

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: October 28, 2025

Findings Date: October 28, 2025

Project Analyst: Yolanda W. Jackson

Co-Signer: Lisa Pittman

Project ID #: B-12662-25

Facility: Deerfield Episcopal Retirement Community

FID #: 923135

County: Buncombe

Applicant(s): Deerfield Episcopal Retirement Community, Inc.

Project: Change of scope for Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion

REVIEW CRITERIA

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

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

C

Deerfield Episcopal Retirement Community, Inc. (hereinafter referred to as "the applicant" or ("Deerfield")) proposes a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

On July 1, 2025, the Agency issued a certificate of need for Project I.D. #B-12612-25 for a change of scope for Project ID# B-12194-22 (Develop 39 adult care home (ACH) beds pursuant to Policy LTC-1) to develop no more than 22 ACH beds pursuant to Policy LTC-1 and no more than four nursing facility (NF) beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 66 NF beds upon project completion.

The current application proposes a change of scope to Project ID #s B-12194-22 and B-12612-25 by developing eight additional NF beds for a total of 74 NF beds and 84 ACH beds upon project completion.

Type of Health Service Facility Bed	Currently Licensed	Project ID# B-12612-25	Proposed as Part of this Project	Total upon Completion of All Projects
Nursing Facility	62	4	8	74
Adult Care Home	62	22	0	84

Source: Section A, page 23.

Need Determination

The applicant does not propose to develop any beds or services for which there is a need determination in the 2025 State Medical Facility Plan (SMFP).

Policies

There is one policy in the 2025 SMFP which is applicable to this review: *Policy NH-2: Plan Exemption for Continuing Care Retirement Communities.*

Policy NH-2, on page 23 of the 2025 SMFP, states:

“Qualified continuing care retirement communities (CCRC) may include from the outset or add or convert bed capacity for nursing care without regard to the nursing home bed need shown in Chapter 10: Nursing Home Facilities. 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 facilities for both of the following levels of care:*
 - a. 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;*
 - b. licensed adult care home beds for use by people who, because of age or disability, require some personal services, incidental medical services, and room and board to assure their safety and comfort.*
- 2. 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 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 nursing unit at the time the other spouse or sibling moves*

into a non-nursing unit, or when the medical condition requiring nursing care was not known to exist or be imminent when the individual became a party to the continuing care contract.

3. *reflects the number of nursing home facility 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 nursing care.*
4. *will not be certified for participation in the Medicaid program.*

One hundred percent of the nursing home facility beds developed under this exemption shall be excluded from the inventory and the occupancy rate used to project nursing home bed need for the general population. Certificates of need issued under policies analogous to this policy in the North Carolina State Medical Facilities Plans subsequent to the 1985 State Medical Facilities Plan are automatically amended to conform to the provisions of this policy at the effective date of this policy. Certificates of need awarded pursuant to the provisions of Chapter 920, Session Laws 1983 or Chapter 445, Session Laws 1985 shall not be amended.”

In Section B, pages 27-29, the applicant provides responses that demonstrate compliance with the requirements of *Policy NH-2* and provides supporting documentation in Exhibit B-2.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- The applicant adequately documents its plan for developing the proposed NF beds as part of a larger renovation project which include the addition of Independent Living Units (ILU) and ACH beds.
- The applicant adequately certifies that the proposed NF beds will be used exclusively by its residents with life-care contracts.
- The applicant adequately documents the number of NF 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 NF beds will not be certified for participation in the Medicaid program.

(2) Repealed effective July 1, 1987.

- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

This change of scope application includes the addition of eight NF beds (in addition to the four NF beds from Project ID# B-12612-25). Deerfield is currently licensed for 62 NF beds, including 16 NF beds with 8 shared bathrooms. The applicant intended to reduce the number of NF beds from 16 to eight and create private bathrooms for all the NF beds in the space. This change of scope application includes retaining the 16 NF beds and constructing eight additional bathrooms, resulting in private bathrooms for all 16 NF beds.

The 2025 SMFP, page 141, defines a nursing home facility's service area as "... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*" The applicant proposes to develop the NF beds in an existing CCRC in Buncombe County. Thus, the service area for this facility consists of Buncombe County. Facilities may also serve residents of counties not included in their service area.

Patient Origin

In Section C, page 42, the applicant states that although there will be an increase with the addition of eight NF beds, it does not project any changes to patient origin.

In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect those determinations.

Analysis of Need

In Section B, page 28, and Section C, page 41, 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 the proposed increase in NF beds will cater to the increase in overall campus capacity based on the number of new ILUs and ACH beds in the greater campus-wide project.
- The applicant states that the additional NF beds would decrease the disruption and stress of residents potentially moving to an outside, unaffiliated nursing facility for nursing care.

- The applicant states that single occupancy spaces decrease the risk of acquiring and spreading infections in a healthcare setting.
- The applicant states that the update to the NF floor plan will improve and modernize the rooms to meet resident’s needs and demands.

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

- The current proposal includes reducing the number of NF beds from 16 to eight and creating private bathrooms for each room.
- Deerfield is a CCRC and the NF beds will be used exclusively to meet the needs of the residents with whom it has an agreement to provide continuing care.

Projected Utilization

In Section Q, Forms C.1a and C.1b, the applicant provides historical and projected utilization, as illustrated in the following tables.

Deerfield Episcopal Retirement Community Historical Utilization Nursing Facility and Adult Care Home Beds	
	Last Full FY
	10/1/2023- 9/30/2024
Nursing Facility – All Beds	
# of Beds	62
# of Admissions	67
# of Patient Days	20,363
Average Length of Stay	303.9
Occupancy Rate	90.0%
Adult Care Home – All Beds	
# of Beds	62
# of Admissions	36
# of Patient Days	19,322
Average Length of Stay	536.7
Occupancy Rate	85.4%

Source: Section Q, Form C.1a, page 1

Deerfield Episcopal Retirement Community Projected Utilization Nursing Facility and Adult Care Home Beds			
	1st Full FY	2nd Full FY	3rd Full FY
	10/1/2028- 9/30/2029	10/1/2029- 9/30/2030	10/1/2030- 9/30/2031
Nursing Facility – All Beds			
# of Beds	74	74	74
# of Admissions	81	83	83
# of Patient Days	24,521	25,185	25,185
Average Length of Stay	302.7	303.4	303.4
Occupancy Rate	90.8%	93.2%	93.2%
Adult Care Home – All Beds			
# of Beds	84	84	84
# of Admissions	48	52	52
# of Patient Days	25,648	27,740	27,740
Average Length of Stay	534.3	533.5	533.5
Occupancy Rate	83.7%	90.5%	90.5%

Source: Section Q, Form C.1b, page 2

In Section C, page 43 and Section Q, the applicant states that the fill-up rate for the 8 NF beds has been assumed as consistent with the fill-up rate for the previously approved applications, which is summarized below.

- The applicant’s projected utilization for the ACH beds was based on a fill-up rate of two residents every two weeks for newly licensed ACH beds until occupancy reaches 90%.
- The applicant projects utilization for the NF beds based on a fill-rate of two admissions every two weeks during the fill up period until occupancy reaches 93%.
- The applicant projects that patient days and admissions for ACH beds will remain consistent for the second and third year of the project.
- The applicant projects that patient days and admissions for NF beds will remain consistent for Years 1-3 of the project.

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

- Projected utilization is based upon, and supported by, the historical utilization of the existing NF and ACH beds, including the ILUs.
- As a CCRC, the applicant reasonably projects that utilization of the NF beds will remain constant for the first through the third year of the project.

Access to Medically Underserved Groups

In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for 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 a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

In Section E, page 48, the applicant describes the alternative it considered and explains why the alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternative considered was:

- **Moving forward with the originally approved 4 NF beds from Project ID# B-12612-25.** The applicant states that the additional ILUs continue to drive the need for additional NF beds at Deerfield. This previously approved application included adding 4 NF beds for a total of 66 NF beds upon project completion.

The application included a reduction from 16 private, single occupancy NF beds with eight shared bathrooms down to eight NF beds with eight private bathrooms. The applicant states that it wants to provide the most appropriate setting and level of care for its residents for both personal dignity and proper services. Therefore, this is a less effective alternative.

In Section B, page 28, the applicant states that its proposal is the most effective alternative because the proposed increase in NF beds will cater to the increase in overall campus capacity based on the number of new ILUs and ACH beds in the greater campus-wide project. and the additional NF beds would decrease the disruption and stress of residents potentially moving to an outside, unaffiliated nursing facility for nursing care.

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. 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. Deerfield Episcopal Retirement Community, Inc. (hereinafter certificate holder) shall materially comply with the representations in this application and the representations in Project ID #s B-12194-22 and B-12612-25. Where representations conflict, the certificate holder shall materially comply with the last made representation.**
- 2. The certificate holder shall develop no more than 22 adult care beds pursuant to Policy LTC-1 and 12 nursing facility beds pursuant to Policy NH-2 to its existing Continuing Care Retirement Community, Deerfield Episcopal Retirement Community, for a total of no more than 84 adult care home beds and 74 nursing facility beds at Deerfield Episcopal Retirement Community upon project completion.**
- 3. The Policy NH-2 nursing facility beds shall not be certified for participation in the Medicaid program.**
- 4. The Policy NH-2 nursing facility 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 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 nursing unit at the time the other spouse or sibling moves into a non-nursing unit, or when the medical condition**

requiring nursing care was not known to exist or be imminent when the individual became a party to the continuing care contract.

- 5. The new Policy NH-2 nursing facility beds shall be developed on the same site with the independent living units and licensed adult care home beds.**
- 6. The Policy LTC-1 adult care home beds shall not participate in the Medicaid program or serve State-County Special Assistance recipients.**
- 7. 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.**
- 8. The new Policy LTC-1 adult care home beds shall be developed on the same site with the independent living units.**
- 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. Progress reports will be due on the first business day of every third month. The first progress report shall be due on May 1, 2026. The second progress report will be due on August 1, 2026, and so forth.**
 - e. Progress reports should be received by the due date but in no case shall they be received more than one week after the due date.**
 - f. Timetable milestones shall be completed no later than three months after the projected date on the timetable subject to reasonable extensions due to conditions completely beyond the control of the certificate holder(s).**
 - g. There will be no extensions of the timetable milestones dates except for reasonable extensions based on conditions completely beyond the control of the certificate holder(s).**
 - h. In the event that the project is not developed in accordance with the timetable, including any reasonable extensions, the Healthcare Planning and Certificate of Need Section may impose a civil monetary penalty of \$1,000 per day for each day**

the project is delayed beyond the 90th day following the milestone date on the timetable.

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

C

The applicant proposes a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

Capital and Working Capital Costs

A certificate of need was issued on July 1, 2025, for Project ID# B-12612-25. The current application does not propose a capital cost increase over the previously approved capital cost.

Deerfield Episcopal Retirement County Previously Approved Capital Cost			
	Project ID# B-12194-22	Project ID# B-12612-25	Difference
Site Preparation	\$2,319,342	\$1,075,554	(\$1,243,788)
Construction/Renovation Contract(s)	\$15,466,574	\$14,030,948	(\$1,435,626)
Architect/Engineering Fees	\$540,882	\$474,785	(\$66,097)
Non-Medical Equipment	\$250,341	\$506,944	\$256,604
Consultant Fees	\$423,819	\$367,565	(\$56,254)
Financing Costs	\$264,407	\$229,312	(\$35,095)
Interest during Construction	\$1,979,615	\$1,716,856	(\$262,759)
Other	\$175,830	\$175,614	(\$216)
Total Capital Cost	\$21,420,810	\$18,577,579	(\$2,843,231)

Source: Section Q, Form F1.b.

In Section F, page 55, the applicant states that there will be no changes to the working capital costs. In Project ID #s B-12194-22 and B-12612-25, the Agency determined that the applicant was conforming to this criterion and the applicant proposes no changes in this application that would change that determination.

Availability of Funds

In Project ID #s B-12194-22 and B-12612-25, the Agency determined that the applicant adequately demonstrated it had sufficient funds available for the capital needs of the project. The applicant proposes no changes in this application that would change that determination.

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 does not project that revenues will exceed operating expenses in the first three full fiscal years for the ACH and NF beds following completion of the project. However, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years for the entire facility following completion of the project, as shown in the tables below.

ACH and NF Beds	1st Full FY	2nd Full FY	3rd Full FY
	10/01/2028-09/30/2029	10/01/2029-09/30/2030	10/01/2030-09/30/2031
Total # of Patient Days (Form C.1b)	50,169	52,925	52,925
Total Gross Revenues (Charges)	\$18,076,309	\$19,512,218	\$20,073,988
Total Net Revenue	\$18,076,309	\$19,512,218	\$20,073,988
Average Net Revenue per Patient Day	\$360	\$369	\$379
Total Operating Expenses (Costs)	\$21,233,088	\$22,659,096	\$23,338,862
Average Operating Expense per Patient Day	\$423	\$428	\$441
Net Income	(\$3,156,779)	(\$3,146,878)	(\$3,264,874)

Entire Facility (ACH, NF and ILU)	1st Full FY	2nd Full FY	3rd Full FY
	10/01/2028-09/30/2029	10/01/2029-09/30/2030	10/01/2030-09/30/2031
Total Gross Revenues (Charges)	\$61,430,001	\$68,316,261	\$71,321,440
Total Net Revenue	\$61,430,001	\$68,316,261	\$71,321,440
Total Operating Expenses (Costs)	\$50,178,798	\$53,273,387	\$55,487,819
Net Income	\$11,251,203	\$15,042,874	\$15,833,621

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 revenues and expenses for Years 1-3 are based on prior fiscal year ending 9/30/2024, which is the last full fiscal year.
- The applicant projections for variable expenses have been adjusted for increased occupancy and square footage of the facility.
- The applicant projects inflation for years 2 and 3 at 3% for salaries, other expenses and revenues.
- 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 a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

On page 141, the 2025 SMFP defines the service area as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” The applicant proposes to develop the NF beds in an existing CCRC in Buncombe County. Thus, the service area for this facility consists of Buncombe County. Facilities may also serve residents of counties not included in their service area.

Table 10A: *Inventory of Nursing Home and Hospital Nursing Care Beds* of the 2025 SMFP, pages 146-147, show a total of 1,959 licensed NF beds in Buncombe County. The total planning inventory is 1,700 NF beds. Deerfield is an existing continuing care retirement community.

In Section G, pages 57-58, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved nursing facility services in Buncombe County. The applicant states:

“The addition of 8 NF beds is a result of a change in renovation plans of an existing space within the Health Center, which currently includes shared bathrooms. The previously approved change of scope application included reduction of NF beds from a space currently operating 16 NF beds with 8 shared bathrooms. This change of scope

application includes retaining the 16 NF beds and constructing 8 additional bathrooms, resulting in private bathrooms for all 16 NF beds. With resident independence and the demand of these services in mind, the beds of this area of the nursing facility will remain a total of 16 beds. Therefore, the NF services are not duplicative of what is already offered in the service area.

Since the additional NF beds are subject to policy NH-2 of the State Medical Facilities Plan, there would be no duplication of services within the service are[sic]. The broader Deerfield project includes additional Independent Living units to the Deerfield campus, and the additional 8 NF beds would only be utilized by the Deerfield life-care residents.”

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

- The proposal includes a change in renovation plans of an existing space with 16 NF beds and eight shared bathrooms and adding eight bathrooms, resulting in 16 NF beds with 16 private bathrooms.
- The NF beds will only be utilized by residents of the CCRC.
- The applicant adequately demonstrates that the proposed NF beds are needed in addition to the existing or approved NF beds.

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 a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds 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 01/01/2025)	3rd Full Fiscal Year (10/01/2030-09/30/2031)
Registered Nurses	12.31	16.81
Licensed Practical Nurses	16.13	21.63
Certified Nurse Aides (CNAs) / Nursing Assistants	53.39	70.89
Director of Nursing	1.07	1.07
MDS Nurse	1.15	1.15
Cooks	15.41	20.41
Social Workers	2.63	3.13
Medical Records	1.86	2.36
Laundry and Linen	3.50	6.50
Housekeeping	6.15	12.15
Maintenance/Engineering	13.35	15.85
Business Office	17.56	18.56
Other (Nursing Administration)	14.56	15.06
TOTAL	159.08	205.58

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 59-60, the applicant describes why the staffing is projected to change during the first three years of operation as a result of this proposal. The applicant proposes no changes to the methods used to recruit or fill new positions and its proposed training and continuing education programs stated in the previously approved application, Project ID# B-12194-22.

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

- The applicant projects a slight increase in staffing needs associated with the new residents.
- The applicant projects staffing based on the current fiscal year and adjusted for additional bed capacity and occupancy to ensure a consistent level of service to Deerfield residents.
- The applicant projected the clinical staffing using a consistent “nursing hours per patient day” calculation to maintain a position mix of RN, LPN, CNA consistent with the levels currently provided for the existing ACH and NF beds at Deerfield.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

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

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

NA

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

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

C

The applicant proposes a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

In Section K, page 66, the applicant states that the project involves renovating 1,916 square feet of existing space. Line drawings are provided in Exhibit K-2.

On page 66, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal because this change of scope application does not change the cost since the entire space was included in the previous change of scope application (Project ID # B-12612-25).

On pages 66-67, 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 their life care residents for the proposed services because this change of scope application is projected to incur no additional construction and capital expenditures.

On page 67, 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;

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In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

- (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;

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In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

- (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

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In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

- (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.

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In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

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

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In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

- (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.

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The applicant proposes a change of scope to Project ID #s B-12194-22 and B-12612-25 to develop no more than eight additional NF beds pursuant to Policy NH-2 for a total of no more than 84 ACH beds and 74 NF beds upon project completion.

In Project ID #s B-12194-22 and B-12612-25, the Agency determined the applications were conforming to this criterion and the applicant proposes no changes in the current application that would affect the determination.

- (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.

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In Section A, page 24, the applicant states that the existing Deerfield campus is the only approved facility operated by the board of Deerfield Episcopal Retirement Community. Therefore, the applicant did not identify any other existing and approved facilities providing nursing facilities services that are owned, operated, or managed by the applicant or a related entity in North Carolina. In Section O, page 75, the applicant states:

“Deerfield has a long-standing tradition as a leader in quality health care, as a result of the self-imposed high standards of policies and procedures for quality assurance. They have in place a formal quality assessment and performance improvement (QAPI) program that is led by the clinical leaders of the health center.

...

Deerfield maintains a strict corporate compliance program to ensure all policies and procedure are adhered to relative to patient quality.”

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 Deerfield, 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 NF beds pursuant to Policy NH-2. The Criteria and Standards for Nursing Facilities promulgated in 10A NCAC 14C .1100 are not applicable to this review because beds added pursuant to Policy NH-2 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.