

Blue Ridge Health Investors, LLC  
AOM of Angier, LLC  
142 Bermuda Village Drive  
Bermuda Run, NC 27006

August 11, 2016

Thomas J. Pulliam, MD  
Chair, Long-Term and Behavioral Health Committee  
State Health Coordinating Council  
N.C. Department of Health and Human Services  
2704 Mail Center Service  
Raleigh, NC 27699-2714

**Re: Special Need Determination for Transfer of up to 100 Adult Care Home Beds from Harnett to Wake County to be included in the 2017 State Medical Facilities Plan**

Dear Mr. Pulliam:

My name is Gray Angell. I am the Owner and Manager of Blue Ridge Health Investors, LLC. I have 20 years' experience operating adult care and nursing facilities in North Carolina, including facilities in Harnett County. I am writing this letter to express support for Singh Development, LLC's petition for a special need determination in the *2017 State Medical Facilities Plan* ("SMFP"). for transfer of up to 100 adult care home beds from Harnett to Wake County, with a few important modifications.

The petition accurately reflects the problems associated with the surplus of adult beds in Harnett County. It could go farther. I am recommending two modifications to the petition. . I wholeheartedly agree with the Singh Petition on one point. Expecting an adult care home to operate at 100 percent occupancy is absolutely unrealistic. An occupancy of 90 percent, which is used elsewhere in adult care rules, would be internally consistent from a regulatory point of view. It would also reflect reality.

A Harnett facility that is 40 years old and uses a septic system is ready for replacement. However, the cost of replacement exceeds what an operator in Harnett County would receive from the current payor mix of county adult care home residents. This is a function of the Harnett economy and the excessive surplus of Harnett adult care home beds.

Our Harnett facilities serve a significant number of Wake County residents, so we considered using the option provided in SMFP Policy LTC-2 to relocate beds to an adjacent county. However, we cannot relocate to Wake, because the 2016 and the Proposed 2017 SMFP show a surplus of beds in Wake County. So, we could not take advantage of Policy LTC-2.

The Singh Petition is a step in the right direction. I highly recommend that the State Health Coordinating Council accept its premises and add two requirements. The SMFP wording should require that any applications for the special need:

- Meet all conditions of Policy LTC-2, except the requirement that, for these 100 beds, Wake County need not show a calculated SMFP deficit of adult care beds;
- Provide for continuity of care on site, so that a person can age in place; and

- Limit qualified facilities that could relocate to those that are 40 years old or older on January 1, 2017, are dependent on septic systems.

These additional conditions would assure maximum adherence to approved state health policy, would have many advantages. They would:

- Enable facilities that serve Wake County to move into Wake County,
- Reduce the surplus in Harnett County, thus increase the viability of remaining facilities,
- Provide a mechanism to replace aging infrastructure,
- Respond to a practical deficit of adult care beds in Wake County; and
- Insure that the replaced beds would provide a setting where a person could remain independent longer, with the backup of an aging in place next level of care.

Thank you for your time and attention. I will gladly respond to any questions you might have. I sincerely hope that you will approve the petition, with my recommended modifications this year. For even with approval, it will take at least two years before anyone can act on it and have a facility in place.

Sincerely,

A handwritten signature in black ink, reading "D. Gray Angell, Jr." with a stylized flourish at the end.

D. Gray Angell, Jr.  
Member Manager Blue Ridge Health Investors and AOM  
Advance, NC 27006