

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: October 24, 2025

Findings Date: October 24, 2025

Project Analyst: Crystal Kearney

Co-Signer: Gloria C. Hale

Project ID #: J-12665-25

Facility: Capital Nursing and Rehabilitation Center

FID #: 923006

County: Wake

Applicants: Liberty Commons Nursing and Rehabilitation Center of Wake County, LLC
Liberty Healthcare Properties of Wake County, LLC

Project: Relocate no more than 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing & Rehabilitation Center of Wake County for a total of no more than 135 NF beds, including 32 special care unit 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

Liberty Common Nursing and Rehabilitation Center of Wake County, LLC and Liberty Healthcare Properties of Wake County, LLC (hereinafter collectively referred to as “the applicant”) propose to relocate 16 nursing facility (NF) beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center (hereinafter referred to as “Capital Nursing”) upon project completion.

Need Determination

The applicant proposes to relocate existing licensed NF beds within Wake County. The applicant does not propose to increase the number of licensed beds in any category, add any new health services, or acquire equipment for which there is a need determination in the 2025 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.*

Policy GEN-4, 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. 131E-178, Certificate of Need shall impose a condition requiring the applicant to develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN-4.

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

The proposed capital expenditure for this project is greater than \$4 million. In Section B, page 26, the applicant describes the project’s plan to improve energy efficiency and conserve water. The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation. Therefore, the application is consistent with Policy GEN-4.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is conforming to this criterion because the applicant adequately demonstrates that the proposal is consistent with Policy GEN-4.

- (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 relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion

Liberty Commons Rehabilitation and Nursing Center of Raleigh (Liberty Commons of Raleigh) and Liberty Commons Nursing and Rehabilitation Center of Wake County (Liberty Commons of Wake County) are both located in Wake County. Capital Nursing and Rehabilitation Center is located in Raleigh and currently licensed for 103 NF beds. Upon approval of this application, Capital Nursing and Rehabilitation Center will operate no more than 135 NF beds and the 32 beds that are proposed to be added will be special care unit beds. The applicant proposes a reduction in NF beds from Liberty Commons of Raleigh and Liberty Commons of Wake County. Both will have 120 NF beds. The applicant states that the proposal will not result in a deficit or surplus of NF beds within Wake County.

Patient Origin

On page 141, the 2025 SMFP defines the service area for nursing facility beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” Thus, the service area for this facility is Wake County. Facilities may also serve residents of counties not included in their service area.

Liberty Commons of Raleigh and Liberty Commons of Wake County are approved to be developed as new facilities but are currently not in operation. Therefore, there is no historical patient origin data available.

The following table illustrates projected patient origin.

Capital Nursing and Rehabilitation Center NF beds				
County	Historical Last Full FY 10/01/2023 to 9/30/2024		Third Full FY of Operation following Project Completion 3 rd Full FY 01/01/2031 to 12/31/2031	
	# of Patients	% of Total	# of Patients	% of Total
Durham	32	7.29%	46	7.00%
Franklin	17	3.87%	20	3.00%
Johnston	25	5.69%	33	5.00%
Wake	365	83.14%	553	85.00%
Total	439	100.00%	650	100.00%

Source: Section C, pages 28 & 29

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 because the applicant bases its assumptions on the historical patient origin of the facility. The applicant states that they will serve a greater portion of Wake County residents than the current average due to the need/demand.

Analysis of Need

In Section C.4, pages 30-32, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

Growing Senior Population

- The applicant states that Wake County’s population will grow at a fast rate, especially for those aged 65+. That age group is projected to increase by an average of 4% each year from 2025 to 2032.
- The applicant states that the projected growth indicates there will be an increased need for nursing home services.
- The applicant states that according to the CDC National Center for Health Statistics, 83.1% of nursing home residents are 65 years of age or older.

Increased Life Expectancy

- The applicant states that the senior population tends to have the highest disability rates and greatest need for long-term care services and is more likely to be widowed and without someone else to provide assistance with daily activities.
- The applicant states that the increase in life expectancy increases the need of nursing services for healthcare related issues, as the need for nursing services increases with age.
- The applicant states that 83.1% of nursing home residents are 65 years of age or older, paired with the growth of the population data displayed, the increased life expectancy displays the need that this population has for the services proposed.

Operational Efficiency and Cost Effectiveness

- The applicant states that the larger nursing facilities can achieve greater operational efficiencies compared to smaller units, including lower operational costs, improved staff efficiency, and better access to specialized services and equipment.
- The applicant states that the economies of scale in larger facilities reduce the per-bed cost for both staffing and supplies.
- The applicant states that the National Investment Center for Senior Housing & Care (NIC), larger senior housing facilities can leverage their scale to achieve more favorable financial outcomes, including better staffing ratios, reduced labor costs, and more effective allocation of resources.

Enhanced Quality of Care

- The applicant states that the facilities with 100 beds or more often have better resources to provide specialized care and more diverse services.
- The applicant states that a larger facility at Capital Nursing can offer a wider range of medical, rehabilitative, and recreational services due to its larger staff and resource base.
- The applicant states that the larger SNFs are more likely to have higher staffing levels, which is a critical factor in improving patient outcomes and satisfaction.

Alzheimer's Trends

- The applicant states that Wake County is one of the fastest growing counties in the state, especially among adults 65 and older, which is the population most affected by Alzheimer's disease and related dementias.
- The applicant states that in 2022, the Alzheimer's Association estimated that over 180,000 North Carolinians aged 65 and older were living with Alzheimer's – a number expected to rise to 210,000 by 2025.
- The applicant states that based on statewide prevalence, more than 12,000 older adults in Wake County are likely to live with Alzheimer's or related dementias today.
- The applicant states that access to secure SNF- level memory care beds is limited, and many facilities are not equipped or staffed to manage behaviors or safety concerns related to moderate-to-advanced dementia.

Projected Utilization

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

Historical and Projected Utilization				
Capital Nursing				
	Last Full FY 2024	1 st Full FY 2029	2 nd Full FY 2030	3 rd Full FY 2031
Nursing Home-All Beds				
Total # of Beds	125	135	135	135
# of Admissions	435	580	620	650
# of Patient Days	35,976	41,695	46,236	47,605
Average Length of Stay	82.70	71.89	74.57	73.24
Occupancy Rate	78.9%	84.6%	93.8%	96.6%

Source: Section Q, Forms C.1a & C.1b pages 83-85

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

- The applicant states that Capital Nursing based interim utilization projections on historical utilization at Capital Nursing adjusted to account for changes in licensed versus operating bed counts.
- The applicant states that Capital Nursing was previously licensed for 125 beds. However, its functional operating capacity was 103 beds. Following the approved relocation of 22 beds to Bloomsbury at Hayes Barton Place, Capital’s license and operating capacity was and is currently 103 beds. This represents no measurable reduction to available census days, as the facility was never functionally operating at 125 beds. Capital Nursing and Rehabilitation Center is a Liberty facility currently licensed for 103 beds. On February 1, 2021, affiliates received approval to relocate 22 NF beds from Capital Nursing to a newly proposed combination facility, Bloomsbury Health Center (Project J-11942-20). At that time, Capital Nursing was licensed for 125 NF beds. However, the true functional capacity of Capital Nursing was 103 NF beds. The applicant provides a table which displays the trailing 9 months census (October 2024- June 2025) which shows that Capital Nursing has maintained stabilization, averaging 96% occupancy and reaching a maximum census of 98% in May 2025, thereby validating the reasonableness of the projecting interim census days within 95% of operating capacity.
- The applicant states in the supplemental information provided that Average Length of Stay (ALOS) in CY2025 was projected at 96.69 days, compared with 82.7 in CY2024. This increase reflects resident acuity and case mix, which vary significantly month-to-month and year-to-year based on resident conditions and care needs. For example, through September 2025, actual ALOS at Capital Nursing was 93.3 days.
- The applicant states in the supplemental information provided that the ALOS decreases from 96.69 in the interim period to 71.89, 74.57, and 73.24 in Operating Years 1–3, respectively. This decrease is a product of the projected census days and corresponding admissions. As the facility experiences growth, ALOS variability is expected. These fluctuations are common and reflect multiple factors, including resident acuity, rehabilitation case turnover, discharge planning, and admission patterns. Despite this adjustment, the projected patient days remain consistent with maintaining occupancy at or near 95% of operating capacity, which aligns with historical utilization at Capital Nursing.

- Additionally, in Form C.1b Assumptions, and as displayed in more detail in Section C.4. The applicant states that it analyzed the need Wake County currently has, which includes the following factors:
 - Wake County’s Growing Senior Population
 - Increased Life Expectancy
 - Operational Efficiency and Cost-Effectiveness
 - Enhanced Quality of Care
 - Staffing and Specialized Care
 - Alzheimer’s Trends

The applicant states that Liberty provides management and support to 39 facilities across North Carolina, several of which are located in high-demand markets comparable to Wake County.

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

- Capital Nursing has maintained stabilization at an average occupancy of 96% over the last nine months.
- Capital Nursing’s census and patient days have increased despite fluctuations in ALOS.
- The service area’s 65+ population is growing at a faster rate than statewide.

Access to Medically Underserved Groups

In Section C, page 37, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients
Low income persons	61%
Racial and ethnic minorities	N/A
Women	32%
Persons with disabilities	100%
Persons 65 and older	85%
Medicare beneficiaries*	6%
Medicaid recipients	61%

Includes Managed Medicare beneficiaries

The applicant states on page 38 that the current license renewal process does not require a report on the race of persons served and the applicant doesn’t keep statistics on these patients. Therefore, it is not able to estimate the percentage of patients by race and ethnicity. However, the applicant states it will provide services to all patients on a first come, first served basis. The applicant adequately describes the extent to which the residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant currently provides services to medically underserved groups.

- The applicant states, on pages 37-38, that it will provide services to medically underserved groups and states services will be non-restrictive with respect to social, racial, ethnic, or gender related issues.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency

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 limited, and many families are disabilities], and other underserved groups and the elderly to obtain needed health care.

C

The applicants propose to relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

In Section D, pages 41-42, the applicant explains why it believes the needs of the population presently utilizing the services to be reduced will be adequately met following completion of the project. On page 42, the applicant states that the proposed project involves the relocation of a total of thirty-two (32) existing, approved skilled nursing facility (SNF) beds to Capital Nursing. Sixteen NF beds will be relocated from Liberty Commons Rehabilitation and Nursing Care of Raleigh and will originate from Project ID #J-12355-23. These beds will represent a portion of the 122 beds approved and relocated from Harborview Health Care Center. Sixteen NF beds will be relocated from Liberty Commons Nursing & Rehabilitation Center of Wake County and will originate from Project ID #J-12354-23. These beds will represent a portion of the 28 beds approved and relocated from Cross Creek. Neither Harborview Health Care Center nor Cross Creek are operational. Therefore, there are no patients currently receiving services at either facility. The proposed reduction in the number of beds allocated will not impact any existing patients or disrupt the continuity of care. Upon project completion, Capital Nursing will operate a total of 135 NF beds. The originating facilities' bed inventories will be adjusted as follows:

- Liberty Commons Rehabilitation and Nursing Care of Raleigh will have 120 NF beds.
- Liberty Commons Nursing & Rehabilitation Center of Wake County will have 120 NF beds.

The applicant states that this redistribution of NF beds is consistent with patient needs and does not compromise the delivery of services, as no patients will be displaced or affected by the proposed changes.

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

- The applicant states that the proposed project involves the relocation of 32 approved, but not operational NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and Liberty Commons Nursing & Rehabilitation Center of Wake County.
- The applicant states that no patients are currently receiving services at these facilities, therefore, the proposed bed relocations will have no adverse effect on the ability of the above population groups to obtain services and since no patients are currently being served at the originating locations, access to care for these vulnerable populations will not be diminished.

In Section Q, Form D.1, pages 87-88, the applicant provides historical and projected utilization, as illustrated in the following tables for Liberty Commons of Raleigh and Liberty Commons of Wake County.

Historical and Projected Health Service Facility Bed Utilization Liberty Commons of Raleigh	Last Full FY 2024	1st Full FY 2029
Nursing Home – All Beds		
Total # of Beds, including all those in a SCU	136	120
# of Admissions	0	400
# of Patient Days	0	39,484
Average Length of Stay	0	98.71
Occupancy Rate	0.0%	90.1%

Historical and Projected Health Services Facility Bed Utilization Liberty Commons of Wake County	Last Full FY 2024	1st Full FY 2029
Nursing Home – All Beds		
Total # of Beds, including all those in a SCU	136	120
# of Admissions	0	233
# of Patient Days	0	20,776
Average Length of Stay	0	89.17
Occupancy Rate	0.0%	47.4%

In Section Q, Form D, the applicant provides the assumptions and methodology used to project utilization, which are summarized below:

- The applicant states that 32 NF beds will be relocated within Wake County to Liberty Commons Rehabilitation and Nursing Care of Raleigh and Liberty Commons Nursing & Rehabilitation Center of Wake County.
- The applicant states those beds were originally allocated from Harborview Health Care Center (Project ID# J-12355-23) and Cross Creek (Project ID# J-12354-23), neither of which has commenced operations.
- The applicant was approved to develop Liberty Commons of Raleigh (Project ID# J-12355-23) on September 27, 2023. The applicant has adjusted its projected utilization based on 16 fewer beds for a total of 120 NF beds and projects sufficient capacity.
- The applicant was approved to develop Liberty Commons of Wake County (Project ID# J-12354-23) on September 27, 2023. The applicant has adjusted its projected utilization based on 16 fewer beds for a total of 120 NF beds and projects sufficient capacity.

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

- The applicant states both facilities are not currently operational, and no patients are receiving services.
- The applicants adequately accounts for the reduction of NF beds at both facilities, demonstrating sufficient capacity to serve the facilities' projected patients.

Access to Medically Underserved Groups

In Section D, pages 42-43, the applicant states,

“Since no patients are currently being served at the originating locations, access to care for these vulnerable populations will not be diminished. In fact, by relocating the beds to Capital Nursing, this proposal may enhance service availability and geographic accessibility for these groups in a more timely and efficient manner.”

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use the facilities that are relocating stations will be adequately met following completion of the project for the following reasons:

- The applicant states that since no patients are currently being served at the originating locations, access to care for these vulnerable populations will not be diminished.
- The applicant was approved for the development of Liberty Commons of Raleigh and Liberty Commons of Wake County and thus, was found to be conforming. Nothing has changed in the application that would change that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- The applicant adequately demonstrates that because the service components are not operational and no patients are currently receiving services at these facilities, the proposed bed relocations will have no adverse effect on the ability of the above population groups to obtain services.
 - The applicant was approved to develop both facilities and has adjusted its projected utilizations accordingly to account for the reduction in NF beds, demonstrating adequate capacity.
 - The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services following project completion for all the reasons described above.
- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

C

The applicants propose to relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

In Section E, page 46, the applicants describe 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:

- **Maintain the Status Quo** – the applicants considered not exploring the relocation of 32 nursing facility beds. The applicant states the demand for NF services is high in the county and is expected to continue.

On page 46, the applicant states that the alternative is less effective and more costly. Both Liberty Commons Rehabilitation and Nursing Care of Raleigh and Liberty Commons Nursing & Rehabilitation Center of Wake County are approved but not yet constructed. As a result, the NF beds relocated from Harborview and Cross Creek would remain unavailable to Wake County residents for several years. This delay in access is not consistent with the immediate and growing need for NF services in the area. Therefore, this is not the most effective alternative.

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

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

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- 1. Liberty Commons Nursing and Rehabilitation Center of Wake County, LLC and Liberty Healthcare Properties of Wake County, LLC (hereinafter collectively certificate holder) shall materially comply with all representations made in the certificate of need application and any supplemental responses. If representations conflict, the certificate holder shall materially comply with the last made representation.**
- 2. The certificate holder shall relocate no more than 16 nursing facility beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and no more than 16 nursing facility beds from Liberty Commons Nursing & Rehabilitation Center of Wake County to Capital Nursing & Rehabilitation Center.**
- 3. Upon completion of this project, Capital Nursing & Rehabilitation Center shall be licensed for no more than 135 nursing facility beds.**
- 4. Upon completion of this project, Liberty Commons Rehabilitation and Nursing Care of Raleigh shall be licensed for no more than 120 nursing facility beds.**
- 5. Upon completion of this project, Liberty Commons Nursing & Rehabilitation Center of Wake County shall be licensed for no more than 120 nursing facility beds.**
- 6. The certificate holder shall certify at least 61 percent of the total number of licensed nursing facility 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. 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.**

8. **Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.
 - b. The certificate holder shall complete all sections of the Progress Report form.
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.
 - d. The first progress report shall be due on March 1, 2026.
 9. 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.
 10. 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 relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

Capital and Working Capital Costs

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

Projected Capital Cost			
	Applicant 1 Liberty Commons Nursing & Rehabilitation Center of Wake County, LLC	Applicant 2 Liberty Healthcare Properties of Wake County, LLC	Total
Site Preparation	\$0	\$150,000	\$150,000
Construction/Renovation Contract(s)	\$0	\$3,581,005	\$3,581,005
Landscaping	\$0	\$73,000	\$73,000
Architect/Engineering Fees	\$0	\$145,000	\$145,000
Medical Equipment	\$0	\$0	\$0
Non Medical Equipment	\$0	\$0	\$0
Furniture	\$0	\$384,000	\$384,000
Consultant Fees (Legal/professional)	\$0	\$150,000	\$150,000
Other (Licenses/Fees/Permits)	\$0	\$100,000	\$100,000
Other (Contingency)	\$0	\$373,101	\$373,101
Total Capital Cost	\$0	\$4,956,106	\$4,956,106

In Section Q, Form F.1a, 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 proposes to relocate existing unutilized NF beds to a facility where they will be well utilized and the applicant clearly explains the capital cost by providing breakdown of the construction cost per square foot for the addition with 10% construction contingency.
- The applicant provided cost verifications in Exhibit K.3.
- The applicant states that the remaining estimates are similar to other projects Liberty has completed.

In Section F, page 48, the applicant states there will be no start-up costs or initial operating expenses because Capital Nursing is an existing operational facility.

Availability of Funds

In Section F, page 47, the applicant states that the projected capital cost will be funded through the accumulated reserves of Liberty Healthcare Properties of Wake County, LLC as shown in the table below.

Sources of Capital Cost Financing

Type	Liberty Commons Nursing and Rehabilitation Center of Wake County, LLC	Liberty Healthcare Properties of Wake County, LLC	Total
Loans	\$	\$	\$
Accumulated reserves or OE *	\$	\$4,956,106	\$4,956,106
Bonds	\$	\$	\$
Other (Specify)	\$	\$	\$
Total Financing	\$0	\$4,956,106	\$4,956,106

* OE = Owner's Equity

Exhibit F-2 contains a letter dated July 8, 2025 from Chief Financial Officer of Liberty Health, confirming the availability of sufficient cash and cash equivalents to fund the project capital cost, and committing the necessary funds to the project development.

The applicant adequately demonstrates the availability of sufficient funds for the capital and needs of the project based on the information in the application and exhibits, and for all the reasons stated above.

Financial Feasibility

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

Projected Revenues and Net Income upon Project Completion			
Capital Nursing			
	1 st Full Fiscal Year CY2029	2 nd Full Fiscal Year CY2030	3 rd Full Fiscal Year CY2031
Total Patient Days	41,695	46,236	47,605
Total Gross Revenues (Charges)	\$16,865,078	\$19,674,279	\$20,983,301
Total Net Revenue	\$16,612,103	\$19,379,166	\$20,668,551
Average Net Revenue per Patient Day	\$398.42	\$419.14	\$434.17
Total Operating Expenses (Costs)	\$15,614,461	\$17,356,745	\$17,932,456
Average Operating Expense per Patient Day	\$374.49	\$375.39	\$376.69
Net Income	\$997,642	\$2,022,421	\$2,736,095

Source: Section Q, Form C.1b and Form F.2b

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, immediately following Form F.2b. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant states that the assumptions used to project revenues and net income upon project completion are from Liberty's immense experience in operating 39 NF's throughout the state, as seen in Form O.
- 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 cost is based on reasonable and adequately supported assumptions for all the reasons described above.
 - The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.
 - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes to relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

On page 141, the 2025 SMFP defines the service area for nursing home beds as *“A nursing home facility’s service area is the county in which the bed is located. Each of the 100 counties in the state is a separate service area.”* The applicant proposes relocating NF beds within Wake County. Thus, the service area for this facility is Wake County. Facilities may also serve residents of counties not included in their service area.

The following table, from Table 10A, pages 166-169 of the 2025 SMFP shows the existing NF beds and facilities in Wake County:

Wake County Inventory of Existing/Approved NF Beds				
Facility	Total Licensed NF Beds	CON Approved/License Pending NF Beds	Exclusions	Total Planning Inventory
BellaRose Nursing and Rehab	100	0	0	100
Bloomsbury Health Center	0	22	9	22
Brittany Place	25	0	49	-24
Britthaven of Holly Springs	0	90	0	90
Capital Nursing Rehabilitation Center	125	-22	0	103
Cary Health and Rehabilitation Center	120	0	0	120
Dan E & Mary Louise Stewart Health Center of Springmoor	173	0	173	0
Fuquay-Varina Health and Rehabilitation Center	100	0	0	100
Glenaire	71	0	51	20
Hillcrest Raleigh at Crabtree Valley	134	0	0	134
Hillside Nursing Center of Wake Forest	130	0	0	130
Liberty Common Nursing & Rehabilitation Center of Wake County	0	125	0	125
Liberty Commons Rehabilitation and Nursing Care of Raleigh	0	125	0	125
Litchford Falls Health and Rehabilitation Center	90	-90	0	0
Perry Creek Health and Rehabilitation Center	132	0	0	132
Pruitt Health – Raleigh	150	18	0	168
Raleigh Rehabilitation Center	157	0	0	157
Rex Hospital	120	0	0	120
Sunnybrook Rehabilitation Center	95	0	0	95
Swift Creek Health Center	28	0	0	28
The Cardinal at North Hills	15	10	15	10
The Laurels of Forest Glenn	120	0	0	120
The Oaks at Whitaker Glen-Mayview	139	0	0	139
The Rosewood Health Center	57	0	57	0
Tower Nursing and Rehabilitation Center	180	-90	0	90
Triangle Health and Rehabilitation Center	0	120	0	120
UNC Rex Rehabilitation and Nursing Care Center of Apex	107	0	0	107
Universal Health Care /Wake Forest	0	119	0	119
Wake County Health and Rehabilitation Center	0	120	0	120
WakeMed	0	0	0	0
WakeMed Cary Hospital	0	0	0	0
Wellington Rehabilitation and Healthcare	80	0	0	80
Windsor Point Continuing Care Retirement Community	45	0	45	0
Zebulon Rehabilitation Center	60	0	0	60
Total	2,553	556	399	2,710

Source: 2025 SMFP, Table 10A (pages 166-169)

In Section G, page 57, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved NF beds services in Wake County. The applicant states:

“This proposal does not seek to add any new SNF beds to the county or state inventory; rather, it involves the relocation of 32 already approved SNF beds within Wake County.

...

Because neither Liberty Commons facility has been developed, and the original source facilities (Cross Creek and Harborview) are not operational, these beds are not currently in service and not available to meet current demand in Wake County. Therefore, this proposal is a reallocation of existing, previously approved resources, not an addition of new capacity”

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

- The proposal would not result in an increase in NF beds in Wake County because the beds are proposed to be relocated within Wake County.
- The applicant adequately demonstrates that the proposed beds to be relocated are needed in addition to the existing or approved NF beds.

Conclusion

The Agency reviewed the:

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

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

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

C

The applicant proposes to relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

In Section Q, Form H, page 102, the applicant provides current and projected full-time equivalent (FTE) staffing for the first three full FYs for the proposed services, as illustrated in the following table:

Position	Current Staff 1/1/2025	1 st Full FY 2029	2 nd Full FY 2030	3 rd Full FY 2031
Registered Nurses	6	9	10	10
Licensed Practical Nurses	13	19	19	19
Certified Nurses Aides/ Nursing Assistants	37	42	48	48
Director of Nursing	1	1	1	1
MDS Nurse	2	2	2	2
Staff Development Coordinator	1	1	1	1
Physical Therapists	2	1	2	2
Physical Therapy Assistant	2	3	2	2
Speech Therapists	1	1	1	1
Occupational Therapists	1	1	1	1
Occupational Therapy Aides	1	1	2	1
Cooks	3	3	2	4
Dietary Aides	7	5	9	7
Social Workers	2	2	3	3
Activities Director	1	2	2	2
Medical Records	1	2	2	2
Laundry & Linen	3	3	3	3
Housekeeping	7	8	8	8
Maintenance /Engineering	2	2	2	2
Administrator/CEO	1	1	1	1
Business Office	2	3	4	4
Other (MKT)	1	1	2	2
Other (Nurse Secretary)	1	1	1	1
Other (Transportation)	2	2	2	2
Total	100	115	129	129

The assumptions and methodology used to project staffing are provided in Section Q, Form H Assumptions and in supplemental information.

In supplemental information provided, the applicant states that the fluctuations in FTEs and salary amounts between the current year and projected operating years are due to budgeting assumptions related to employee turnover, salary inflation, and job market conditions. The applicant states to account for those factors and ensure conservative expense estimates, certain salaries were increased relative to the current year, as wage rates in these disciplines can vary significantly based on demand in the labor market. The applicant states that the variations in employee hours contribute to these changes, as not all staff are budgeted for the same number of hours.

Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 58-59, 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 states that Capital Nursing is an existing employer and has been able to recruit and retain personnel for the facility.
- The applicant states that Capital Nursing offers competitive pay and attractive benefits to recruit qualified staff.
- The applicant states that Capital Nursing in-house Human Resources staff periodically conducts salary surveys and adjusts to market demands as necessary.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency

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

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

C

The applicant proposes to relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

Ancillary and Support Services

In Section I, page 60, the applicant identifies the necessary ancillary and support services for the proposed services. On page 60, 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 based on the following:

- The applicant provides a listing of each ancillary and support service it will provide and states it is already providing these services.
- The applicant has extensive experience and relationships with existing ancillary and support service providers in the service area since it is an established nursing facility.

Coordination

In Section I, page 61, the applicant describes its existing and proposed relationships with other local health care and social service providers. The applicant adequately demonstrates that the

proposed services will be coordinated with the existing health care system because it is an existing facility currently providing services and states it will continue to do so following the proposed bed relocation.

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.

- (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

- (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 relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

In Section K, page 63, the applicant states that the project involves constructing 12,139 square feet of new space . Line drawings are provided in Exhibit K.1.

In Section K, 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 that the construction of the addition on the existing Capital Nursing campus allows the applicants to leverage existing infrastructure, staff, and support services, thereby reducing costs associated with developing a new stand-alone facility or purchasing new land. In addition, the applicant states that the proposed approach also avoids unnecessary expansion of NF bed supply by utilizing previously approved beds, which supports cost containment and prevents duplication of services.
- The applicant states that the cost estimate was based upon the architect's immense experience.

In Section K, 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 project involves the relocation of 32 existing, previously approved skilled nursing facility beds, rather than the development of new bed capacity, which helps contain capital costs and avoids unnecessary expansion of services.
- The applicant states that by constructing an addition on the current Capital Nursing campus, the applicants are able to utilize existing infrastructure, administrative support, and clinical services, thereby avoiding duplicative operational expenses.
- The applicant states that the specialized memory care unit will allow for more targeted, efficient delivery of care to residents with Alzheimer's or dementia, potentially reducing unnecessary hospitalizations and improving outcomes, which in turn helps control costs for both the provider and the public.

On page 64, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:
- (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

In Section L, page 67, the applicant provides the historical payor mix for NF beds at Capital Nursing and Rehabilitation Center during the last Full FY (10/1/2023 to 9/30/2024) before submission of application , as shown in the table below.

Capital Nursing and Rehabilitation Center Last Full FY before Submission of Application 10/1/2023 to 9/30/2024	
Payor Source	% of Total Patients Served
Self-Pay	15.40%
Medicare*	7.35%
Medicaid*	76.63%
Other	0.62%
Total	100.00%

*Including any managed care plans
Source: Section L, page 66

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

Last Full FY before Submission of the Application		
Capital Nursing and Rehabilitation Center	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	31.9%	50.5%
Male	68.1%	49.5%
Unknown	N/A	N/A
64 and Younger	16.7%	82.3%
65 and Older	83.3%	17.7%
American Indian	N/A	1.3%
Asian	N/A	6.4%
Black or African-American	N/A	13.7%
Native Hawaiian or Pacific Islander	N/A	0.3%
White or Caucasian	N/A	75.3%
Other Race	N/A	3.1%
Declined / Unavailable	100%	N/A

The percentages can be found online using the United States Census Bureau's QuickFacts
 Source: Section L, page 67

Note: In Section C, page 38, the applicant states it does not keep statistics on racial or ethnic groups.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the applicant adequately documents the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. Therefore, the application is conforming to this criterion.

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

C

In Section L, page 68, the applicant states it has no obligation to provide uncompensated care, community service or access by minorities and persons with disabilities. The applicant states it has not had any civil rights equal access complaints filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina during the 18 months immediately preceding the application deadline.

- (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 69, 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 tables below.

Capital Nursing and Rehabilitation Center Projected Payor Mix during the 3rd Full FY 01/01/2031 to 12/31/2031	
Payor Source	% of Total Patients Served
Self-Pay	11.50%
Medicare*	6.13%
Medicaid*	61.34%
Other (Hospice)	12.27%
Total	100.00%

*Including any managed care plans
Source: Section L, page 69

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 11.50% of total services will be provided to self-pay patients, 6.13% to Medicare patients and 61.34% to Medicaid patients.

In supplemental information requested, the applicant provides the assumptions and methodology used to project payor mix which it states reflects anticipated market changes over the five-year period between the current and operating years. The applicant states that the projections were developed based on the characteristics and historical utilization patterns of each payor type, expected trends in reimbursement, and the anticipated payor sources of future residents within the geographic market. The applicant states that the projected mix may differ from the most recent fiscal year, as it incorporates both current market dynamics and forward-looking assumptions about changes in resident demographics and reimbursement outlook.

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency

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 70, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (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 relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

In Section M, the applicant describes the extent to which health professional training programs in the area currently have and will continue to have access to the facility for training purposes. In supplemental information, the applicant provided a copy of a training agreement with Campbell University. The applicant adequately demonstrates that health professional training programs in the area have and will have access to the facility for training purposes because the facility has operated for years and relocating the existing NF beds will not impact access to the facility for training purposes.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency

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

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

C

The applicant proposes to relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

On page 141, the 2025 SMFP defines the service area for nursing home beds as “*A nursing home facility’s service area is the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” The applicant proposes relocating NF beds within Wake County. Thus, the service area for this facility is Wake County. Facilities may also serve residents of counties not included in their service area.

The following table, from Table 10A, pages 166-169 of the 2025 SMFP shows the existing NF beds and facilities in Wake County:

Wake County Inventory of Existing/Approved NF Beds				
Facility	Total Licensed NF Beds	CON Approved/License Pending NF Beds	Exclusions	Total Planning Inventory
BellaRose Nursing and Rehab	100	0	0	100
Bloomsbury Health Center	0	22	9	22
Brittany Place	25	0	49	-24
Britthaven of Holly Springs	0	90	0	90
Capital Nursing Rehabilitation Center	125	-22	0	103
Cary Health and Rehabilitation Center	120	0	0	120
Dan E & Mary Louise Stewart Health Center of Springmoor	173	0	173	0
Fuquay-Varina Health and Rehabilitation Center	100	0	0	100
Glenaire	71	0	51	20
Hillcrest Raleigh at Crabtree Valley	134	0	0	134
Hillside Nursing Center of Wake Forest	130	0	0	130
Liberty Common Nursing & Rehabilitation Center of Wake County	0	125	0	125
Liberty Commons Rehabilitation and Nursing Care of Raleigh	0	125	0	125
Litchford Falls Health and Rehabilitation Center	90	-90	0	0
Perry Creek Health and Rehabilitation Center	132	0	0	132
Pruitt Health – Raleigh	150	18	0	168
Raleigh Rehabilitation Center	157	0	0	157
Rex Hospital	120	0	0	120
Sunnybrook Rehabilitation Center	95	0	0	95
Swift Creek Health Center	28	0	0	28
The Cardinal at North Hills	15	10	15	10
The Laurels of Forest Glenn	120	0	0	120
The Oaks at Whitaker Glen-Mayview	139	0	0	139
The Rosewood Health Center	57	0	57	0
Tower Nursing and Rehabilitation Center	180	-90	0	90
Triangle Health and Rehabilitation Center	0	120	0	120
UNC Rex Rehabilitation and Nursing Care Center of Apex	107	0	0	107
Universal Health Care /Wake Forest	0	119	0	119
Wake County Health and Rehabilitation Center	0	120	0	120
WakeMed	0	0	0	0
WakeMed Cary Hospital	0	0	0	0
Wellington Rehabilitation and Healthcare	80	0	0	80
Windsor Point Continuing Care Retirement Community	45	0	45	0
Zebulon Rehabilitation Center	60	0	0	60
Total	2,553	556	399	2,710

Source: 2025 SMFP, Table 10A (pages 166-169)

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 72, the applicant states:

“The NF beds proposed to be relocated are already licensed for use in Wake County, the same county to which the beds are proposed to be relocated. While this will not

affect the competition in the county by virtue of a net increase in licensed beds in the county, it may collaterally impact the applicant's competition merely by allowing the applicant to more efficiently operate its facility and offer a better skilled nursing program to its residents."

Regarding the impact of the proposal on cost effectiveness, in Section N, page 72, the applicant states:

"Capital Nursing has current NF charges that are in line with the marketplace; therefore, citizens of Wake County will not see an increase in their cost of care. The project has been planned so as to minimize construction costs in an effort to keep rates competitive while still offering premium services."

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 72, the applicant states:

"The safety and quality policies and procedures currently followed by Liberty would continue for those served. Liberty places a strong focus on the performance improvement and patient safety and makes every effort to ensure safe, positive patient outcomes and process standardization across the organization."

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 72, the applicant states:

"Capital Nursing allows admission only on the written order of a physician. Persons whose health, habilitative, or rehabilitative needs cannot be met by the services offered in the facility will not be admitted. Otherwise, Capital Nursing affords equal treatment and access to its services for all persons, without discrimination due to age, race, color, religion, sex, marital status, national origin, sexual orientation, ancestry, or disability, or any other factor that would classify a resident as underserved."

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.

C

In Section Q, Form O, the applicant identifies the nursing facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 39 of this type of facility located in North Carolina.

In Section O, page 75, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in ten of these facilities. On page 80, the applicant states that all the problems have been corrected and has . According to the files in the Nursing Home Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in ten of these facilities, which are all back in compliance. After reviewing and considering information provided by the applicant and by the Nursing Home Licensure and Certification Section and considering the quality of care provided at all nursing home facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical

center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

NA

The applicant proposes to relocate 16 NF beds from Liberty Commons Rehabilitation and Nursing Care of Raleigh and 16 NF beds from Liberty Commons Nursing and Rehabilitation Center of Wake County for a total of no more than 135 NF beds at Capital Nursing and Rehabilitation Center upon project completion.

The Criteria and Standards for Nursing Facility or Adult Care Home Services, promulgated in 10A NCAC 14C .1100, are not applicable to this review because the applicant does not propose to develop new NF or ACH beds pursuant to a need determination in the 2025 SMFP.