell County.

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 2025 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

Policies

There is one policy in the 2025 SMFP which is applicable to this review: Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2025 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. 131E178, Certificate of Need shall impose a condition requiring the applicant to develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN 4.

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

The projected capital cost for the project is over \$5 million. In Section B, pages 25-26, the applicant states the following:

- The applicant plans to utilize automatic lightening fixtures, highly efficient mechanical designs, energy star-rated appliances, high-performance building insulation, energy efficient insulated windows, and LED lights in order to make the building as energy efficient as possible.
- The applicant plans to utilize low-flow plumbing fixtures as well as water-efficient washing machines and dish washers. design will incorporate provided in Exhibit B.19.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- The applicant does not propose to develop any beds, services, or equipment for which there is a need determination in the 2025 SMFP.
 - The applicant adequately demonstrates that the proposal is consistent with Policy GEN-4 because they adequately describe how they will ensure energy efficiency and water conservation.
 - The applicant provides documentation from a licensed architect confirming the applicant’s energy efficiency and water conservation plans.
- (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 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

Patient Origin

On page 179, the 2025 SMFP defines the service area for ACH beds as “*the county in which the adult care home bed is located.*” The proposed ACH facility and the existing facility from which the ACH beds are to be relocated are located in Iredell County. Thus, the service area for the project is Iredell County. Facilities may also serve residents of counties not included in their service area.

Grace Senior Living of Lake Norman will be a new facility and therefore does not have any historical patient origin. The applicant states that Crown Colony has not housed residents since August of 2024. The applicant utilized the data from the Adult Care Licensure Section in the 2025 SMFP and the resident origin of the Mooresville- area located in Iredell County and surrounding counties to project patient origin.

The following table illustrates the projected patient origin for Grace Senior Living of Lake Norman.

Grace Senior Living of Lake Norman Projected Patient Origin			
ACH Beds	1 st Full FY	2 nd Full FY	3 rd Full FY

	01/01/2029 to 12/31/2029		01/01/2030 to 12/31/2030		01/01/2031 to 12/31/2031	
County	FY 2028		FY 2029		FY 2030	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Iredell	50	67.57%	55	67.90%	55	67.90%
Mecklenburg	10	13.51%	11	13.58%	11	13.58%
Other States	7	9.46%	7	8.64%	7	8.64%
Rowan	3	4.05%	3	3.70%	3	3.70%
Lincoln	1	1.35%	2	2.47%	2	2.47%
Davidson	1	1.35%	1	1.23%	1	1.23%
Cabarrus	1	1.35%	1	1.23%	1	1.23%
Catawba	1	1.35%	1	1.23%	1	1.23%
Guilford	0	0.00%	0	0.00%	0	0.00%
Orange	0	0.00%	0	0.00%	0	0.00%
Total	74	100.00%	81	100.00%	81	100.00%

Source: Section C, page 30

In Section C, page 29, 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 assumes that patient origin will reflect that of other facilities in Mooresville and determined combined patient origin using available license renewal application data.
- The applicant states that the projections are based on the applicant’s historical experience with patient origin for the residents served at Iredell County ACH facilities.

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:

- **Iredell county’s utilization rate is high relative to other counties-** The applicant states that *“Iredell County’s utilization rate is high relative to other counties. The 2025 SMFP projects an adjusted occupancy rate of 80.57%, making Iredell County the 19th highest occupancy rate of all counties in North Carolina as well as the third highest occupancy rate among counties with a population of 70,000 or greater.”*
- **The utilization rate amongst facilities in the southern portion of Iredell county (Mooresville area) is significantly higher than the rest of the county -** The applicant states *“data provided by Adult Care Licensure Section derived from the 2025 LRA dataset. There is a need for facilities in the Mooresville area as there is only three ACH homes located in Mooresville.”*

- **Iredell county’s utilization rate is artificially suppressed by the selective use of space at existing facilities-** The applicant states that *“Iredell County’s utilization rate is artificially suppressed by the selective use of space at existing facilities. The applicant determined that two of the three ACH homes in Mooresville have reduced capacity by instituting a policy of single occupancy rooms, although built for double occupancy. The applicant provides a table showing the differences in utilization rate when taking the policy into account.”*
- **The applicant states that there is a greater need for special care unit (SCU) than non-scu beds in Iredell County** – The applicant state, *“some facilities with SCU beds failed to fill in the SCU census data. However, of the SCU census data reported in the 2025 LRA dataset throughout the county, the occupancy rate was at 93%, and that does not factor in Cadence Mooresville’s and Summit Place of Mooresville’s self-imposed bed-use limitations. When compared to the 80.57% county-wide occupancy rate found in the SMFP, the SCU occupancy rate clearly shows a greater need for SCU beds. Furthermore, the 2025 license renewal applications reported a total of 275 Iredell County adult care home residents diagnosed of Alzheimer’s or dementia. That is 125% of the 220 SCU beds licensed in Iredell County.”*

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

- The applicant provides utilization rate data that demonstrates the need for the ACH beds proposed to be relocated.
- The applicant demonstrates that the beds proposed to be replaced and relocated to a newly developed facility with a new SCU, in the proposed location, are needed to address the demand for ACH and SCU services.

Projected Utilization

Grace Senior Living of Lake Norman is not an existing ACH facility, therefore it has no historical utilization data to report. In Section Q, Form C.1b, the applicant provides projected utilization for the first three full fiscal years which correspond to calendar years 2028, 2029, and 2030, as illustrated in the following table.

	1st Full FY	2nd Full FY	3rd Full FY
	CY 2028	CY 2029	CY 2030
ACH- All Beds			
Total # of Beds, including all those in SCU	60	60	60
# of Admissions or Discharges	23	30	30
# of Patient Days	14,862	18,615	18,615
Average Length of Stay	646	621	621
Occupancy Rate	67.9%	85.0%	85.0%
Adult Care Home – Special Care Unit			
Total # of SCU Beds	30	30	30
# of Admissions or Discharges	16	22	22
# of Patient Days	6,724	9,308	9,308
Average Length of Stay	420	423	423
Occupancy Rate	61.4%	85.0%	85.0%

Source: Section Q, Form C.1b

In Section Q, immediately following Form C.1b the applicants provide the assumption and methodology used to project utilization. The applicants based the utilization on a similar facility, Arbor Ridge at Huntersville. The applicant in Section Q, Form C.1b, states:

“The fill-up rate was determined based on the development team’s experience and referencing the fill-up rate experienced by Arbor Ridge at Huntersville (about 8.7 miles away from the proposed location). Arbor Ridge at Huntersville opened on June 9, 2022, and is by far the most recent adult care home to open in the Mooresville area (even though it is on the Mecklenburg County side of the border). The data from the facility was published in the application for project ID #F-12459 23). Similar to the proposed facility, it is an adult care home with independent living apartments offered and a special care unit.”

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

- The facility from which the ACH beds are proposed to be relocated are not currently using the ACH beds.
- The occupancy rates are based on the applicant’s experience opening and operating other ACH facilities, in highly populated areas in the county.

(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 proposes to develop a new 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

In Section D, page 41, the applicant states that no ACH beds have been occupied at Crown Colony since August 2024. The applicant provides supporting documentation in Exhibit C.1a, which outlines the purchasing of the ACH beds. Since there is no population presently being served at Crown Colony, 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.

C

The applicant proposes to develop a new 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

In Section E, page 45, 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:

- **Not Convert the 30 non-SCU Beds to SCU Beds** - The applicants state *“that there is a need for non-SCU beds, and the proposed facility with all non-SCU beds would probably fill to a health occupancy. However, not converting some of the ACH beds for SCU used would be more costly because the increased utilization growth rate over just regular beds allows the current proposal to fill-up faster. Also, it would be less effective because there wouldn’t be as much ability to age in place”*
- **Renovate/Build at the Current Location**-The applicants state *“even when building a multi-story building the 3.46 acres where Crown Colony was located is much too small to build the proposed project. Building the proposed project on that site would require costly high-rise building (costing-more), or would require the independent living component to be eliminated (becoming less effective for aging in place).”*
- **Build the Proposed Facility as a Free-Standing ACH with no Independent Living Apartments** - The applicant states *that “building a free-standing adult care home without the independent living component to project would be more costly on the proposed site since the applicant could not take advantage of economics of scale to split costs between the adult care home and the independent living for capital costs and operational expenses, such as salaries for administrative staff, cooks, housekeeping, etc. It would also reduce the ability for residents to age in place.”*

In Section E, page 45, The applicants have determined that the most effective alternative is to develop a free-standing adult care home without the independent component.

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 review criteria.

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. Grace Senior Living of Lake Norman, LLC (hereinafter collectively the “certificate holder”) shall materially comply with all representations made in this application.**
- 2. The certificate holder shall relocate no more than 60 ACH beds from Crown Colony which is an existing facility in Iredell County.**
- 3. Upon completion of the project, Grace Senior Living of Lake Norman shall be licensed for no more than 60 ACH beds, and Crown Colony shall not be licensed for any ACH beds.**
- 4. 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.**
- 5. 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.**
- 6. The certificate holder shall certify the percentage of the total number of licensed adult care home beds in the facility for participation in the Medicaid program and shall provide care to Medicaid recipients commensurate with representations made in the application.**

7. **Grace Senior Living of Lake Norman 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. **The beds to be relocated shall remain licensed throughout the development of the project.**
 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 March 1, 2026.**
 10. **The certificate holder shall execute or commit to a contract for design services for the project no later than two years following the issuance of this 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 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

Capital and Working Capital Costs

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

Form F.1a Capital Cost	Applicant 1 Grace Senior Living of Lake Norman, LLC	Total
Purchase Price of Land	\$2,237,500.00	\$2,237,500.00
Site Preparation	\$335,625.00	\$335,625.00
Construction/Renovation Contracts	\$15,174,725.00	\$15,174,725.00
Architect/Engineering Fees	\$295,350.00	\$295,350.00
Furniture	\$552,000.00	\$552,000.00
Consultant Fees (CON Prep & Fee)	\$137,200.00	\$137,200.00
Financing Costs	\$86,250.00	\$86,250.00
Interest during Construction	\$2,194,969.00	\$2,194,969.00
Purchase of 60 ACH Beds	\$540,000.00	\$540,000.00
Utility Connection Fees	\$147,675.00	\$147,675.00
Surveys	\$6,713.00	\$6,713.00
Inspections	\$33,563.00	\$33,563.00
Site Monitoring	\$26,850.00	\$26,850.00
Taxes	\$16,231.00	\$16,231.00
Contingency	\$977,357.00	\$977,357.00
Total Capital Cost	\$22,762,007.00	\$22,762,007.00

In Section Q, immediately following 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 assumptions were based on the development team’s professional experience and analysis.
- The applicant’s construction costs, site preparation, and architect/engineer fees were based on estimates from the architect.

In Section F, page 48, the applicant projects that start-up costs will be \$333,304 and initial operating expenses will be \$317,687 for a total working capital of \$650,991. On pages 48-49, 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 support assumptions based on the following:

- The applicants are projecting a 6-month initial operating period. The initial operating costs are projected to be \$317,687.
- The applicant has experience developing new ACH facilities.
- The applicant details expenses and revenues during initial operating period as well as the assumptions used to calculate the initial operating costs.

Availability of Funds

Exhibit F.2b contains a letter dated July 14, 2025, from the J Douglas Brewer, Sr. Business Development Officer manager of The Fidelity Bank-Clemmons Office, stating The Fidelity Bank-Clemmons Office will consider lending up to \$23,412,998.00 or 100% of the development costs, whichever is less, to fund both the capital cost and the working capital related to the 60 bed ACH.

The applicant adequately demonstrates the availability of sufficient funds for the proposed increase in the projected capital cost based on the following:

- The applicant provides a letter from an appropriate company officer confirming the availability of the funding proposed for the capital needs of the project and a commitment to use that funding accordingly.

Financial Feasibility

In Section Q, Form F.2b, the applicants provide their projected revenues and operating expenses for the first three operating years as shown in the table below:

Form F.2b Grace Senior Living of Lake Norman Projected Revenues and Operating Expenses upon Project Completion	1st Full FY 01/01/2028 to 12/31/2028	2nd Full FY 01/01/2029 to 12/31/2029	3rd Full FY 01/01/2030 to 12/31/2030
Total Patient Days	14,862	18,615	18,615
Total Gross Revenue	\$4,208,166	\$5,748,742	\$6,201,381
Total Net Revenue	\$4,421,491	\$5,909,770	\$6,375,291
Total Net Revenue per Patient Day	\$298.00	\$317.47	\$342.48
Total Operating Costs	\$4,482,818	\$5,108,203	\$5,353,880
Total Operating Costs per Patient Day	\$302	\$274.41	\$288.00
Net Income	(\$61,327)	\$801,568	\$1,021,411

Source: Section Q

The assumptions used by the applicant were based on development team’s experience and fill-up rates from a previous project. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant clearly identifies the sources of data used to project revenues and expenses.
- 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 the 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 a new 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

On page 179, the 2025 SMFP defines the service area for ACH beds as “*the county in which the adult care home bed is located.*” The proposed ACH facility will be located in Iredell County. Thus, the service area for this project is Iredell County. Facilities may also serve residents of counties not included in their service area.

The applicant indicates that there are currently a total of 16 facilities in Iredell County with licensed ACH beds. The table below is a summary of those facilities, from the 2025 SMFP, Chapter 11, Table 11A, pages 194-195.

Iredell County ACH Facilities	ACH Beds	SCU Beds
Autumn Care of Statesville	10	0
Brookdale East Broad	58	0
Brookdale Peachtree AL	87	0
Brookdale Peachtree MC	40	40
Candence Mooresville	96	36
Crown Colony	60	0
Glenwood Rehabilitation and Nursing Center	30	0
Harmony House Memory Care	40	40
Journey's Assisted Living	60	16
Mill Creek Manor	80	28
Olin Village	64	0
Rosewood Assisted Living	54	0
Summit Place of Mooresville	60	20
Terrabella Lake Norman	120	20
The Garden of Statesville	67	20
The Garden at Maple Leaf	8	0

In Section G, page 56, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved adult care home services in Iredell County. The applicant states:

“The opening of the proposed facility would not be an unnecessary duplication of beds but would be a welcome alternative for southern Iredell County resident who may have otherwise sought accommodations in Mecklenburg County. As discussed in C.4, there is a great need for more adult care home bed availability in the Mooresville area. According to data gathered through secret shopping Mooresville area facilities, there are approximately 30 perspective residents on waiting lists for adult care home placement right now. According to the North Carolina Office of State Budget and management, the population of Iredell County will grow by 8.8% between now and the second year of operations of the proposed facility, which will only further increase the need for additional beds.”

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 applicant is proposing to relocate licensed, nonoperational ACH beds from one Iredell County facility to develop a new ACH facility within the county, therefore, it would not result in a deficit or surplus.
- The applicants adequately demonstrate that the proposed ACH facility is needed.

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.

- (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 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

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

POSITION	PROJECTED STAFF 1 ST FULL FY	PROJECTED STAFF 2 ND FULL FY	PROJECTED STAFF 3 RD FULL FY
Certified Nurse Aides/ Nursing Assistants	11.17	14.38	14.38
Alzheimer's Coordinator	1.00	1.00	1.00
Dining Services Manager	0.60	0.60	0.60
Cooks	2.43	3.00	3.00
Dietary Aides	3.09	4.10	4.10
Dishwasher	1.20	1.20	1.20
Activities Director	0.60	0.60	0.60
Activities Assistant	0.60	0.60	0.60
Housekeeping	1.62	2.00	2.00
Maintenance Director	0.45	0.45	0.45
Maintenance Tech	0.45	0.45	0.45
Administrator / CEO	0.60	0.60	0.60
Business Office	0.60	0.60	0.60
LPNs	2.96	4.00	4.00
Healthcare Coordinator	1.00	1.00	1.00
Housekeeping Manager	0.60	0.60	0.60
Marketing Director	0.60	0.60	0.60
Marketing Assistant	0.60	0.60	0.60
Medication Technicians	5.32	6.78	6.78
Van Driver	0.60	0.60	0.60
Total	36.08	43.76	43.76

The assumptions and methodology used to project staffing are provided in Section Q immediately following Form H. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, page 57, 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 provides the assumptions and methodology used to project staffing.
- The applicant provides the methods to be used to recruit or fill new positions and proposed training and continuing education programs.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to develop a new 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

Ancillary and Support Services

In Section I, page 59, the applicant identifies the necessary ancillary and support services for the proposed services. On page 59, the applicant explains how each ancillary and support service is or will be made available.

The applicant adequately demonstrates that the necessary ancillary and support services will be made available because the applicant identifies the necessary ancillary and support services needed which will support the ACH services as they have in the applicant's other ACH services in the county.

Coordination

In Section I, page 60, the applicant states letters have been sent to local health care 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 systems.

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.

- (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 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

In Section K, page 63, the applicant states that the project involves constructing 45,645 square feet of new space. Line drawings are provided in Exhibit K.1.

On page 64, the applicant identifies the proposed site and provides information about the current owner, zoning for the site, and the availability of water, sewer, waste disposal, and power at the site. Supporting documentation is provided in Exhibit K.4. The site appears to be suitable for the proposed ACH facility based on the applicant's representations and supporting documentation.

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 following:

- The applicant states the new facility will be based on aesthetic and ensures that residents feel at home, while keeping construction costs as well as low maintenance costs for the subsequent years.

On page 64, 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 facility will be housed in a building also incorporating a independent living facility, which means that it can take advantage of economies of scale hat it would not otherwise have if it were built independently.

In Section K, page 65, the applicant identifies applicable energy saving features and water conservation measures that will be incorporated into the construction plans and provides supporting documentation in Exhibit B.19, Exhibit K.4d, Exhibit K.4e, and Exhibit K.4f.

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

Grace Senior Living of Lake Norman is not an existing facility; thus it has no historical data to report. Therefore, Criterion (13)(a) 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

Grace Senior Living of Lake Norman is not an existing facility; thus it has no historical data to report. Therefore, Criterion (13)(b) 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 101, 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.

Payor Category	Percentage of Total Patients Served
Adult Care Home	

Self-Pay	95.0%
Medicaid	5.0%
Total	100.0

Source: Section L, page 70.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 95.0% of total services will be provided to self-pay patients, 5.0% to Medicaid patients.

On page 70, 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 projects that the payor source by percentage of total patients served will equal the payor source proportion for the total number of patient days for the fiscal year because there is no reason to assume that residents relying on Medicaid will move in or move out at a rate higher or lower than private care.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on the 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 71, the applicant adequately describes the range of means by which patients will have access to the proposed services.

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.

- (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 a new 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

In Section M, page 72, the applicant describes the extent to which area health professional training programs in the area will have access to the facility for training purposes and provides supporting documentation in Exhibit M-1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant states it will offer the facility as a training facility for local training programs and community colleges.
- In Exhibit M-1, the applicant provides documentation of its effort to establish relationships with the community colleges in the area.

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.

- (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 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

On page 179, the 2025 SMFP defines the service area for ACH beds as “*the county in which the adult care home bed is located.*” The proposed ACH facility will be located in Iredell County. Thus, the service area for this project is Iredell County. Facilities may also serve residents of counties not included in their service area.

The applicant indicates that there are currently a total of 16 facilities in Iredell County with licensed ACH beds. The table below is a summary of those facilities, from the 2025 SMFP, Chapter 11, Table 11A, pages 194-195.

Iredell County ACH Facilities	ACH Beds	SCU Beds
Autumn Care of Statesville	10	0
Brookdale East Broad	58	0
Brookdale Peachtree AL	87	0
Brookdale Peachtree MC	40	40
Candence Mooresville	96	36
Crown Colony	60	0
Glenwood Rehabilitation and Nursing Center	30	0
Harmony House Memory Care	40	40
Journey’s Assisted Living	60	16
Mill Creek Manor	80	28
Olin Village	64	0
Rosewood Assisted Living	54	0
Summit Place of Mooresville	60	20
Terrabella Lake Norman	120	20
The Garden of Statesville	67	20
The Garden at Maple Leaf	8	0

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 73, the applicant states:

“Because the applicant believes that the need for more ACH beds exists in the southern part of Iredell County, this proposal should not cause utilization to be negatively affected in competing adult care homes in drastic way

...

Because the applicant believes that the need for more SCU beds exists in Iredell County, this proposal should not cause utilization to be negatively affected in competing special care units.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 73, the applicant states:

“By combining the adult care home facility with independent living apartments, certain costs can be saved by taking advantage of economies of scale, both in terms of capital costs and operational expenses By accepting a number of residents relying on

Medicaid, the proposed facility will also increase the number of beds available to them, thereby creating a cost-effective use of state funds by providing a high quality service for a relatively low price for taxpayers.”

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 73, the applicant states:

“The increased competition amongst adult care homes can increase the quality of care because there is a pressure to meet resident expectations in the face of a brand new facility.”

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 73, the applicant states:

“By allowing Medicaid recipients to access some of the beds (beds that no one can currently utilize), this proposal increases the number of overall beds in the county available to Medicaid recipients, and gives residents of the southern part of the county relying on Medicaid access to more beds closer to them”

See also Sections L and C 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.

NA

The applicant proposes to develop a new 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony to Grace Senior Living of Lake Norman.

In Section Q, the applicant identifies the nursing facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant states that there are no health service facilities or health services are identified in Form O.

In Section O, page 76, the applicant states that there is no affiliation with any health service facilities or health services.

- (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 60-bed adult care home (ACH) facility in Iredell County by relocating no more than 60 ACH beds from Crown Colony which is an existing facility located in Iredell County. The new 60-bed ACH facility will be Grace Senior Living of Lake Norman.

The Criteria and Standards for Nursing Facility or Adult Care Home Services promulgated in 10A NCAC 14C.1100 are not applicable because they do not apply to a proposal to relocate existing licensed adult care home beds.