



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
Phone: 919-855-3875
Fax: 919-733-8139

January 9, 2012

David Kidder
President/CEO
Carolina Adventist Retirement Systems
95 Holcombe Cove Road
Candler, NC 28715

RE: Exempt from Review / Pisgah Manor Health Care Center / Replace nursing facility / Buncombe County
FID #: 923409

Dear Mr. Kidder:

In response to your letter received on December 23, 2011, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(e). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need. However, you may need to contact the Construction Section of the Division of Health Service Regulation to determine if they have any special requirements for the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Les Brown
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR



Brown, Les

From: David Kidder [dkidder@pisgahmanor.com]
Sent: Wednesday, January 04, 2012 5:30 PM
To: Brown, Les
Subject: RE: Replacement Nursing Facility Exemption

Mr. Brown:

I have responded to each of your inquires below in red. I will attach, in a separate email, a floor plan used for evacuation of the existing facility and the floor plan of the proposed new facility.

Thank you for your consideration of our request. Should you require additional information please let me know.

David

David Kidder - President/CEO
 Carolina Adventist Retirement Systems, Inc.
 95 Holcombe Cove Road
 Candler, NC 28715-9450
 (828)418-2344 (direct)
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dkidder@pisgahmanor.com



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From: Brown, Les [mailto:les.brown@dhhs.nc.gov]
Sent: Wednesday, January 04, 2012 11:10 AM
To: David Kidder
Subject: Replacement Nursing Facility Exemption

Mr. Kidder,

Could you please provide us with the following additional information to describe the status of the existing Pisgah Manor Health Care Center?

- The number of existing and proposed private and semi-private rooms. Existing facility has 10 private rooms and 54 semi-private rooms. The new facility will have 72 private rooms and 23 semi-private rooms – both equally our current 118 beds.
- **The number of existing and proposed bathrooms.** Existing facility has no bath or shower in the resident room and has 4 central shower rooms and 2 tub rooms. The new facility will provide each resident room with a private shower (118), plus 2 central tub rooms.
- The existing and proposed floor plan – either line drawings or evacuation floor plan. Attached in

another email.

- **Any Life Safety Code issues to be corrected.** Existing facility is not sprinkled (grandfathered in because building age). New facility will be fully sprinkled. This LS issue must be resolved by August 2013 – the new facility will meet this required change.
- Year the existing facility was built. 1975

If you have an existing proposal or description with similar information which may have been provided to our board or lender, that would suffice instead of a separate response. Also, an email response instead of a more formal letter would be fine. If we need to discuss this by phone, please call my direct #: 919-855-3882. As soon as we receive this information, we can issue an exemption letter.

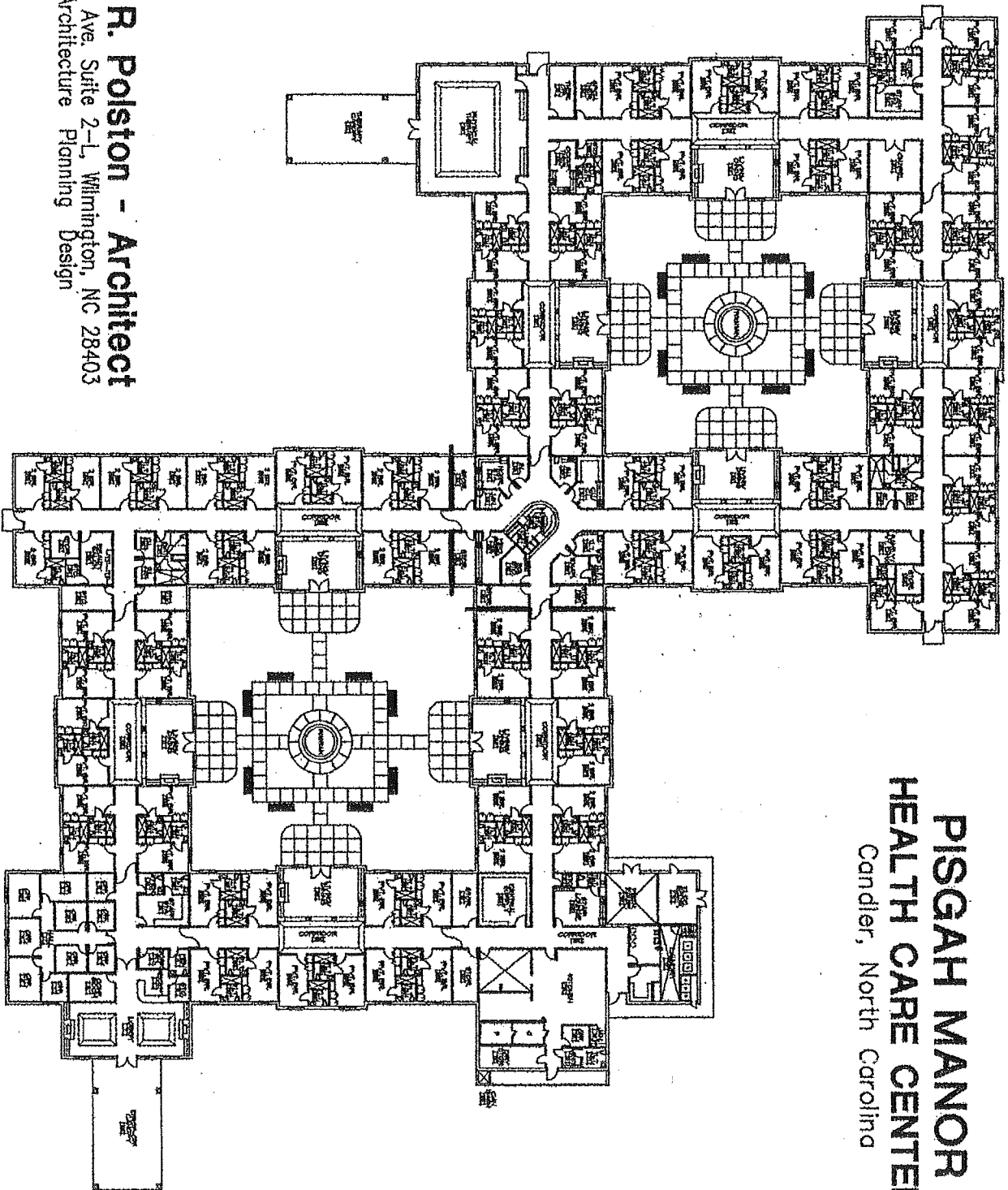
I appreciate your assistance in this matter.

Les Brown
CON Project Analyst
Division of Health Service Regulation
919-855-3873

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PISGAH MANOR HEALTH CARE CENTER

Candler, North Carolina



David R. Polston - Architect
3806 Park Ave, Suite 2-L, Wilmington, NC 28403
Architecture Planning Design

Lee

CAROLINA
ADVENTIST
RETIREMENT SYSTEMS



Mr. Craig Smith, Chief
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Center
Raleigh, NC 27699-2704

Dear Mr. Smith:

In accordance with G. S. 131E-184(e), we are requesting an exemption from a certificate of need review for a replacement nursing facility we plan to construct in Buncombe County for Pisgah Manor Health Care Center.

Although the proposed capital expenditure will exceed the \$2,000,000, the project meets the following conditions specified in the 131E-184(e) as shown below:

1. The proposed capital expenditure would:
 - a. Be used solely for the purpose of renovating, replacing on the same site, or expanding an existing:
 - i. Nursing home facility;
 - ii. Adult care home facility, or;
 - iii. Intermediate care facility for the mentally retarded; and
 - b. Not result in a change in bed capacity, as defined in G. S. 131E-176(5), or the addition of a health service facility or any other new institutional health service other than allowed in G. S. 131E-176(16)b.

We propose to replace the existing nursing facility on the existing Pisgah Manor campus site directly across a county road from the existing facility (but still on the existing campus of Pisgah Manor). G. S. 131E-176(2c) defines a campus as adjacent grounds not separated by more than a public right-of-way. The newly constructed facility will have 118 nursing facility beds, the same number currently licensed to Pisgah Manor.

2. The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that demonstrates that the proposed capital expenditure would be used for one or more of the following purposes:
 - a. Conversion of semiprivate resident rooms to private rooms;

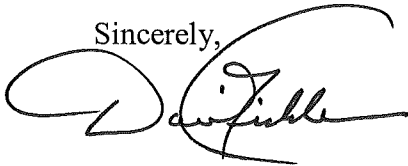
- b. Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes. Or private dining areas to accommodate residents and their families or visitors;
- c. Renovating, replacing or expanding residential living or common areas to improve the quality of life of residents.

The proposed project will result in a newly constructed 66,000 square foot nursing facility that will include the following areas of improvement:

- *Facility constructed modified neighbor design*
- *72 private rooms;*
- *All rooms will have private shower/bath;*
- *Multiple (8) dining/living rooms to create a more residential feel for the residents;*
- *Private dining room for resident/family/visitor;*
- *Private covered therapy entrance.*

We look forward to your prompt approval of this request. Should you have any questions, do not hesitate to contact me at 828-418-2344.

Sincerely,



David Kidder
President/CEO
Carolina Adventist Retirement Systems, Inc.