

October 3, 2011

Mr. Mike McKillip, Project Analyst  
Mr. Craig Smith, Section Chief  
Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Re: Comments on Competing Wake County Nursing Care Facility Beds CON Proposals –  
**J-8711-11**- Hillcrest Convalescent Center, Inc. (Hillcrest-Wake);  
**J-8712-11**- Wake County Health & Rehabilitation (Wake County H&R);  
**J-8713-11**- Britthaven, Inc. (Britthaven-Cedar Fork); **J-8714-11**- Universal Properties  
(Universal-North Raleigh); **J-8715-11**- Britthaven, Inc. (Britthaven-St. Mary's);  
**J-8721-11**- Universal Properties (Universal-Fuquay-Varina); **J-8717-11**- AH North  
Carolina Owner, LLC (The Heritage of Raleigh); **J-8723-11**- Liberty Healthcare  
Properties (Liberty-St. Mary's); **J-8726-11**- Liberty Healthcare Properties  
(Liberty-Cedar Fork); **J-8727-11**- Liberty Healthcare Properties (Liberty-House Creek);  
**J-8729-11**- ENW, LLC (BellaRose); **J-8730-11**- Rehabilitation and Nursing Center  
(Rehab and Nursing-Cary); **J-8731-11**- Rehabilitation and Nursing Center  
(Rehab and Nursing-Raleigh); **J-8720-11**- UniHealth Post-Acute Care-Cary, LLC and  
Cary Healthcare Properties, Inc. (UPAC-Cary); **J-8722-11**- UniHealth Post-Acute Care-  
North Raleigh, LLC and North Raleigh Healthcare Properties, Inc.  
(UPAC-North Raleigh); and **J-8719-11**- UniHealth Post-Acute Care-Raleigh, LLC and  
Wake Healthcare Properties, Inc. (UPAC-Raleigh)

Dear Mr. McKillip and Mr. Smith:

On behalf of UniHealth Post-Acute Care-Cary, LLC and Cary Healthcare Properties, Inc. (UPAC-Cary), Project ID **J-8720-11**; UniHealth Post-Acute Care-North Raleigh, LLC and North Raleigh Healthcare Properties, Inc. (UPAC-North Raleigh), Project ID **J-8722-11**; and UniHealth Post-Acute Care-Raleigh, LLC and Wake Healthcare Properties, Inc. (UPAC-Raleigh), Project ID **J-8719-11**, thank you for the opportunity to comment on the above referenced applications. During your review of the projects, I appreciate your favorable consideration of our comments.

We recognize that the State's Certificate of Need (CON) award for the proposed nursing care facility beds will be based upon the State's CON health planning objectives, as outlined in G.S. 131E-183. Specifically, we respectfully request that the CON Section give careful consideration to the extent to which each applicant:

- Demonstrates the need its service area population has for services it proposes to offer;
- Demonstrates the needs of populations currently being served will adequately be met;
- Demonstrates immediate and long-term financial feasibility;
- Demonstrates availability of adequate staff to provide all proposed services;
- Demonstrates ability to provide all necessary ancillary and support services to accommodate proposed services and to respond to the changing nursing care facility environment;
- Demonstrates a cost effective alternative;
- Offers service accessibility to all service area residents;
- Provides evidence that quality care has been provided in the past;
- Effectively conforms to Policy GEN-4 –Energy Efficiency and Sustainability; and
- Effectively conforms to Policy GEN-3 –Basic Principals.

The applications submitted by UHS-Pruitt Corporation affiliates, Project ID's J-8719-11 (UPAC-Raleigh), J-8720-11 (UPAC-Cary), and J-8722-11 (UPAC-North Raleigh), collectively referred to below as "UPAC applications", best meet all of these planning objectives.

Wake County will benefit tremendously from all three proposed UPAC applications. The applications meet all statutory review criteria and, based upon an examination of quantitative indicators presented in all 16 applications submitted for this batching cycle, each of the three is comparably in the top four most effective proposals. The following pages highlight the advantages of the UPAC applications in the context of the Basic Principles Governing Development of the 2011 State Medical Facilities Plan (2011 SMFP).

## **POLICY GEN-3: BASIC PRINCIPLES - QUALITY, ACCESS, VALUE**

### **OVERVIEW**

Policy GEN-3 sets the framework for the 2011 SMFP and for CON applications filed in response to a need identified in the 2011 SMFP. It requires documentation of how a project will balance quality, access and value. Specifically, it notes:

*A certificate of need applicant applying to develop or offer a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value for resources expended. A certificate of need applicant shall document its plans for providing access to services for patients with limited financial resources and demonstrate the availability of capacity to provide these services. A certificate of need applicant shall also document how its projected volumes incorporate these concepts in meeting the need identified in the State Medical Facilities Plan as well as addressing the needs of all residents in the proposed service area. [2011 SMFP page 40] Emphasis added.*

This requirement references back to the Basic Principles Governing Development of the 2011 SMFP, found on page 2 through 4.

### **QUALITY**

#### ***REQUIREMENTS***

The 2011 SMFP gives applicants latitude with regard to demonstrating promotion of safety and quality, but, the Policy specifically requires that an applicant shall demonstrate how it will promote quality while retaining access.

On page 2, the Basic Principle regarding Safety and Quality clearly references the importance of standardized metrics that are widely reported and available at the national level. It also notes the importance of three different metrics: quality measures of clinical outcomes and patient satisfaction and safety measures that “focus on the elimination of practices that contribute to avoidable injury or death and adoption of practices that promote or ensure safety.”

The three UPAC applications meet the intent and the specific requirement for documentation of standardized metrics.

**CLINICAL OUTCOMES**

The 16 applications in this review batch were submitted by nine applicant companies. All nine applicants are affiliated with existing nursing care facilities in North Carolina. Historical operating data relevant to these facilities should be used by the Agency to compare each applicant's likely quality outcomes. **Among the nine applicants, United Health Services, Inc. (UHS) owned facilities score the highest on current Medicare Nursing Home Compare<sup>1</sup> clinical outcome measures.** Furthermore, the UHS facilities in North Carolina have an exceedingly high average of 4.7 out of five stars on the Medicare Compare Quality measures scale. All measured items involve clinical outcomes. It is reasonable to compare all applications against this metric, because all applicants have affiliated nursing care facilities in North Carolina.

**Table 1 – Medicare Compare Clinical Outcome Measures in North Carolina Affiliated Nursing Care Facilities**

CON ID	Applicant	Owner/Parent Company	No. of Affiliated North Carolina Facilities	Average Quality Measures Star Rating
J-8719-11 J-8720-11 J-8722-11	UPAC-Raleigh UPAC-Cary UPAC-North Raleigh	United Health Services, Inc.	11	4.70
J-8711-11	Hillcrest-Wake	Hillcrest Convalescent Center, Inc.	1	4.00
J-8723-11 J-8726-11 J-8727-11	Liberty -St. Mary's Liberty -Cedar Fork Liberty -House Creek	Liberty Real Properties, LLC Liberty Healthcare Group	17	4.00
J-8730-11 J-8731-11	Rehab and Nursing-Cary Rehab and Nursing-Raleigh	DES Senior Care Holdings, LLC	1	4.00
J-8712-11	Wake County H&R	Medical Facilities of North Carolina, Inc.	9	3.78
J-8714-11 J-8721-11	Universal-North Raleigh Universal-Fuquay-Varina	Universal Properties / North Raleigh Universal Properties / Fuquay Varina	16	3.27
J-8713-11 J-8715-11	Britthaven-Cedar Fork Britthaven-St. Mary's	Britthaven, Inc. (Hillco, Ltd.)	44	3.00
J-8729-11	BellaRose	E.N.W, LLC BellaRose Nursing and Rehab Center, Inc.	3	2.33
J-8717-11	The Heritage of Raleigh	Brookdale Senior Living, Inc.	1	1.00

Source: Medicare.gov/NHCompare, accessed Sept 22, 2011. Please see Attachment 1.

<sup>1</sup> Most current data are from MDS 2.0 data submitted January 1, 2010 through September 30, 2010 per Medicare.gov/NHCompare

Among the 16 applications, each of the three UPAC applications also proposes the largest investment in supplemental standardized national benchmarking for clinical outcomes. Moreover, the UPAC applications demonstrate in their financial proformas that all three facilities can sustain an investment in two external benchmarking services and meet access targets for underserved groups. As noted in the UPAC applications, costs of these services are provided as part of the fee to UHS-Pruitt Corporation for management-related services.

Table 2 - National Benchmarking Tools Used to Measure Clinical Outcomes

CON ID	Applicant	Clinical Benchmark System	
		ABAQIS	LTC Trend Tracker
J-8719-11	UPAC-Raleigh	X	X
J-8720-11	UPAC-Cary	X	X
J-8722-11	UPAC-North Raleigh	X	X
J-8711-11	Hillcrest-Wake		
J-8712-11	Wake County H&R		
J-8713-11	Britthaven-Cedar Fork		
J-8714-11	Universal-North Raleigh		
J-8715-11	Britthaven-St. Mary's		
J-8717-11	The Heritage of Raleigh		
J-8721-11	Universal-Fuquay-Varina		
J-8723-11	Liberty-St. Mary's	X	
J-8726-11	Liberty-Cedar Fork	X	
J-8727-11	Liberty-House Creek	X	
J-8729-11	BellaRose		
J-8730-11	Rehab and Nursing-Cary		
J-8731-11	Rehab and Nursing-Raleigh		

Another evidence-based measure of improved clinical outcomes is the minutes of RN care per patient day. According to recent research, by Ham et al<sup>2</sup>, 30 to 40 minutes is the minimum threshold required to realize improved patient care outcomes; specifically, pressure ulcers, hospitalizations and reduced weight loss. The UPAC applications rank best on this metric.

Table 3 - Direct RN Nursing Hours per Patient Day

CON ID	Applicant	RN NHPPD	Minutes
J-8720-11	UPAC-Cary	0.58	34.8
J-8719-11	UPAC-Raleigh	0.57	34.2
J-8722-11	UPAC-North Raleigh	0.55	33.0
J-8723-11	Liberty-St. Mary's	0.52	31.2
J-8726-11	Liberty-Cedar Fork	0.52	31.2
J-8727-11	Liberty-House Creek	0.52	31.2
J-8729-11	BellaRose	0.51	30.6
J-8730-11	Rehab and Nursing-Cary	0.49	29.4
J-8731-11	Rehab and Nursing-Raleigh	0.49	29.4
J-8711-11	Hillcrest-Wake	0.47	28.2
J-8713-11	Britthaven-Cedar Fork	0.42	25.2
J-8715-11	Britthaven-St. Mary's	0.42	25.2
J-8721-11	Universal-Fuquay -Varina	0.38	22.8
J-8714-11	Universal - North Raleigh	0.31	18.6
J-8717-11	The Heritage of Raleigh	0.28	17.1
J-8712-11	Wake County H&R	0.28	16.8

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<sup>2 2</sup> Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, November 2005, Volume 105 Number 11 Pages 58 – 70

**PATIENT SATISFACTION**

The UPAC applications represent three of the 13 applications that proposed to invest in My InnerView, a national benchmarking tool for patient satisfaction. The UPAC applications also demonstrate through their financial proformas that they can sustain the investment while meeting or exceeding the community access standards for Medicaid and providing a competitive cost structure.

Table 4 - National Benchmarking Tool for Patient Satisfaction

CON ID	Applicant	My InnerView
J-8719-11	UPAC-Raleigh	X
J-8720-11	UPAC-Cary	X
J-8722-11	UPAC-North Raleigh	X
J-8712-11	Wake County H&R	X
J-8713-11	Britthaven-Cedar Fork	X
J-8714-11	Universal-North Raleigh	X
J-8715-11	Britthaven-St. Mary's	X
J-8721-11	Universal-Fuquay-Varina	X
J-8730-11	Rehab and Nursing-Cary	X
J-8731-11	Rehab and Nursing-Raleigh	X
J-8711-11	Hillcrest-Wake	
J-8717-11	The Heritage of Raleigh	
J-8723-11	Liberty-St. Mary's	X
J-8726-11	Liberty-Cedar Fork	X
J-8727-11	Liberty-House Creek	X
J-8729-11	BellaRose	

### ***SAFETY MEASURES***

**The UPAC applications are the only applications which document an investment in safety benchmarking tools.** CareGuard and the PointRight RADAR Report are specifically designed to *“focus on the elimination of practices that contribute to avoidable injury or death and adoption of practices that promote or insure safety.”* These programs go above and beyond other applicants’ internal Quality Indicator/Quality Measure (QI/QM) programs because they use predictive modeling and trended root cause analyses to anticipate issues. CareGuard tracks and trends when and why patients are being sent back to the hospital. PointRight RADAR identifies risks based on the information stored in the MDS; the information is then used to identify declines in Activities of Daily Living, risks of falls, presence of pressure ulcers and re-hospitalizations, and to predict hospice service needs. The UPAC applications also demonstrate how patient and staff safety are embedded in its staff orientation, training and evaluation processes. See specifically Exhibits 18, 28, and 70 in the UPAC-Raleigh application J-8719-11, Exhibits 15, 24, and 67 in the UPAC-Cary application J-8720-11 and Exhibits 15, 24, and 67 in the UPAC-North Raleigh application J-8722-11.

When considering external benchmarks of patient safety, Medicare Nursing Home Compare Health Inspection data is routinely sought as a primary measurement of overall patient safety. The health inspection rating contains information from the last three years of onsite inspections, including both standard surveys and any complaint surveys. This information is gathered by individuals who go onsite to the nursing care facility and follow prescribed protocols in order to determine the extent to which each nursing care facility has met Medicare's minimum quality safety requirements.

UHS owned nursing care facilities in North Carolina have a historical operational score of 2.9 out of a possible 5.0 on the Medicare Nursing Home Compare Health Inspection scale. The only higher scores are associated with applicants that have only one affiliated nursing care facility in the state. It is reasonable to compare all applications against this metric, because all applicants have affiliated nursing care facilities in North Carolina. However, the CON Section should consider the scores of applicants with multiple affiliated nursing care facilities more reliable. The scores are more reliable because there is more data to compare and the data comes from facilities located across the different regions of North Carolina.



Table 5- Medicare Compare Health Inspections in North Carolina Affiliated Nursing Care Facilities

CON ID	Applicant	Owner/Parent Company	No. of Affiliated North Carolina Facilities	Average Health Inspections Star Rating
J-8711-11	Hillcrest-Wake	Hillcrest Convalescent Center, Inc.	1	5.00
J-8717-11	The Heritage of Raleigh	Brookdale Senior Living, Inc.	1	4.00
J-8719-11 J-8720-11 J-8722-11	UPAC-Raleigh UPAC-Cary UPAC-North Raleigh	United Health Services, Inc.	11	2.90
J-8713-11 J-8715-11	Britthaven-Cedar Fork Britthaven-St. Mary's	Britthaven, Inc. (Hillco, Ltd.)	44	2.64
J-8723-11 J-8726-11 J-8727-11	Liberty-St. Mary Liberty-Cedar Fork Liberty-House Creek	Liberty Real Properties, LLC Liberty Healthcare Group	17	2.47
J-8712-11	Wake County H&R	Medical Facilities of North Carolina, Inc.	9	2.33
J-8729-11	BellaRose	E.N.W, LLC BellaRose Nursing and Rehab Center, Inc.	3	2.33
J-8730-11 J-8731-11	Rehab and Nursing-Cary Rehab and Nursing-Raleigh	DES Senior Care Holdings, LLC	1	2.00
J-8714-11 J-8721-11	Universal-North Raleigh Universal-Fuquay-Varina	Universal Properties / North Raleigh Universal Properties / Fuquay Varina	16	1.93

Source: Medicare.gov/NHCompare accessed September 22, 2011. Please see Attachment 1.

At the state level, four nursing care facilities owned or operated by UHS affiliates in North Carolina received a deficiency free inspection in 2010. Thus far, in 2011, six nursing care facilities owned or operated by UHS affiliates in North Carolina have received deficiency free surveys. Further, all affiliated UHS affiliated nursing care facilities are currently fully compliant with all State and Federal rules and regulations. As such, all UPAC applications are conforming to Review Criterion 20. UHS-Pruitt Corporation assumes that the Agency will do its own routine quality check with the DHSR Licensure Section to ensure all of the applicants are conforming to Review Criterion 20.

**ACCESS**

**REQUIREMENTS**

The Access Basic Principle discussion on page 2 of the 2011 SMFP notes that barriers include: geography, low income, limited or no insurance coverage, disability, age, race, ethnicity, culture, language, education and health literacy. "The [2011 SMFP's] first priority is to ameliorate economic barriers and the second priority is to mitigate time and distance barriers." The 2011 SMFP seeks to reduce all types of barriers to timely and appropriate care.

**ECONOMIC**

Economic barriers associated with accessing nursing facility care are disproportionately experienced by two groups; persons covered by Medicaid and private pay persons with limited financial resources. Medicaid utilization is the most relevant indicator of an organization's commitment to providing care to this population. According to the most recently submitted license renewal applications, the Wake County average for Medicaid days as a percentage of total days in 2010 was 49.5 percent. Further, the Wake County average for Medicaid days as a percentage of total days in 2010 for comparable nursing care facilities, those not in hospitals or Continuing Care Retirement Communities, was 60.5 percent. As referenced below, the three UPAC applications, and eight of the other 16 applications, exceed the CON standard for meeting the county average for Medicaid days as a percentage of total days in the new beds.

Table 6 –Medicaid Days as a Percentage of Total Days in New Beds -  
 Year 2

CON ID	Applicant	Medicaid Percent of Total New Bed Days in Year 2
J-8719-11	UPAC-Raleigh (New Beds)	100.00%
J-8715-11	Britthaven-St. Mary's	76.00%
J-8713-11	Britthaven-Cedar Fork	74.00%
J-8729-11	BellaRose	72.00%
J-8721-11	Universal-Fuquay-Varina*	69.52 %
J-8723-11	Liberty-St. Mary	69.00%
J-8726-11	Liberty-Cedar Fork	69.00%
J-8727-11	Liberty-House Creek	69.00%
J-8712-11	Wake County H&R	67.90%
J-8720-11	UPAC-Cary	64.60%
J-8722-11	UPAC-North Raleigh	64.35%
J-8717-11	The Heritage of Raleigh	55.40%
J-8714-11	Universal-North Raleigh**	55.12%
J-8731-11	Rehab and Nursing-Raleigh	50.65%
J-8730-11	Rehab and Nursing-Cary	50.65%
J-8711-11	Hillcrest-Wake	49.00%

\*Number estimated by UHS-Pruitt Corporation. Not provided in application. Please see Attachment 2.

\*\*Number is for all beds. The application does not provide information to calculate for new beds. However, number will be lower. Please see Attachment 2.

The Veterans Administration has become an important “safety net” for many low-income veterans who would otherwise be uninsured<sup>3</sup>. According to the US Census Bureau, American Fact Finder survey, from 2005 to 2009, one in 10 Wake County residents were civilian veterans.<sup>4</sup> Three other applications referenced service to Veterans Administration beneficiaries but **only the UPAC applications forecasted days of care to Veterans Administration beneficiaries. The UPAC applications are also the only applications to document support from the Veterans Health Administration.**

Table 7 – Veteran Administration Beneficiaries

CON ID	Applicant	VA
J-8720-11	UPAC-Cary	2.10%
J-8722-11	UPAC -North Raleigh	1.74%
J-8722-11	UPAC-Raleigh	1.22%
J-8711-11	Hillcrest-Wake	0.00%
J-8712-11	Wake County H&R	0.00%
J-8713-11	Britthaven-Cedar Fork	0.00%
J-8714-11	Universal-North Raleigh	0.00%
J-8715-11	Britthaven-St. Mary's	0.00%
J-8717-11	The Heritage of Raleigh	0.00%
J-8721-11	Universal-Fuquay-Varina	0.00%
J-8723-11	Liberty-St. Mary	0.00%
J-8726-11	Liberty -Cedar Fork	0.00%
J-8727-11	Liberty -House Creek	0.00%
J-8729-11	BellaRose	0.00%
J-8730-11	Rehab and Nursing-Cary	0.00%
J-8731-11	Rehab and Nursing-Raleigh	0.00%

<sup>3</sup> KaiserEDU.org <http://www.kaiseredu.org/Issue-Modules/Military-and-Veterans-Health-Care/Background-Brief.aspx#Veterans>

<sup>4</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US\04000US37\05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qv\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFFacts?_event=&geo_id=05000US37183&geoContext=01000US\04000US37\05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qv_name=null&reg=&keyword=&industry=)

A facility's usual and customary charge per day is an important indicator in determining access. Many individuals must meet a deductible, make a copayment, or personally pay for all services provided. Two UPAC applications, UPAC-Cary and UPAC-North Raleigh, propose charges below the applicant pool's median private and semi-private charge. Charges in both applications for private rooms are \$10 per patient day below the applicant pool's median charge; **the second lowest charge among the applicants for private rooms.** The UPAC-Cary and UPAC-North Raleigh applications are \$7 per patient day below the applicant pool's median charge; **the third-lowest charge among the applicants for semi-private rooms.**

Table 8 – Private Pay Charges in Year 2

CON ID	Applicant	Private Pay- Private Room	Private Pay - Semi-Private Room
J-8714-11	Universal-North Raleigh	\$ 180.00	\$ 165.00
J-8723-11	Liberty-St. Mary	\$ 190.00	\$ 170.00
J-8726-11	Liberty -Cedar Fork	\$ 190.00	\$ 170.00
J-8727-11	Liberty -House Creek	\$ 190.00	\$ 170.00
J-8720-11	UPAC-Cary	\$ 188.00	\$ 179.00
J-8722-11	UPAC-North Raleigh	\$ 188.00	\$ 179.00
J-8721-11	Universal-Fuquay-Varina	\$ 190.00	\$ 180.00
J-8729-11	BellaRose	\$ 196.00	\$ 186.00
J-8713-11	Britthaven-Cedar Fork	\$ 198.00	\$ 188.00
J-8715-11	Britthaven-St. Mary's	\$ 198.00	\$ 188.00
J-8730-11	Rehab and Nursing-Cary	\$ 240.00	\$ 205.00
J-8731-11	Rehab and Nursing-Raleigh	\$ 240.00	\$ 205.00
J-8719-11	UPAC- Raleigh	\$ 253.61	\$ 216.07
J-8717-11	The Heritage of Raleigh	\$ 244.33	\$ 221.13
J-8712-11	Wake County H&R	\$ 250.00	\$ 225.00
J-8711-11	Hillcrest-Wake	\$ 311.00	\$ -
<b>MEDIAN</b>		<b>\$ 197.00</b>	<b>\$ 183.00</b>

One key provision that will have a significant impact on access, and should have been accounted for in all applications, is the 11 percent federal reduction to Medicare payments that will take effect October 1, 2011. Applicants who failed to adjust their revenue projections for this reduction have overstated their revenues in their proformas. This overstatement of revenue will have a profound effect on access to services as these applicants may not be able to fund many of the services that they propose. The three UPAC applications are among 11 applications that did account for the reduction in the Medicare rate.

***TIME AND DISTANCE***

The UPAC applications propose to locate additional beds in the areas of the county with the highest unmet need: Garner/ St Mary's and House Creek/ Leesville/Cedar Fork/Cary area. The Criterion 3 discussion of each applicant contains more detail on the level of need in each of these geographic areas. It also shows that there is not yet sufficient need in Wake Forest/ Neuse areas or in the Fuquay-Varina area.

***APPROPRIATE CARE***

It has been years since a new nursing care facility was added to the Wake County inventory and it will likely be years before more are added. Hence, with nine competitor companies, it is important that the Agency select a provider that will fill service gaps in this large and diverse county. Nursing care facilities have been evolving rapidly from custodial nursing care for persons with chronic disease to a combination of extended stay rehabilitation and chronic disease care management. Implementation of the Medicare 75 percent rule and skilled nursing facility equalization for Inpatient Rehabilitation Facilities will move even more cardiac, cancer and pulmonary patients from that level of care to skilled nursing facilities. Facilities must have well defined service programs to accommodate these residents. The UPAC applications are well balanced, providing documentation of how they will offer these important services at competitive prices. The UPAC applications also document how increased accessibility will be achieved for individuals whose care is paid by Medicaid. The table below highlights the service programs proposed by the applicants.

Table 9 – Chronic Disease Service Mix Comparison

CON ID	Applicant	Respiratory Care	Trach.	Pain Management	Diabetes Care	Heart Disease	Cardiac Care	Stroke Care	TPN	Total
J-8719-11	UPAC-Raleigh	X	X	X	X	X	X	X	X	8
J-8720-11	UPAC-Cary	X	X	X	X	X	X	X	X	8
J-8722-11	UPAC-North Raleigh	X	X	X	X	X	X	X	X	8
J-8730-11	Rehab and Nursing-Cary	X	X	X	X	X	X	X	X	8
J-8731-11	Rehab and Nursing-Raleigh	X	X	X	X	X	X	X	X	8
J-8712-11	Wake County H&R	X		X	X	X	X	X		6
J-8713-11	Britthaven-Cedar Fork	X	X	X			X	X	X	6
J-8715-11	Britthaven-St. Mary's	X	X	X			X	X	X	6
J-8715-11	Universal-North Raleigh	X	X		X				X	4
J-8721-11	Universal-Fuquay-Varina	X	X		X				X	4
J-8717-11	The Heritage of Raleigh		X	X					X	3
J-8723-11	Liberty-St. Mary	X								1
J-8726-11	Liberty-Cedar Fork	X								1
J-8727-11	Liberty-House Creek	X								1
J-8729-11	BellaRose								X	1
J-8711-11	Hillcrest-Wake									0
	<b>Total</b>	<b>13</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>11</b>	

People who have Alzheimer's and related dementia are a growing segment of the nursing home population. They require extra care and special programming and serving them is often more expensive. **UPAC-Raleigh and UPAC-North Raleigh are two of only seven applications proposing to add Special Care Unit beds for persons with Alzheimer's / Dementia.** Presently, UPAC-Raleigh is the only freestanding nursing care facility in the county offering this important service.

The Criterion 3 discussion of each applicant reviews the high need for beds in a secure unit for persons with Alzheimer's/Dementia. Based on the high need, one or more of the approved facilities should offer new beds in a secured unit. Furthermore, any approved new beds should be in a facility that has an organized program of care for this special need population. Only 13 of the 16 applications, including all three UPAC applications, offer Alzheimer's / dementia programming.

Table 10 - Access to Alzheimer's/Dementia Care

CON ID	Applicant	Special Care Unit Beds	Alzheimer's Program
J-8719-11	UPAC-Raleigh	40	X
J-8730-11	Rehab and Nursing-Cary	30	X
J-8731-11	Rehab and Nursing-Raleigh	30	X
J-8723-11	Liberty-St. Mary	20	X
J-8726-11	Liberty-Cedar Fork	20	X
J-8727-11	Liberty-House Creek	20	X
J-8722-11	UPAC-North Raleigh	20	X
J-8720-11	UPAC-Cary	0	X
J-8729-11	BellaRose	0	X
J-8713-11	Britthaven-Cedar Fork	0	X
J-8714-11	Universal-North Raleigh	0	X
J-8715-11	Britthaven- St. Mary's	0	X
J-8721-11	Universal -Fuquay-Varina	0	X
J-8711-11	Hillcrest-Wake	0	
J-8712-11	Wake County H&R	0	
J-8717-11	The Heritage of Raleigh	0	

As referenced in Exhibit 43 of the UPAC applications, 36 percent of surveyed advocates requested hospice services. **The UPAC applications are the only applications that project hospice patient bed days in their applications and provided a letter from a hospice organization interested in providing hospice services.**

## VALUE

### *REQUIREMENTS*

The Value Basic principle discussion on page 3 of the *2011 SMFP* notes that the SHCC defines health care value as maximum health care benefit per dollar expended, separating the metrics into cost and benefit measurements, and emphasizing the importance of balance between the two.

### *COST*

The Value discussion notes that cost per unit of service is appropriate “when comparing providers of like services for like populations.” It requires established state-wide expenditure measures that are uniformly reported and verified. Cost per patient day is reported on Medicaid Cost Reports. There is no metric for adjusting cost per patient day to reflect the requirements of different populations. Hence, this metric should be considered with care.

As noted in the Access discussion, UPAC-Cary and UPAC-North Raleigh proposed semi-private room charges for Year 2 that are below the applicant pool’s median charge. All three UPAC applications exceed the Wake County average for Medicaid days as a percentage of total days for freestanding facilities. At the same time, the UPAC applications rank at, or above, the applicant pool’s mean for their investment in direct care per patient day and the **UPAC-Raleigh application actually proposes the highest investment in direct care per patient day**. This statistic demonstrates UHS’s commitment to quality and service over the bottom line. Though the UPAC applications’ costs are higher than the average proposed by the applicant pool, the UPAC facilities will offer higher staff salaries and benefits, higher nursing hours per patient day (NHPPD), more private beds and a higher investment in quality benchmarking programs.



Table 9 – Year 2 Cost per Patient Day

CON ID	Applicant	Year 2 Total Direct less Ancillary
J-8719-11	UPAC-Raleigh	\$141
J-8723-11	Liberty-St. Mary's	\$127
J-8726-11	Liberty-Cedar Fork	\$127
J-8727-11	Liberty-House Creek	\$127
J-8722-11	UPAC-North Raleigh	\$127
J-8715-11	Universal-North Raleigh	\$124
J-8729-11	BellaRose	\$124
J-8720-11	UPAC-Cary	\$122
J-8717-11	The Heritage of Raleigh	\$122
J-8730-11	Rehab and Nursing-Cary	\$120
J-8731-11	Rehab and Nursing-Raleigh	\$120
J-8715-11	Britthaven-St. Mary's	\$120
J-8711-11	Hillcrest-Wake	\$118
J-8713-11	Britthaven – Cedar Fork	\$118
J-8721-11	Universal – Fuquay-Varina	\$109
J-8712-11	Wake County H&R	\$106
	<b>MEAN</b>	<b>\$122</b>

**BENEFIT**

On page 3 of the 2011 SMFP, the Value discussion notes that measuring benefit is more difficult and states the importance of evidence-based metrics. The 2011 SMFP favors balanced competition, encouraged innovation, and efforts to collaborate with other community resources such as shared databases.

Evidence-based research shows that patient placement, personal privacy and infection control are more effectively delivered in private rooms.<sup>5</sup> The UPAC applications score well on this metric.

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<sup>5</sup> Margaret Calkins, PhD and Christine Cassella. *Exploring the Cost and Value of Private Versus Shared Bedrooms in Nursing Homes*. June 2007. The Ideas Institute.org online. [www.ideasinstitute.org/media/Gerontologist\\_Bedroom\\_paper.pdf](http://www.ideasinstitute.org/media/Gerontologist_Bedroom_paper.pdf). Accessed September 28, 2011. Please see Attachment 4.

Table 10 – Private Beds

CON ID	Applicant	Total CON Beds	%Private	Number of Private Beds Added
J-8714-11	Universal-North Raleigh	20	100%	20
J-8711-11	Hillcrest-Wake	120	87%	104
J-8717-11	The Heritage of Raleigh	90	87%	78
J-8719-11	UPAC-Raleigh	20	80%	16
J-8720-11	UPAC-Cary	100	60%	60
J-8722-11	UPAC-North Raleigh	120	60%	72
J-8723-11	Liberty-St. Mary	130	51%	66
J-8726-11	Liberty-Cedar Fork	130	51%	66
J-8727-11	Liberty-House Creek	130	51%	66
J-8729-11	BellaRose	100	46%	46
J-8715-11	Britthaven-St. Mary's	100	44%	44
J-8712-11	Wake County H&R	120	33%	40
J-8730-11	Rehab and Nursing-Cary	120	33%	40
J-8731-11	Rehab and Nursing-Raleigh	120	33%	40
J-8713-11	Britthaven-Cedar Fork	120	33%	40
J-8721-11	Universal-Fuquay Varina	60	33%	20
<b>MEDIAN</b>			<b>51%</b>	

Research and experience have shown that hydrotherapy successfully and efficiently improves muscle flexibility, sleep patterns, and reduces muscle and joint pain in older adults<sup>6</sup>. No Wake County nursing care facility has a therapy pool. **UPAC-North Raleigh and UPAC-Cary are two of only three applications to propose the inclusion of a therapy pool.** The third application, Wake County H&R, notes that it will have a pool but provides no evidence of it in the line drawings or budget.

Medicare Compare selected nursing hours per patient day as one of its core value metrics giving a five-star rating to those facilities with 4.40 NHPPD and 3.25 RN+LPN NHPPD. None of the applicants meet that standard. However, all UPAC applications rank in the three- to four-star range on this value metric. Medicare Compare specifically isolates the RN and LPN hours from total hours for its star rating system. This indicates the importance that CMS attaches to presence of the more highly trained professionals in a facility whose purpose is rehabilitation and chronic disease management. **UPAC-North-Raleigh and UPAC- Raleigh rank second and third, respectively, among the applicant pool, in RN+LPN NHPPD.**

<sup>6</sup> Please see Attachment 5.

Table 11 – Nursing Hours per Patient Day

CON ID	Applicant	Total NHPPD	RN+LPN NHPPD
J-8723-11	Liberty-St. Mary	4.47	1.43
J-8726-11	Liberty-Cedar Fork	4.47	1.43
J-8727-11	Liberty-House Creek	4.47	1.43
J-8729-11	BellaRose	4.22	1.44
J-8722-11	UPAC-North Raleigh	4.15	1.52
J-8719-11	UPAC-Raleigh	4.08	1.50
J-8720-11	UPAC-Cary	3.90	1.41
J-8715-11	Britthaven-St. Mary's	3.89	1.60
J-8713-11	Britthaven-Cedar Fork	3.84	1.54
J-8711-11	Hillcrest-Wake	3.74	1.09
J-8717-11	The Heritage of Raleigh	3.65	1.42
J-8721-11	Universal-Fuquay Varina	3.57	1.14
J-8730-11	Rehab and Nursing-Cary	3.49	1.30
J-8731-11	Rehab and Nursing-Raleigh	3.49	1.30
J-8712-11	Wake County H&R	3.43	1.16
J-8715-11	Universal-North Raleigh	3.41	1.09

Better salaries and benefits along with higher staffing levels have been associated with reduced turnover.<sup>7</sup> As shown below, a recent study sponsored by the American Association of Retired People (AARP) and The Commonwealth Fund, reduced turnover is positively correlated to increased quality.

*In 2008, the average one-year nursing home staff turnover rate (the ratio of full- and part time employee terminations that occurred during the year, regardless of cause, to the average number of active employees on the payroll during the same period) for all nursing staff was 49 percent. The five top-performing states reported LPN and CNA turnover rates ranging from 16 to 38 percent and RN turnover rates between 25 and 35 percent. The bottom five states reported LPN and CNA turnover rates ranging from 52 to 93 percent and RN turnover rates between 40 and 79 percent.<sup>8</sup>*

<sup>7</sup> Leadership Council of Aging Organizations. *The Direct Care Workforce: A Report to Promote Quality Long Term Care*. March 5, 2009. All Health Reports online. [www.allhealth.org/.../LCAODirectCareWorkforceReport.pdf](http://www.allhealth.org/.../LCAODirectCareWorkforceReport.pdf). Accessed September 28, 2011. Please see Attachment 6.

<sup>8</sup> Susan C. Reinhard, Enid Kassner, Ari Houser, and Robert Mollica, *Raising Expectations A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers*, September 2011 Commonwealth Fund Reports on line. <http://www.longtermscorecard.org/Report.aspx> accessed September 22, 2011.

Salaries and benefits for RN's and LPN's projected in the three UPAC applications are above the medians for this applicant pool. The applications that projected higher CNA salaries than the UPAC applications have had to compensate by lowering NHPPD (see Table 11 above).

Table 12 – Salaries and Benefits

CON ID	Applicant	Total Salaries and Benefits				
		DON	ADON	RN	LPN	CNA
<b>MEDIAN</b>		<b>\$ 107,263</b>	<b>\$ 84,373</b>	<b>\$ 71,926</b>	<b>\$ 58,945</b>	<b>\$ 30,983</b>
J-8719-11	UPAC-Raleigh	\$ 116,687	\$ 95,046	\$ 81,822	\$ 62,309	\$ 30,524
J-8721-11	Universal-Fuquay Varina	\$ 110,689	\$ 82,767	\$ 77,423	\$ 59,596	\$ 31,091
J-8715-11	Universal-North Raleigh	\$ 122,276	\$ 85,978	\$ 77,064	\$ 66,070	\$ 37,858
J-8730-11	Rehab and Nursing-Cary	\$ 110,535	\$ -	\$ 75,574	\$ 67,071	\$ 33,189
J-8731-11	Rehab and Nursing-Raleigh	\$ 110,535	\$ -	\$ 75,574	\$ 67,071	\$ 33,189
J-8722-11	UPAC-North Raleigh	\$ 111,534	\$ 86,450	\$ 74,661	\$ 59,450	\$ 28,472
J-8720-11	UPAC -Cary	\$ 111,534	\$ 86,450	\$ 74,522	\$ 59,450	\$ 28,472
J-8713-11	Britthaven-Cedar Fork	\$ 102,505	\$ 77,805	\$ 71,926	\$ 58,440	\$ 27,695
J-8715-11	Britthaven-St. Mary's	\$ 102,505	\$ 77,805	\$ 71,926	\$ 58,440	\$ 27,695
J-8723-11	Liberty-St. Mary	\$ 105,264	\$ 86,450	\$ 70,395	\$ 58,045	\$ 33,345
J-8726-11	Liberty-Cedar Fork	\$ 105,264	\$ 86,450	\$ 70,395	\$ 58,045	\$ 33,345
J-8727-11	Liberty-House Creek	\$ 105,264	\$ 86,450	\$ 70,395	\$ 58,045	\$ 33,345
J-8729-11	BellaRose	\$ 104,975	\$ 86,450	\$ 70,395	\$ 58,045	\$ 30,875
J-8712-11	Wake County H&R	\$ 101,304	\$ -	\$ 70,134	\$ 62,341	\$ 31,658
J-8717-11	The Heritage of Raleigh	\$ 109,261	\$ -	\$ 66,023	\$ 55,373	\$ 29,969
J-8711-11	Hillcrest	\$ 84,590	\$ 54,781	\$ 56,921	\$ 44,903	\$ 25,037
<b>Average</b>		<b>\$ 107,170</b>	<b>\$ 62,055</b>	<b>\$ 72,197</b>	<b>\$ 59,544</b>	<b>\$ 30,985</b>

Support staff plays a critical role in quality of life and quality of care for nursing care facility residents. Housekeeping's role in maintaining clean surfaces contributes to infection control and impacts the patient's quality of life. A Dietary aide's responsibility to check for compliance with prescribed dietary regimens for each resident affects patient outcomes for chronic conditions such as diabetes, hypertension, and obesity. Better salaries and wages for these staff reduce turnover and contribute to more cumulative training time. **All UPAC applicants rank in the top four average salary for support staff.**

Table 13 - Salary and Benefits of Support Staff

CON ID	Applicants	Food Supervisor	Cooks	Dietary Aides	Social Services Director	Activity Director	Housekeeping Aides	Laundry Aides	Maintenance Supervisor	Average Support Salary
J-8722-11	UPAC-North Raleigh	\$ 57,387	\$ 35,707	\$ 28,056	\$ 58,517	\$ 57,387	\$ 25,884	\$ 33,749	\$ 53,196	\$ 43,735
J-8720-11	UPAC-Cary	\$ 57,284	\$ 35,643	\$ 28,006	\$ 58,412	\$ 53,101	\$ 25,838	\$ 29,869	\$ 53,101	\$ 42,657
J-8714-11	Universal-North Raleigh	\$ 69,138	\$ 24,540	\$ 23,392	\$ 61,711	\$ 53,557	\$ 20,426	\$ 19,823	\$ 66,676	\$ 42,408
J-8719-11	UPAC-Raleigh	\$ 60,013	\$ 37,289	\$ -	\$ 58,700	\$ 58,594	\$ 27,294	\$ 24,947	\$ 63,020	\$ 41,232
J-8730-11	Rehab and Nursing-Cary	\$ 51,054	\$ 28,508	\$ 22,624	\$ 56,856	\$ 47,194	\$ 24,605	\$ 24,730	\$ 54,789	\$ 38,795
J-8731-11	Rehab and Nursing-Raleigh	\$ 51,054	\$ 28,508	\$ 22,624	\$ 56,856	\$ 47,194	\$ 24,605	\$ 24,730	\$ 54,789	\$ 38,795
J-8723-11	Liberty-St. Mary	\$ 51,870	\$ 30,875	\$ 24,700	\$ 51,870	\$ 45,695	\$ 24,700	\$ 24,700	\$ 49,400	\$ 37,976
J-8726-11	Liberty-Cedar Fork	\$ 51,870	\$ 30,875	\$ 24,700	\$ 51,870	\$ 45,695	\$ 24,700	\$ 24,700	\$ 49,400	\$ 37,976
J-8727-11	Liberty-House Creek	\$ 51,870	\$ 30,875	\$ 24,700	\$ 51,870	\$ 45,695	\$ 24,700	\$ 24,700	\$ 49,400	\$ 37,976
J-8712-11	Wake County H&R	\$ 51,951	\$ 29,222	\$ 21,917	\$ 51,951	\$ 46,756	\$ 20,699	\$ 20,699	\$ 54,549	\$ 37,218
J-8721-11	Universal-Fuquay Varina	\$ 51,857	\$ 26,340	\$ 20,856	\$ 60,354	\$ 48,226	\$ 20,132	\$ 20,397	\$ 34,889	\$ 35,382
J-8729-11	BellaRose	\$ 46,020	\$ 27,730	\$ 22,420	\$ 51,920	\$ 43,660	\$ 21,240	\$ 22,420	\$ 47,200	\$ 35,326
J-8711-11	Hillcrest-Wake	\$ 36,798	\$ 27,863	\$ 20,374	\$ 54,970	\$ 34,086	\$ 22,120	\$ 24,886	\$ 57,354	\$ 34,806
J-8713-11	Britthaven-Cedar Fork	\$ 53,290	\$ 22,204	\$ 21,443	\$ 41,870	\$ 38,064	\$ 20,555	\$ 20,555	\$ 40,260	\$ 32,280
J-8715-11	Britthaven-St. Mary's	\$ 53,290	\$ 22,204	\$ 21,443	\$ 41,870	\$ 38,064	\$ 20,555	\$ 20,555	\$ 40,260	\$ 32,280
J-8717-11	The Heritage of Raleigh	\$ 51,236	\$ 30,228	\$ 23,204	\$ 52,698	\$ -	\$ 23,692	\$ 22,938	\$ 52,478	\$ 32,059

According to the AARP/Commonwealth study one measure of overall program quality is reduced hospital admissions/re-admissions.

*“Among nursing home residents, hospital admission and readmission rates can be minimized. Hospitalizations can be reduced through the provision of timely and effective preventive services, early treatment of acute illnesses, and effective management of chronic conditions. The Scorecard finds that, for the nation as a whole, 21 percent of long stay nursing home residents were admitted to the hospital within six months of baseline assessment. On average, 29 percent of long-stay nursing home residents in the bottom five states had a hospital admission, nearly three times the 10 percent average rate achieved by the top five states (Minnesota, Utah, Arizona, Oregon, and Rhode Island). A lower rate of hospital admissions indicates higher performance. Better quality of care can be cost-effective as well. There is a strong correlation between occurrence of pressure sores and hospital admissions among long-stay nursing home residents (see Exhibit 15). Transitions between settings (e.g., nursing home to hospital), especially those that are caused by poor quality care, are both costly and often traumatic for LTSS users and their family caregivers.”*

Attachment 7 compares and scores all applicants based on the CON Section’s competitive review of the 2010 Johnston County Nursing Home batch, adding only ancillary staff salaries. **The UPAC applications rank in the top four on this value metric.** If the CON Section compared high direct costs (less ancillaries) instead of lowest total cost (less ancillaries), the UPAC applications fall in the top four. A summary of total scores is provided below. The low number represents the applications with the highest quality program at the best overall value. It is also important to note that the metric does not take factors like location, documented corporate history of quality care, and presence of an Alzheimer’s special care unit into consideration. The CON Section should review these qualitative factors as well.

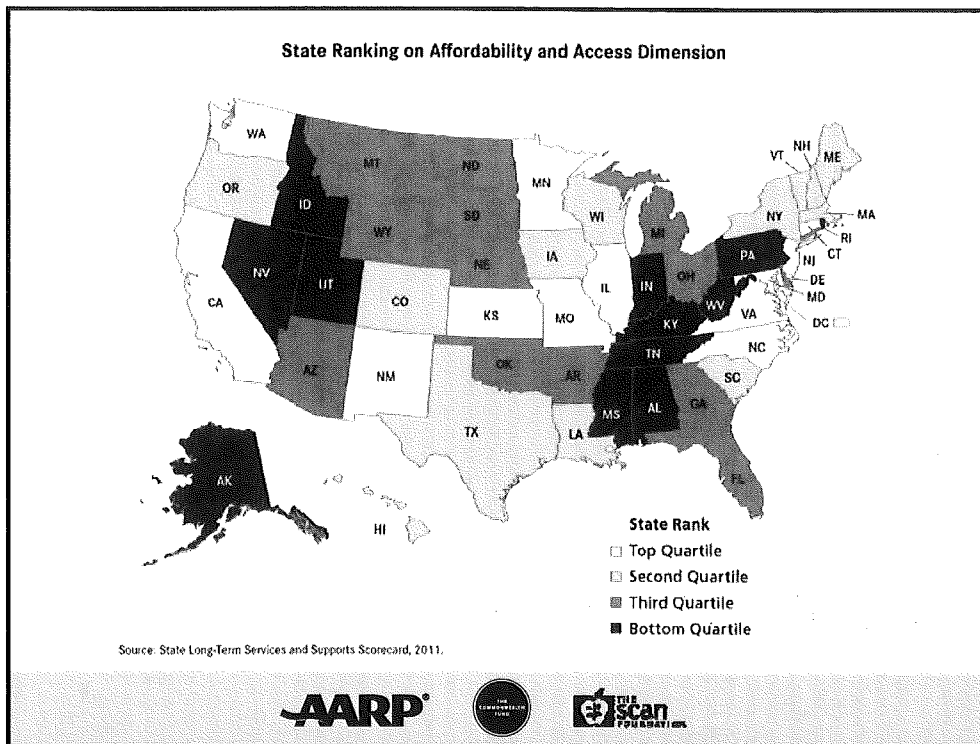
Table 14 – Application Rankings

CON ID	Applicant	Total
J-8722-11	UPAC-North Raleigh	103
J-8720-11	UPAC-Cary	119
J-8714-11	Universal-North Raleigh	130
J-8719-11	UPAC-Raleigh	133
J-8726-11	Liberty-Cedar Fork	134
J-8727-11	Liberty-House Creek	135
J-8723-11	Liberty-St. Mary's	140
J-8730-11	Rehab and Nursing-Cary	150
J-8731-11	Rehab and Nursing-Raleigh	152
J-8721-11	Universal-Fuquay Varina	165
J-8729-11	BellaRose	186
J-8713-11	Britthaven-Cedar Fork	197
J-8715-11	Britthaven-St. Mary's	197
J-8717-11	The Heritage of Raleigh	209
J-8712-11	Wake County H&R	224
J-8711-11	Hillcrest-Wake	225

**CONCLUSION**

North Carolina ranked in the top quartile of states on the AARP/Commonwealth Fund scorecard. The metrics for this included cost of private pay room in a nursing care facility and 30 hours of home health care compared to median income of persons over 65.

Figure 1 – U.S. State Ranking on Affordability and Access



Source: <http://www.longtermscorecard.org/Report.aspx>. See footnote on page 1.

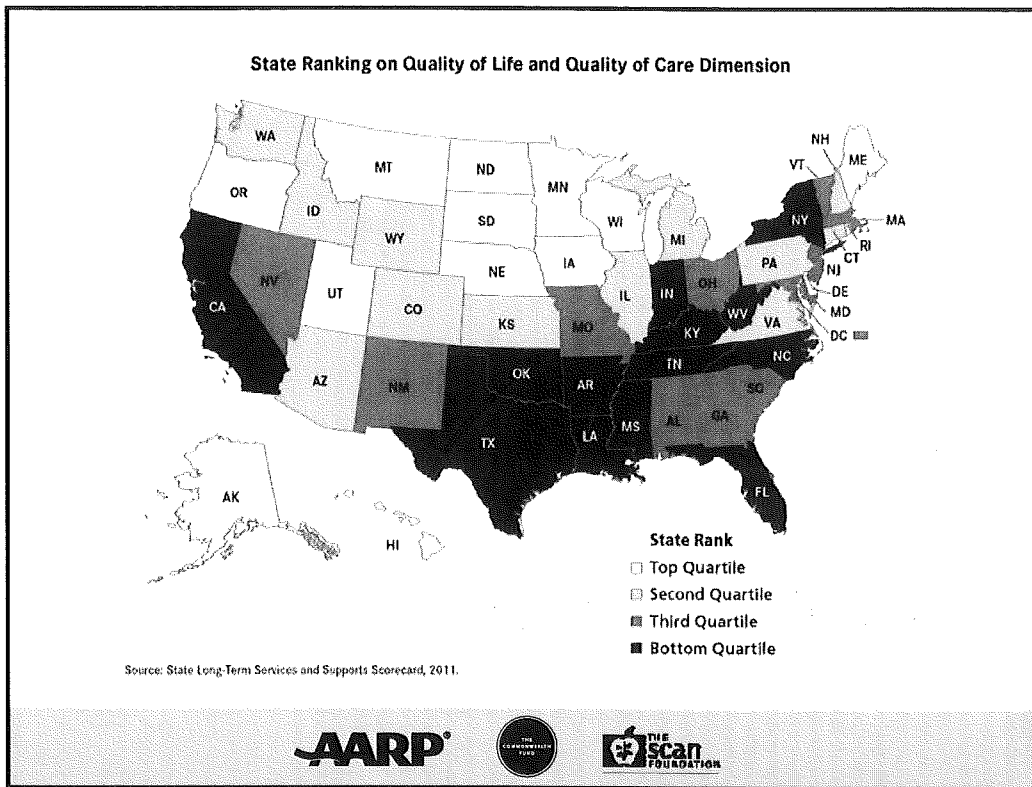
However, North Carolina scored at the bottom on the Quality of Life and Quality of Care Dimension.

Four scorecard indicators address quality of care in nursing care facilities:

- The percentage of nursing care facility residents who have pressure sores;
- The percentage of nursing care facility residents who are physically restrained;
- Nursing care facility staff turnover rates; and
- The percentage of long-stay nursing care facility residents who have a hospital admission

Clearly, this value dimension merits close attention in review of North Carolina Certificate of Need applications for nursing care facilities. **The UPAC applications are the only three applications with documented programs for pressure sore prevention, physical restraint prevention and long term care and short term rehab readmission prevention.** High salaries and an industry-leading benefits package will also help reduce staff turnover at the proposed UHS facilities.

Figure 2 – U.S. State Ranking on Quality of Life and Care



Source: <http://www.longtermscorecard.org/Report.aspx>. See footnote on page 1.

Although all applicants are surely interested in providing quality service, it is our opinion that among the projects under review, competing applications offer less desirable alternatives, fall short of meeting the State of North Carolina's objectives for the provision of high value health care, and/or fall short of conforming to all the CON Section's Review Criteria.

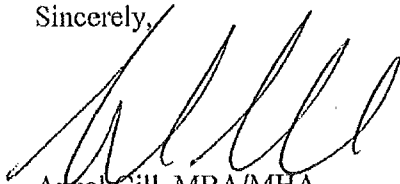


The applications submitted by the affiliates of UHS-Pruitt Corporation are competitively superior in value. They:

- Bring value in an appropriate balance of access, quality and cost;
- Propose needed services in appropriate locations for Wake County residents in need;
- Expand access to Medicaid, Medicare, Hospice, and Veterans Administration beneficiaries;
- Offer the highest RN NHPPD;
- Offer high total NHPPD;
- Offer the high salaries and benefits;
- Offer a high investment in resident care at a low charge; and
- Offer management services with a proven quality track record.

Attached is an analysis of each competing application. Each application is discussed within the framework of the State's CON Review Criteria and applicable nursing care facility services rules (10A NCAC 14C. 1100). In each analysis, we have addressed only those criteria for which we believe the information provided is non-conforming. Please feel free to call me if you have any questions.

Sincerely,



Anfeel Gill, MBA/MHA  
Health Planner  
UHS-Pruitt Corporation  
(678) 533-6699  
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Attachment:

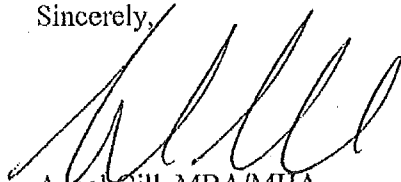
Noncompliance with CON Review Criteria and applicable Rules: 10A NCAC 14C .1100

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Ansel Gill, MBA/MHA  
Health Planner  
UHS-Pruitt Corporation  
(678) 533-6699  
asgill@uhs-pruitt.com

Attachment:

Noncompliance with CON Review Criteria and applicable Rules: 10A NCAC 14C .1100

**Hillcrest-Wake**

**J-8711-11**

COMPETITIVE REVIEW OF -  
HILLCREST CONVALESCENT CENTER, INC., J-8711-11  
(HILLCREST)

**CON REVIEW CRITERIA**

This application proposes to locate 120 nursing care facility beds in Wake Forest, North Carolina, Wake Forest Township. The application proposes high charges, low RN and LPN staffing; limits Medicaid access and would locate in a geographic area with low need. It is non-conforming to Criteria (1),(3),(4), (5), (6), (7), (8), (12), (13c), and (18a).

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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Hillcrest fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is not conforming to Criterion (1).

The discussion below outlines how the applicant is inconsistent with Policy GEN-3.

## SAFETY AND QUALITY

Safety and quality cannot be assumed because the applicant fails to adequately demonstrate the availability of health manpower and necessary ancillary and support staff. Please see discussion in Criterion (7) and (8).

With regard to a national (CMS) quality measure RN and LPN nursing hours per patient day (NHPPD), this application's proposed 1.09 is tied for the lowest among the 16 applications. Moreover, the applicant proposes fewer than 30 minutes of RN hours per patient day ( $0.47 * 60 = 28.2$ ). In a recent evidence based study of nursing care facility staffing, the threshold for improved outcomes was 30 to 40 minutes of RN direct care per day. Specifically, researchers found fewer pressure ulcers, less weight loss and fewer hospitalizations among facilities with having at least this threshold.<sup>1</sup>

The applicant projects the lowest direct care salaries and benefits. The applicant's direct care salaries are also below the Wake County 2010 average. Please see Attachment 8. As evidence based research shows, higher salaries decrease turn-over, increase staff productivity, and will allow providers to recruit quality employees in each position.

## ACCESS

The applicant does not propose to offer an Alzheimer's program. Alzheimer's programming is one of the most needed services in Wake County. Please see discussion in Criterion (3).

The applicant's Medicaid days are below the Wake County average. Nursing care facility access for Medicaid recipients is one of the most needed services in Wake County. Please see discussion in Criterion (3).

The applicant is limiting access to Medicare and Medicaid residents by certifying only 90 of 120 beds for participation in Medicare and Medicaid. Please see discussion in Criterion (3).

The applicant does not document that the proposed facility will serve residents in need of hospice. The applicant also does not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

The applicant's proposal does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Please see discussion in Criterion (3).

The applicant's charges will limit access. The applicant's charges are the highest of all applicants and substantially higher than the current county average. Please see discussion in Criterion (3).

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<sup>1</sup> Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, Nov. 2005, Volume 105 No. 11 Pgs 58-70

### VALUE

It is not possible to determine that Hillcrest's proposed project will maximize healthcare value because the applicant does not adequately demonstrate the population to be served and the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

The applicant also does not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, Hillcrest fails to demonstrate that its application is consistent with all applicable policies.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.***

### POPULATION TO BE SERVED

The applicant did not adequately identify the population to be served for the following reasons:

- Hillcrest application page 74, Section III.9.(a), states that 6.3 percent of projected resident origin will come from "In-Migration". The applicant does not explain which counties are included in this category nor does the applicant substantiate this statistic. Thus, the applicant does not identify all of the population to be served by the proposed project. The agency has found this methodology non-conforming in the past. Please see Agency findings for Project ID# O-7945-07.
- Assumptions provided in the Hillcrest application page 74, Section III.9. (a), are inadequate for reconstructing patient origin. The application states that patient origin was projected based on the patient origin percentages for the existing nursing care facilities in Wake County in FY 2010. It added 1.0 percentage point to Durham, Franklin, Johnston, and Granville Counties and adjusted In-Migration down to account for the increases. However, the applicant provided no source data to defend its projections. This is important because an examination of the patient origin percentages for the existing nursing care facilities in Wake County in FY 2010 does not correspond with the applicant's projections. For example, UHS-Pruitt Corporation's analysis of the patient origin percentages for the existing nursing care facilities in Wake County in FY 2010 shows that Wake County residents represented approximately 87.1 percent and Johnston County residents represented approximately 3.23 percent, not 89.4 percent and 0.2 percent as the applicant's assumptions suggest. Please see Attachment 9.

### NEED FOR THE PROPOSED PROJECT

Hillcrest does not adequately demonstrate the need of the population to be served for the following reasons:

- Hillcrest does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. Section III.1.(a) instructs applicants to “describe the unmet need that necessitated the inclusion of each of the proposed project components....as set forth in the description of the scope of services in Section II.2 and II.3” Review Criterion (3) also specifically states that an applicant “...shall demonstrate the need that [the] population has for the services proposed..” Hillcrest only provided a discussion of need for rehabilitation services.
- As stated above, in Section III.1. (a), the applicant attempts to validate the need for rehabilitation services by citing a number of national studies on surgery growth. However, the applicant makes no attempt to compare the national trends to what is actually happening in Wake County.
- The applicant provides no independent bed need assessment.
- On Hillcrest application page 86, Section, IV.2.(3), the applicant projected Wake County nursing care facility residents for 2011 through 2017 by applying a 2010 Wake County use rate to population estimates. The applicant provided no assumption to validate using a one year use rate instead of the use rates provided in the *2011 SMFP* which are projected based on a five year trend. Trending data on historical rates is more conservative and should have been used in this analysis.

### ACCESS

Hillcrest does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services for the following reasons:

- The applicant is limiting Medicare and Medicaid access. On Hillcrest application page 98, Section VI.1, the applicant states that only 90 of the proposed 120 beds will be certified for participation in Medicare and Medicaid. This creates two access problems. First, increased access to Medicaid and Medicare beds was requested by a number of Wake County representatives during UHS-Pruitt Corporation’s market survey. Second, as discussed on Hillcrest application page 100, Section VI.5.(c), if a private pay resident spends-down to Medicaid, the resident could be transferred to another facility. Transferring residents is not ideal for resident care. Additionally, the applicant provides no correspondence from area providers documenting relationships to receive transfers.

- The applicant's Medicaid days are below the Wake County average. Hillcrest application page 98, Section VI.3, denotes that the applicant projects 49.0 percent of its patient days will be Medicaid, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the current Wake County average Medicaid percentage for all existing nursing care facilities is 49.5 percent. Additionally, the current Wake County average Medicaid percentage for non-hospital, non-CCRC nursing care facilities is 60.5 percent. A comparison of non-hospital, non-CCRC nursing care facilities is the most accurate comparison. CCRC and hospital-based facilities care for a different patient population. Hospital based facilities are more focused on short-term rehabilitation services, and have more Medicare and commercially insured patients, and many times CCRC's in Wake County do not accept Medicare and/or Medicaid residents. Please see Attachment 10. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, 61 percent of the persons surveyed by UHS-Pruitt Corporation representatives requested additional Medicaid beds.
- The applicant does not propose to offer an Alzheimer's program. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, 67 percent of the persons surveyed by UHS-Pruitt Corporation representatives requested additional programming for residents with Alzheimer's/dementia.
- The applicant does not project serving residents receiving hospice care. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.
- The applicant does not project serving Veterans Administration residents. Yet 10.1 percent of Wake County residents are civilian veterans<sup>2</sup>.
- The applicant's proposed location in the Wake Forest Township does not expand geographical access to nursing care facility services to the areas of Wake County most in need. According to UHS-Pruitt Corporation's independent need analysis, the Wake Forest Township shows a need for only 44 nursing care facility beds by 2015. Furthermore, the total bed need in the townships contiguous to the Wake Forest Township is only 52 beds. By contrast, proposed facilities located in or near House Creek, Leesville, Cedar Fork, Cary, and White Oak townships are more appropriate options for expanding geographic access. The total deficit in these areas is 312 beds, according to the 2011 SMFP methodology. Please see Attachment 11 for a map summarizing bed need analysis UHS-Pruitt Corporation's full bed need analysis can be found in Section III of applications J-8719-11, J-8720-11, and J-8722-11.
- The applicant's charges will limit access. The applicant's proposed private pay charge of \$311 is much higher than all other applicants. The charge is also substantially higher than the average charge for existing Wake County nursing facilities. In FY 2010, the Wake County private pay, private room charge was \$236.86. Please see Attachment 12.

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<sup>2</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qv\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qv_name=null&reg=&keyword=&industry=)



In conclusion, the applicant does not adequately identify the population to be served, does not adequately demonstrate the need that population has for the services proposed, and does not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicant did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13c), and (18a).

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.***

#### **OPERATIONAL PROJECTIONS**

The applicant's operational projections are unsupported and unreliable for the following reasons:

- The applicant's patient day projections are overstated in Project Year 1. On Hillcrest application page 89, Section IV.2.(e), the applicant states that a fill-up rate of four Medicare residents per week was assumed for Project Year 1 and will increase to seven residents per week in Project Year 2 and 3. It is not reasonable to assume a new nursing care facility will fill at four Medicare residents per week, from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing care facility will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.

- Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
- Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on the process outline provided above, unless admissions are all private pay, it is unreasonable to assume the applicant will fill four residents per week for at least three to four weeks. The applicant would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, it is unreasonable to assume an applicant will fill beds expecting not to get paid for the care. Based on the detailed fill-up model provided on Hillcrest application pages 355-369, Hillcrest Exhibit 14, it is clear that Hillcrest filled Medicare residents from Day One.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually back paid until each individual provider number is issued. As such, it is reasonable to assume that a facility might delay admitting Medicare residents for 2-3 months and Medicaid residents for 5-6 months.

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- The applicant's assumptions are not supported. On Hillcrest application page 89, Section IV.2.(e), the applicant states that weekly Medicare admissions will increase from four to seven from Project Year 1 to Project Year 2. The applicant states that the increase is reasonable based on its relationships with area orthopedic surgeons and hospital discharge planners. However, the applicant provides no evidence of relationships with Wake County orthopedic surgeons or discharge planners from Wake County based hospitals.
- The applicant does not provide all data requested by application Question IV.3. On Hillcrest application page 92, Section IV.3, the applicant does not provide resident days by bed type, as requested in the tables provided in application Question IV.3. The applicant's detailed utilization assumptions in Hillcrest Exhibit 14 also do not provide a breakout by bed type. As such, it is unclear how the resident days utilized in Form B were generated.
- On Hillcrest application page 144, Section XII, the applicant projects licensure and certification on the same day. This is not possible. Please see Attachment 13 for a logs of conversations with the North Carolina Nursing Home Licensure and Certification Section.
- The applicant provides no referrals to validate utilization projections.

## **FINANCIAL PROJECTIONS**

The applicant's financial projections are unsupported and unreliable for the following reasons:

- The applicant's utilization projections are unsupported and unreliable. See discussion above. Consequently, costs and revenues that are based on the applicant's utilization projections are unreliable.
- The applicant does not cut its Medicare rates from current levels. Effective October 1, 2011, Medicare rates for skilled nursing facilities will be cut by 11.1 percent<sup>3</sup>. As such, projections made at current rates would be unreasonable.
- The applicant's start-up assumptions, provided on Hillcrest application page 115, Section IX.1.(c), do not provide enough detail to validate the projections.
- As discussed in Criterion (7), the applicant's staffing projections are unreliable. Therefore, financial projections are unreliable.
- The applicant's capital costs are unreliable. The applicant provides no documentation to validate if enough money has been allocated for water and sewer. The applicant also did not budget space for speech therapy. Please see discussion in Criterion (12).

## **AVAILABILITY OF FUNDS**

The applicant does not demonstrate the availability of funds for capital and operating needs for the following reasons:

- On Hillcrest application page 431, Hillcrest Exhibit 20, the applicant provides a letter from Wachovia as proof of funds for capital cost needs. However, the letter does not specifically state the amount Wachovia would be willing to lend. The letter states the following:

*"The estimated cost of the project is \$18.0 million and we understand that you will be seeking financing for the project. We are willing to consider financing the project after the CON has been approved and a full financial package has been submitted for underwriting review."*

However, the letter does not state how much of the \$18.0 million Wachovia would finance. In today's financial market, 100 percent financing would be rare.

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<sup>3</sup> <http://www.kaiserhealthnews.org/Daily-Reports/2011/August/01/nursing-home-payments.aspx>

- As discussed above, the applicant underestimated its start-up costs. This is important because on Hillcrest application page 430, Hillcrest Exhibit 20, the applicant allocates up to \$600,000 for working capital needs. On Hillcrest application page 116, Section IX.5, the applicant estimated a total working capital need of \$596,012. As such, the applicant does not provide evidence of funds sufficient to cover any increase greater than \$3,988.
- As discussed above, the applicant's fill-up projections are too aggressive. It is not realistic for the proposed facility to fill at four Medicare residents per week for at least a month from opening. A reduction in admissions would decrease revenue and increase the applicant's initial operating expense. As discussed above, Hillcrest does not provide evidence of funds sufficient to cover any significant increase in working capital needs.
- The applicant fails to apply a lag to Medicare and Medicaid receipts. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, UHS-Pruitt Corporation believes it is unreasonable to collect Medicare revenue for at least four months from the data of licensure and Medicaid revenue for at least seven months from the data of licensure. By underestimating the cash flow lag, Hillcrest understated its initial operating expenses. A longer lag in cash flow would call for access to more initial operating capital. As discussed above, Hillcrest does not provide evidence of funds sufficient to cover any significant increase in working capital needs.

In conclusion, the applicant did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicant's utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide a separate analysis to demonstrate *that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities*. Moreover, it includes no independent bed need analysis. The applicant does not describe the unmet need that necessitated the inclusion of each of the proposed project components. Furthermore, the applicant's proposal will be located in an area of Wake County that does not have a need for 120 nursing care facility beds. Therefore, the applicant fails to provide even alternative information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming to this Criterion. The applicant fails to show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided for the following reasons:

- Staff by shift provided on Hillcrest application page 104, Section VII.2.(b), do not total.
- On Hillcrest application page 104, Section VII.2.(e), the applicant provides assumptions for translating to staff projected in Table VII.2 to FTEs projected in Table VII.3 and VII.4. However, FTEs in projected in Table VII.3 and VII.4, on Hillcrest application pages 106 and 108 do not match the assumptions provided on Hillcrest application page 104, Section VII.2.(b).
- On Hillcrest application page 104, Section VII.2.(e), the applicant calculates FTEs by multiplying project staff hours worked by 105 percent and dividing the projection by 2,080. The applicant provides no assumption for multiplying total staff hours worked by 105 percent.

**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.***

The applicant is non-conforming to this Criterion. The applicant fails to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Hillcrest application page 23, Section II.2, the applicant states that the proposed facility will have access to radiology services. However, the applicant does not provide documentation of a provider's availability or interest in providing radiology services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2504 requires facilities to have a relationship with a radiology service provider.
- On Hillcrest application page 466, Hillcrest Exhibit 22, the applicant provides a rate schedule for salon services. However, the applicant provides no documentation of how salon services will be provided. No staff are projected in Table VII.3 and the applicant does not provide documentation of a provider's availability or interest in providing beauty and barber services.

The applicant also fails to demonstrate that the proposed service will be coordinated with the existing health care system. The applicant provides only one letter of support from a Wake County healthcare provider and provides no documentation of attempts to coordinate with Wake County healthcare providers outside of hospitals.

- 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.**

The application is non-conforming to this Criterion. The applicant does not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reasons:

- The applicant does not provide verification that existing water and sewer have capacity for the proposed project or if existing piping is appropriately sized, as required by application question XI.2.(k). Thus, it is impossible to verify if appropriate funds have been allocated for water and sewer systems.
- The applicant's line drawings in Hillcrest Exhibit 13 provide no space for speech therapy. The applicant provides no rationale for the lack of speech therapy space.
- On Hillcrest application page 128, Section XI.2.(d), the applicant states that no rezoning or special use permit is required for the proposed site. This is incorrect. As stated on Hillcrest application page 196, the proposed site requires a conditional use permit. As such, the applicant provides no data to assume it is reasonable that the proposed site will be granted a conditional use permit.

- 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 handicapped persons, 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:**

- (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**

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicant's projected Medicaid percentage is below the county average, the applicant does not project hospice or Veterans Administration access, the applicant is limiting access to Medicare and Medicaid recipients, the proposed facility offers no Alzheimer's/dementia program, and the facility's high charges will limit access. Please see discussion in Criterion (3).

18. a. *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c).

#### **SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

##### **10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (b) *An applicant proposing to establish new nursing facility or adult care home beds shall project patient origin by percentage by county of residence. All assumptions, including the specific methodology by which patient origin is projected, shall be stated.*

The application is non-conforming to this Review Criterion. Please see discussion in Criterion (3).

- (e) ***An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.***

The application is non-conforming to this Criterion. The applicant does not verify that city water and sewer have capacity for the proposed project or if existing piping is the appropriate size. Please see Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

#### **10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) ***An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.***

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*



J-8712-11  
Wake County H&R

**Wake County H&R**

**J-8712-11**

COMPETITIVE REVIEW OF –  
**WAKE COUNTY H&R RE, LIMITED PARTNERSHIP, LESSOR; WAKE COUNTY H&R OPS,  
LIMITED PARTNERSHIP, LESSEE; AND MEDICAL FACILITIES OF NC, INC., AND  
MEDICAL FACILITIES OF AMERICA, INC., J-8712-11  
(WAKE COUNTY H&R)**

**CON REVIEW CRITERIA**

This application, Wake County H&R, proposes 120 beds in the Cary-North Raleigh area. It appears to document insufficient funds for capital or operations, proposes high private pay charges and low RN hours per patient day. It proposes no external clinical benchmarking and is non-conforming to Criteria (1), (3), (4), (5), (6), (7), (8), (12), (13b), (13c), and (18a).

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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Wake County H&R fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is not conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

### SAFETY AND QUALITY

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of health manpower and necessary ancillary and support staff. Please see discussion in Criterion (7) and (8).

Additionally, the applicants' projected nursing hours per patient day (NHPPD) are below the Wake County average. Wake County H&R application page 130 denotes that the applicants project 3.44 NHPPD, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the current Wake County average NHPPD for non-hospital, non-CCRC nursing care facilities is 3.75. Please see Attachment 14. Furthermore, they propose less than the 30 RN minutes per patient day (25.2) associated with improved clinical outcomes. Adequate nurse staffing is important to ensure that patient care is effective, compassionate, timely and safe.

### ACCESS

The applicants do not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

The applicants do not propose to serve residents in need of hospice services. Please see discussion in Criterion (3).

### VALUE

It is not possible to determine that Wake County H&R's proposed project will maximize healthcare value because the applicants do not adequately demonstrate the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

The application does not offer good value because the applicants project the lowest direct care (less ancillary) costs of all applicants with the most expensive private pay, semi-private room charge and the third most expensive private pay, private room charge.

The applicants also do not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, Wake County H&R fails to demonstrate that its application is consistent with the need determination and applicable policies.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**NEED FOR THE PROPOSED PROJECT**

Wake County H&R does not adequately demonstrate the need of the population to be served for the following reasons:

- Wake County H&R does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. Wake County H&R only provides a discussion of need for a rehabilitation program, services tied to the rehabilitation program, and a facility-wide memory impairment program. Section III.1.(a) instructs applicants to “describe the unmet need that necessitated the inclusion of each of the proposed project components....as set forth in the description of the scope of services in Section II.2 and II.3” Review Criterion (3) also specifically states that an applicant “...shall demonstrate the need that [the] population has for the services proposed..”
- On Wake County H&R application pages 56 through 61, Section III.1.(b), the applicants attempt to validate need in different regions of Wake County. The applicants break Wake County into six zip code regions. On Wake County H&R application page 56, Section III.1.(b), the applicants stated that “zip codes were combined into zip code regions based upon travel patterns and existing health care markets.” However, the applicants provide no explanation of the historical travel patterns or existing health care markets. It is impossible to validate if the zones are based on sound assumptions. Furthermore, the applicants utilize zip code data. Zip code data are skewed because they encompass populations outside of county lines. A township analysis would have been more appropriate because townships stay within county lines.
- The application provides no independent bed need assessment.
- On Wake County H&R application page 28, the applicants state that need for a long-term care facility that offers comprehensive short-term rehabilitation, a facility-wide memory impairment program, and is located in the Cary-Morrisville region of Wake County is based partly on communications with the Wake County community. However, not a single letter or conversation log discusses location. Furthermore, the applicants’ documentation of its survey is open to question. In Wake County H&R application Exhibit 18, the applicants provide 15 letters that Mr. Bruce Hendrick, Vice President of Development for Medical Facilities of North Carolina, sent to community representatives recapping their conversations. The letters are brief, repetitive, and may highlight only the few programs the applicants wanted to highlight.

## ACCESS

Wake County H&R does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the proposed services for the following reasons:

- High private pay charges make the application less accessible to persons who rely on their own resources.
- The applicants do not propose to serve any Veterans Administration residents. Yet, 10 percent of Wake County residents are civilian veterans<sup>1</sup>.
- The applicants do not propose to serve residents in need of hospice services. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.

In conclusion, the applicants do not adequately demonstrate the need that population has for the services proposed and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

**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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13b), (13c), and (18a).

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<sup>1</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qtr\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qtr_name=null&reg=&keyword=&industry=)

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.*

#### OPERATIONAL PROJECTIONS

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants' patient day projections are overstated in Project Year 1. On Wake County H&R application page 94, Section IV.2.(e), the applicants state that a fill-up rate of four residents per week was assumed. It is not reasonable to assume a new nursing care facility will fill at four per week, from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing care facility will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.
  - Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
  - Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on this process outline, unless all initial residents are private pay, it is unreasonable to assume the applicants will fill four residents per week for at least three to four weeks. The applicants would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, either a facility will fill beds expecting not to get paid for the care, or it will fill more slowly. Based on the applicants' Project Year 1 patient day estimates, provided on Wake County H&R application page 97, Table IV.3, UHS-Pruitt Corporation believes it is unreasonable to assume the applicants filled only private pay patients for the first month. Had the applicants filled four private pay patients a week for the first month, they would have not hit the patient day estimates provided in Tables IV.2 and IV.3. It is reasonable to make this assumption because the applicants project filling approximately five private pay beds in Year 1 ((1,420 private pay, private room days +284 private pay, semi-private room days)/365 =4.67). Four per week for four weeks would require 16 private pay beds.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually back paid until each individual provider number is issued. As such, it is reasonable to assume that a facility might delay admitting Medicare residents for 2-3 months and Medicaid residents for 5-6 months.

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- On Wake County H&R application page 152, Section XII, the applicants project Certification 15 days after opening. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, this is unreasonable. Please see Attachment 13.
- The applicants provide no referrals to validate utilization projections.

### **FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' projections for utilization are unsupported and unreliable. See discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants provide no assumptions for private pay and Medicare rates. Furthermore, it is impossible to determine if the applicants decreased the Medicare rates. Effective October 1, 2011, Medicare rates for skilled nursing facilities will be cut by 11.1 percent. As such, projections made at current rates would be unreasonable.
- The applicants do not provide proforma assumptions.



- The applicants do not provide Form B and C statements for all applicants. Application question X.8.(b) specifically instructs all applicants to complete Form B and C for each of the first two full federal fiscal years of operation. Furthermore, as stated below, it is unclear which applicant will actually incur a capital expenditure for capital costs. With proformas missing, it is impossible to validate financial viability.
- The applicants' start-up assumptions, provided on Wake County H&R application page 126, Section IX.1.(c), do not provide enough detail to validate the projections.
- The applicants do not provided estimates of start-up costs, initial operating expense, and total working capital needs for the property company.
- The applicants did not include two month's rent, taxes, or insurance in their start-up cost estimate. According to the schedule provided on Wake County application page 152, Section XII, construction of the facility will be complete August 1, 2014. It is reasonable to assume lease payments would commence starting August 1, 2014. It is also reasonable to assume the applicant will be responsible for a pro-rated portion of taxes and insurance upon completion of construction.
- As discussed in Criterion (7), the applicants' staffing projections are unreliable. Therefore, financial projections are unreliable.
- The applicants' capital costs are unreliable. The applicants provide no documentation to validate that enough money has been allocated for water and sewer services or for a therapy pool. Please see discussion in Criterion (12).

#### **AVAILABILITY OF FUNDS**

The applicants fail to provide adequate documentation of funding for capital cost and working capital needs for the following reasons:

- The applicants' equity funding letter from Medical Facilities of North Carolina, Inc. and Medical Facilities of America, Inc. does not specify which applicant it will provide funds to develop the project. Information provided in response to application question VIII.1.(e), Wake County H&R application page 120, leads readers to believe that Wake County H&R Re, Limited Partnership will be the only applicant who will have a capital expenditure. However, the equity funding letter in Wake County H&R Exhibit 24, Wake County H&R application page 828, does not state that funds will be obligated to Wake County H&R Re, Limited Partnership.

- The applicants' equity funding letter in Wake County H&R Exhibit 24, Wake County H&R application page 828, does not state how much Medical Facilities of America, Inc. will contribute and how much Medical Facilities of North Carolina, Inc. will contribute. This is an issue because if Medical Facilities of North Carolina, Inc. funds most of the project its liquid assets would reduce to almost zero. According to the financial statements provided on Wake County H&R application page 833, Wake County H&R Exhibit 25, Medical Facilities of North Carolina, Inc. has liquid assets of \$6,385,494. Total equity needed to fund the proposed project is \$3,941,730 (\$2,730,000 for capital costs + \$1,211,730 for working capital). As stated on Wake County H&R application pages 125 and 131, Medical Facilities of North Carolina, Inc. has obligated \$2,365,000 to CON Project F-8681-11 for equity and working capital needs. As such, Medical Facilities of North Carolina, Inc. could be responsible for \$6,306,730 (\$3,941,730 + \$2,365,000). This would leave Medical Facilities of North Carolina, Inc. with \$78,764, if Medical Facilities of North Carolina, Inc.'s liquid assets stayed at current levels. It is important to note that this calculation is a minimum estimate. Medical Facilities of North Carolina, Inc. would likely have insufficient capital funds for the project. As discussed above, the applicants' fill-up projections are too aggressive, capital costs are unreliable, and start-up projections are understated. All three events would increase equity requirements. Furthermore, the applicants fail to apply a lag to Medicare and Medicaid receipts. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, UHS-Pruitt Corporation believes it is unreasonable to collect Medicare revenue for at least four months from the data of licensure and Medicaid revenue for at least seven months from the data of licensure. By underestimating the cash flow lag, the applicants' understated its initial operating expenses. A longer lag in cash flow would also call for access to more initial operating capital.

In conclusion, the applicants do not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide a separate analysis *to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.* Moreover, the application fails to adequately demonstrate the need for the proposed nursing care facility. The applicants do not describe the unmet need that necessitated the inclusion of each of the proposed project components. The application provides no independent bed need analysis. The applicants' location analysis is skewed and unsupported. Therefore, the applicants fail to demonstrate directly or indirectly that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

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.***

The application is non-conforming to this Criterion. The applicants fail to show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided for the following reasons:

- On Wake County H&R application page 40, the applicants state that the proposed facility will utilize an Athletic Trainer for its rehabilitation program. The applicants do not show an Athletic Trainer in Table VII.3, on Wake County H&R application page 116, or budget for Athletic Trainer services in the proformas.
- On Wake County H&R application page 18, the applicants state that the proposed facility will employ a Dietician. The applicants do not show a Dietician in Table VII.3, on Wake County H&R application page 116, or budget for a Dietician in the proformas.

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.***

The application is non-conforming to this Criterion. The applicants fail to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Wake County H&R application page 116, Table VII.3, the applicants state that the facility will utilize a Pharmacy Consultant. However, the applicants do not provide documentation of a provider's availability or interest in providing Pharmacy Consulting services, as required by application question II.4.(b).
- On Wake County H&R application page 19, Section II.2, the applicants state that the facility will provide Podiatry, Ophthalmology, Optometry, and Beauty Salon services. However, the applicants do not provide documentation of a provider's availability or interest in providing any of the above mentioned services, as required by application question II.4.(b).

**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.**

The application is non-conforming to this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reasons:

- The applicants do not provide verification that existing piping is appropriately sized, as required by application question XI.2.(k). As a matter of fact, on Wake County H&R application pages 142 and 146, the applicants state that “utilities are assumed to be adequate.” The applicants provide no justification for the assumption. Thus, it is impossible to verify if appropriate funds have been allocated for water and sewer systems.
- Water and sewer are not currently available to the applicants secondary site. On Wake County H&R application page 146, Section XI.3.(k), the applicants state that water and sewer is available to the secondary site. However, on Wake County H&R application page 948, Wake County H&R application Exhibit 29, the applicants provide a letter from the Town of Cary that shows that water and sewer lines are proposed. The applicants provide no verification that lines are still set to be installed. Thus, it is impossible to verify if appropriate funds have been allocated for water and sewer systems.
- On Wake County H&R application page 79, Section II.4, the applicants state that the facility will include a therapy pool. However, the line drawings in Wake County H&R Exhibit 15 do not show a therapy pool. It is impossible to verify if the facility will include a pool. This is important because a therapy pool can cost a couple hundred thousand dollars.

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 handicapped persons, 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:***

(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 handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;***

The application is non-conforming to this Criterion. Application question VI.6.(b), tells applications for new facilities to “identify civil rights access complaints filed against facilities owned or operated by the parent company or related parties in North Carolina.” The applicants do not provide such data. The applicants repeat licensure violation information.

(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***

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not project hospice or Veterans Administration access. Please see discussion in Criterion (3).

18. a. ***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 the service for which competition will not have a favorable impact.***

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (7), (8), (12), (13b) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (7), (8), (12), (13b) and (13c).

20. ***An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.***

UHS-Pruitt Corporation assumes that the CON Section will research all applicants' regulatory compliance to assure all applicants are conforming to this Criterion.

**SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

**10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) ***An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.***

The applicants' assumptions for utilization projections are unsupported and unreliable. Please see discussion in Criterion (5).

- (e) ***An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.***

The application is non-conforming to this Criterion. The applicants do not verify that existing piping is the appropriate size for the primary site. The applicants also do not verify that proposed water and sewer services will be available for the secondary site or if the proposed piping will be the appropriate size. Please see Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

**10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*





**Britthaven-Cedar Fork**

**J-8713-11**

COMPETITIVE REVIEW OF –  
**BRITTHAVEN INC. AND SPRUCE LTC GROUP, LLC, J-8713-11**  
**(BRITTHAVEN-CEDAR FORK)**

**CON REVIEW CRITERIA**

This application proposes to locate 120 nursing care facility beds in the Cedar Fork Township, near Brier Creek. The application shows insufficient project capital and insufficient funds for operations of both operating and property companies, proposes high private pay charges relative to others and proposes lower than optimum RN direct care hours per patient day. Proformas exclude costs for several proposed services. For these and other reasons the application is non-conforming to Criteria (1), (3), (4), (5), (6), (8), (12), (13c), and (18a).

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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Britthaven-Cedar Fork fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is not conforming to Criterion (1). The discussion below outlines how the application is inconsistent with Policy GEN-3.

**SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of necessary ancillary and support staff. Please see discussion in Criterion (8). The application proposes less than 30 minutes per day of RN care (25.2). The evidenced-based minimum threshold for improved clinical outcomes, <sup>1</sup>30 to 40 minutes, is correlated with improved patient care outcomes, specifically pressure ulcers, hospitalizations and reduced weight loss.

The applicants propose no external clinical benchmark outcomes measurements.

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<sup>1</sup>Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, Nov. 2005, Volume 105 No. 11 Pgs 58-70

### ACCESS

The applicants do not document that the proposed facility will serve Veterans Administration residents. It is also impossible to validate the applicants' hospice and Medicaid access individually. Please see discussion in Criterion (3).

### VALUE

It is not possible to determine that Britthaven-Cedar Fork proposed project will maximize healthcare value because the applicants do not adequately demonstrate the population to be served and the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

The applicants also do not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, Britthaven-Cedar Fork fails to demonstrate that its application is consistent with all applicable policies.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.***

### POPULATION TO BE SERVED

The applicants did not adequately identify the population to be served for the following reason. Britthaven-Cedar Fork application page 137, Section III.9.(a), states, without explanation, that two percent of projected resident origin is from "Other NC County". The applicants do not explain which counties are included in this category. Thus, the applicants do not identify all of the population to be served by the proposed project. The agency has found this methodology non-conforming in the past. Please see Agency findings for Project ID# O-7945-07. Without identification, it is impossible to determine if the population has need for the service.

### **NEED FOR THE PROPOSED PROJECT**

Britthaven-Cedar Fork does not adequately demonstrate the need of the population to be served for the following reasons:

- The applicants' independent bed need assessment is incomplete. The applicants fail to project bed need past 2014. The applicants' second project year ends September 30, 2015.
- The applicants fail to address the impact of Continuing Care Retirement Communities (CCRCs) in their independent bed need assessment. The need for additional nursing care facility beds in both the *2011 SMFP* and the applicants' township analysis are artificially high because the *2011 SMFP* methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the State's population estimates utilized in the *2011 SMFP*. As such, all CCRC beds should be considered when determining true geographic need.

### **ACCESS**

Britthaven-Cedar Fork does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the proposed services for the following reasons:

- The applicants' proposed private pay charges are above the median of other applicants, making it less accessible to people who depend on their own resources for care.
- The applicants do not project serving residents utilizing the Veterans Administration as a payor source. The applicants state on Britthaven-Cedar Fork application page 326, Appendix C, that the proposed facility will provide placement opportunities for Veterans Administration residents. However, the applicants project no Veterans Administration days in the utilization projections provided on Britthaven-Cedar Fork application pages 148 and 149, Section IV.3.
- It is impossible to validate hospice and Medicaid access. On Britthaven-Cedar Fork application page 164, Section VI.3, the applicants state that Medicaid patient days include hospice patient days. The applicants provide no estimation of hospice days of care. As a result, Medicaid days are also unreliable.

In conclusion, the applicants do not adequately identify the population to be served, do not adequately demonstrate the need that population has for the services proposed, and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

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.*

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. See discussion in Review Criterion (1), (3), (5), (6), (8), (12), (13c), and (18a).

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.*

#### **OPERATIONAL PROJECTIONS**

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants' patient day projections are overstated in Project Year 1. On Britthaven-Cedar Fork application page 144, Section IV.2.(e), the applicants state that a fill-up rate of four residents per week was assumed. It is not reasonable to assume a new nursing care facility will fill at four per week from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing care facility will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.
  - Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
  - Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on the process outline provided above, unless all private pay, it is unreasonable to assume the applicants will fill four residents per week for at least three to four weeks. The applicants would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, it is unreasonable to assume a facility will fill beds expecting not to get paid for the care. Based on the assumptions provided on Britthaven-Cedar Fork application page 255, it is reasonable to assume that the applicants filled all beds evenly and then applied a desired payor mix. The applicants state on Britthaven-Cedar Fork application page 255 that the proposed building will be certified on October 1, 2013 and the 120 beds will fill at a rate of 4 residents per week. As a result of the applicants' projecting Certification on opening day, it is reasonable to assume the applicants filled Medicare and Medicaid residents from Day 1.

On page 148, the application shows 2,643 Year 1 Private Pay days. Translated to beds, this would be seven beds for Project Year 1 (2,634/365). A fill rate of four per week for four weeks would translate to 16 private pay beds. So, one of the following must be true: the private pay is understated, the bad debt is understated or the Medicaid and Medicare are overstated. The bad debt is only \$18,483 in Year 1. If the 16 patients admitted during the first four weeks each stayed 280 days, they would use 4,480 private pay days almost twice the 2,643 private pay days reported on page 149.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually back paid until each individual provider number is issued. As such, it is reasonable to assume that a facility might not fill Medicare residents for 2-3 months and Medicaid residents for 5-6 months.

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- On Britthaven-Cedar Fork application page 222, Section XII, the applicants project licensure and certification on the same day. This is not possible. Please see Attachment 13 for a logs of conversations with the North Carolina Nursing Home Licensure and Certification Section.
- As stated in Criterion (3), it is impossible to validate hospice and Medicaid utilization. On Britthaven-Cedar Fork application page 164, Section VI.3, the applicants state that Medicaid patient days include hospice patient days. The applicants provide no estimation of the split between hospice days of care and Medicaid days of care.
- The applicants provide no referrals to validate utilization projections.

**FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants provide no assumptions for start-up costs projected on Britthaven-Cedar Fork application page 190, Section IX.1.(a), as required by IX.1.(c).
- The applicants do not provide estimates of start-up costs, initial operating expense, and total working capital needs for the property company.
- The applicants did not include rent, taxes, or insurance in its start-up cost estimate. According to the schedule provided on Britthaven- Cedar Fork application page 222, Section XII, construction of the facility will be complete September 1, 2013. It is reasonable to assume lease payments would commence starting September 1, 2013. It is also reasonable to assume the applicants will be responsible for a pro-rated portion of taxes and insurance upon completion of construction.
- The property company, Britthaven, Inc., on a cash basis, is operating at a loss in Project Year 1 and 2. As stated earlier, the applicants did not provide a cash flow statement for the property company. If the applicants would have completed the required task, they would have seen that the property company is not generating enough revenue for all required expenses. The following is a table that explains the losses.

Table 17 – Net Operating Cash

Note	Cash	Project Year 1	Project Year 2	Source
	Rent Revenue	\$ 591,300	\$ 642,165	Form B - Britthaven, Inc.
<b>a</b>	Principal and Interest Payments	\$ 566,809	\$ 566,809	Amortization Schedule- Section VIII.4, Page 185
<b>b</b>	Other Non-Depreciation Property Company Costs	\$ 85,004	\$ 85,004	Form C - Britthaven, Inc.
<b>c</b>	Total Property Costs	\$ 651,813	\$ 651,813	
<b>d</b>	Net Operating Cash	\$ (60,513)	\$ (27,648)	

Notes:

c a+b

d a-c

Britthaven, Inc. shows a positive bottom line in its Form B projections because Form B is a revenue and expense statement. Form C projections show depreciation and not principal payments. On a cash basis, as illustrated above, a company must have enough revenue to pay all obligations. Applicants do not document sufficient capital to pay all obligations. Cash flow shortages above would be cumulative, leaving the property company short by \$88,161.

- Costs associated with necessary ancillary and support staff are unverifiable and unreliable. Please see discussion below in Criterion (8).
- On Britthaven-Cedar Fork application page 255, the applicants state that interest expense for the working capital loan is based on the amortization schedule. The applicants do not provide an amortization schedule for the working capital loan.
- The applicants state, on Britthaven-Cedar Fork application page 193, Section IX.5, that a portion of the total working capital needs will be paid for through a Principal Long-Term Care, Inc. line of credit. However, the applicants do not provide the terms of the line of credit that will be utilized to pay for working capital costs.
- The applicants understated site development costs. Please see discussion in Criterion (12).
- The applicants, at a minimum, understated land costs. UHS-Pruitt Corporation believes it is impossible to determine if land costs are reasonable. Please see discussion in Criterion (12).

#### **AVAILABILITY OF FUNDS**

The applicants' working capital needs are underestimated and unverifiable for the following reasons:

- As discussed above, the applicants' underestimated start-up costs. This is important because, on Britthaven-Cedar Fork application page 193, Section IX.5, and Britthaven-Cedar Fork application Attachment P, the applicants allocate \$817,715 for working capital. Thus, the applicants do not provide evidence of funds sufficient to cover any increase.
- As discussed above, the applicants' fill-up projections are too aggressive for the payor mix. It is not realistic for the proposed facility to fill at four residents per week for at least a month from opening. A reduction in admissions would decrease revenue and increase the applicants' initial operating expense. As discussed above, Britthaven-Cedar Fork does not provide evidence of funds sufficient to cover any increase in working capital needs.



- The applicants fail to apply a lag to Medicare and Medicaid receipts. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, UHS-Pruitt Corporation believes it is unreasonable to collect Medicare revenue for at least four months from the date of licensure; and, Medicaid revenue for at least seven months from the date of licensure. By underestimating the cash flow lag, Britthaven-Cedar Fork understated its initial operating expenses. A longer lag in cash flow would call for access to more initial operating capital. As discussed above, Britthaven-Cedar Fork does not provide evidence of funds sufficient to cover any increase in working capital requirements.
- As discussed above, the applications provide estimates of start-up costs, initial operating expense, and total working capital needs for only one applicant. Thus, it is impossible to determine if sufficient working capital funds have been allocated for the entire project.
- As discussed above, and in Criterion (12), Britthaven-Cedar Fork total capital costs are, at minimum, understated. This is important because on Britthaven-Cedar Fork application pages 181 and 182, Section VIII.2, and Britthaven-Cedar Fork application Attachment P, the applicants allocate \$11,360,686 to cover the fixed project costs in VIII.1. The applicants do not provide evidence of extra funds sufficient to cover any increase in fixed project costs. UHS-Pruitt Corporation believes that the fixed project costs are actually unverifiable because the applicants do not provide two valid site options. Thus, it is impossible to determine if sufficient capital cost funds have been allocated.

In conclusion, the applicants did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide a separate analysis to demonstrate *that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.* Moreover the application's need methodology is incomplete. The applicants do not forecast nursing care facility bed need for 2015, Project Year 2, and do not adjust the projected bed need to account for CCRC populations. Therefore, the applicants fail to demonstrate, directly or indirectly, that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

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.***

The application is non-conforming to this Criterion. The applicants fail to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Britthaven-Cedar Fork application page 173, Table VII.3, the applicants state that the proposed facility will utilize a pharmacy consultant. However, the applicants do not provide documentation of a provider's availability or interest in providing pharmacy consulting services, as required by application question II.4.(b).
- The following personnel are listed as consultants on Britthaven-Cedar Fork application pages 56 and 57, Section II.4.(a), but are not included as consultants in Table VII.3 and no funds for the positions are included in the applicants proformas. Furthermore, the applicants do not provide documentation of a provider's availability or interest in providing pharmacy consulting services, as required by application question II.4.(b). The personnel are:
  - Activities Consultant
  - Medical Records Consultant
  - Beauty and Barber
  - Wound Care Consultant
  - Housekeeping/Laundry
- On Britthaven-Cedar Fork application pages 56 and 57, Section II.4.(a), the following services are shown to have facility paid consultants. However, no consultant positions are listed in Table VII.3 for these services and no funds are included in the applicants' proformas. The services are:
  - Dialysis
  - Hospice
  - Respite
- On Britthaven-Cedar Fork application pages 56 and 57, Section II.4.(a), the following services are listed as facility paid consultants and are contract billed to resident. It is unclear what services are provided by a facility paid consultant and what services are billed to the resident. Also, if certain services are provided by a facility paid consultant no consultant positions are listed in Table VII.3 for these services and costs are excluded from the applicants' proformas. The services are:
  - Dental
  - Lab/Radiology
  - Podiatry
  - Ophthalmology/Optometry
  - Psychology
  - Pharmacy

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.*

The application is non-conforming to this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reasons:

- The water and sewer verification letter provided for the primary site on Britthaven-Cedar Fork application page 823, Appendix S, does not verify that city water and sewer have capacity for the proposed project or if existing piping is the appropriate size. Thus, it is impossible to verify if appropriate funds have been allocated for water and sewer systems. Verification of funds for water and sewer for the primary site are important because the primary site is used in capital cost estimated in Section VIII.1.
- On Britthaven-Cedar Fork application page 207, Section XI.2.(g), the applicants state that the primary site is not on a flood plain. However, the Wake County GIS maps show that more than half of the applicants' primary site is in a flood plain. Please see Attachment 15. There is no documentation that the applicants allocated sufficient funds for site fill. Because the primary site is the applicants' most expensive option, the applicants have under-estimated site development costs.
- The applicants' primary site is only 9.1 acres. The minimum required acreage for a nursing care facility zoned Cluster Unit Development – Thoroughfare District (CUD-TD). This is a non-negotiable requirement. Please see Attachment 16. Because the primary site is the applicants' most expensive option, the applicants have under-estimated land costs by approximately \$237,362 ( $\$263,756 \times 0.9$ ). Furthermore, it also appears that the applicants' proposed location is not large enough to provide an extra 0.9 acres to purchase. This would require the applicants to find another site. As a result, it is impossible to verify if the land cost included in the application is reasonable.

**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 handicapped persons, 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:***

**(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***

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not offer access to Veterans Administration residents and it is impossible to validate hospice and Medicaid resident access. Please see discussion in Criterion (3).

**18. a. *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 the service for which competition will not have a favorable impact.***

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (8), (12) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (8), (12) and (13c).

**20. *An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.***

UHS-Pruitt assumes that the CON Section will research all applicants' quality history and determine if any historical violations make applicants' non-conforming to this Criterion.

**SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

**10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (b) *An applicant proposing to establish new nursing facility or adult care home beds shall project patient origin by percentage by county of residence. All assumptions, including the specific methodology by which patient origin is projected, shall be stated.*

The application is non-conforming to this Review Criterion. Please see discussion in Criterion (3).

- (d) *An applicant proposing to establish a new nursing facility or adult care home shall specify the site on which the facility will be located. If the proposed site is not owned by or under the control of the applicant, the applicant shall specify at least one alternate site on which the services could be operated should acquisition efforts relative to the proposed site ultimately fail, and shall demonstrate that the proposed and alternate sites are available for acquisition.*

The applicants provide two sites for the proposed project. However, the applicants' primary site is not a viable option. The applicants' primary site does not meet zoning regulations. Please see discussion in Criterion (12).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to this Criterion. The applicants' primary site does not meet local zoning requirements for development of a nursing care facility. The applicants do not verify that city water and sewer have capacity for the proposed project or if existing piping is the appropriate size. Please see Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

**10A NCAC 14c .1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*



**Universal-North Raleigh**

**J-8714-11**



COMPETITIVE REVIEW OF –  
**UNIVERSAL PROPERTIES / NORTH RALEIGH, LLC, D/B/A UNIVERSAL HEALTH  
CARE / NORTH RALEIGH, INC., J-8714-11  
(UNIVERSAL-NORTH RALEIGH)**

**CON REVIEW CRITERIA**

This application proposes to add 20 nursing care facility beds to Universal Healthcare-North Raleigh, an existing 112-bed nursing care facility in Raleigh, North Carolina, Neuse Township. The applicants propose a low value solution with sub-optimal levels of RN care per patient day, a geographic location with no need for nursing care facility beds and decreased Medicaid access. For these and other reasons, the application is non-conforming to Criteria (1), (3),(4), (5), (6), (7), (8), (12), (13c), and (18a).

- 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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is not conforming to Criterion (1).

The application does not specifically include a written statement describing the projects plan to assure improved energy efficiency and water conversation. Therefore, Universal-North Raleigh fails to be consistent with Policy GEN-4; thus, non-conforming to Criterion (1).

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Universal-North Raleigh fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

## **SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of health manpower and necessary ancillary and support staff. Please see discussion in Criterion (7) and (8).

The applicants' projected RN and LPN nursing hours per patient day (NHPPD) of 1.09 is tied for the lowest among all applicants. Moreover, their proposed direct RN staffing per patient day, 18.6 minutes, is very low and far below the evidence-based 30 to 40 minutes threshold for improved patient outcomes reported by Han et al<sup>1</sup>.

The applicants' projected nursing hours per patient day (NHPPD) are also below the Wake County 2010 average. Universal-North Raleigh application page 81, Section VII.4, states that the applicants project 3.41 NHPPD, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the current Wake County average NHPPD for non-hospital, non-CCRC nursing care facilities is 3.75. Please see Attachment 14. Adequate nurse staffing is important to ensure that patient care is effective, compassionate, timely and safe.

Furthermore, this application proposes to involve no external clinical outcome benchmarking services and the service program includes no TPN, no pain management and no chronic disease management for cardiac disease, heart care or stroke care.

## **ACCESS**

The applicants' proposed Medicaid days are below the 2010 Wake County average for similar facilities. Nursing care facility access for Medicaid recipients is one of the most needed services in Wake County. Please see discussion in Criterion (3).

More importantly, the applicants propose to decrease access to Medicaid as a result of this project. Current Medicaid utilization on page 67 of the application is higher than proposed Medicaid utilization on page 68 of the application. Please see discussion in Criterion (3).

The applicants do not document that the proposed facility will serve Veterans Administration residents. Please see discussion in Criterion (3).

The applicants' proposal does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Please see discussion in Criterion (3).

## **VALUE**

The application's proposed low charges come at the cost of significant sacrifices in quality, specifically in care hours. Moreover, because the applicants do not adequately demonstrate the need of the population for the proposed nursing care facility services, it is not possible to determine that it will add compensating value. Please see discussion in Criterion (3).

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<sup>1</sup> Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, Nov. 2005, Volume 105 No. 11 Pgs 58-70

The applicants do not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**NEED FOR THE PROPOSED PROJECT**

Universal-North Raleigh does not adequately demonstrate the need of the population to be served for the following reasons:

- Universal-North Raleigh does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. As a matter of fact, the applicants provide no discussion of need for any services. Section III.1.(a) instructs applicants to “describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3” Review Criterion (3) also specifically states that an applicant “...shall demonstrate the need that [the] population has for the services proposed..”
- The applicants’ independent bed need analysis is incomplete. The applicants do not provide supporting documentation for their calculations of need for each township.
- Additionally, the applicants’ do not project nursing care facility bed surplus/deficit for the township where the facility is located. The table on Universal-North Raleigh application page 44 projects the nursing care facility bed surplus/deficit for House Creek, Barton’s Creek, Wake Forest, Raleigh, and Saint Matthews. However, page 108 of the application states that the facility is in the Neuse Township. Therefore, the proposed location does not represent the most effective alternative, but the applicants’ own analysis.
- The applicants state that the location of the facility is supported by the Regional Ombudsman. However, the applicants provide no documentation to support this statement. There is no letter of support from the Regional Ombudsman or conversation log documenting this assertion.
- The applicants fail to address the impact of Wake County Continuing Care Retirement Communities (CCRCs) in their independent bed need assessment. The need for additional nursing care facility beds in both the 2011 SMFP and the applicants’ township analysis are artificially high because the 2011 SMFP methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the State’s population estimates utilized in the 2011 SMFP. As such, all CCRC beds should be considered when determining true geographic need.

## ACCESS

Universal-North Raleigh does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the proposed services for the following reasons:

- The applicants' Medicaid days are below the Wake County average for comparable facilities. Universal-North Raleigh application page 68, Section VI.3, denotes that the applicants project 55 percent of their patient days will be Medicaid, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the current Wake County average Medicaid percentage for non-hospital, non-CCRC nursing care facilities is 60.5 percent. A comparison of non-hospital, non-CCRC nursing care facilities is the most accurate comparison. CCRC and hospital-based facilities care for a different patient population. Hospital based facilities are more focused on short-term rehabilitation services, and have more Medicare and commercially insured patients, and many times CCRC's in Wake County do not accept Medicare and/or Medicaid residents. Please see Attachment 10.
- More importantly, the applicants propose to decrease the relative level of access to Medicaid as a result of this project. Current percentage Medicaid utilization on page 67 of the Universal-North Raleigh application is higher (56.50 %) than proposed Medicaid utilization (55.2%), on page 68. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, 61 percent of the persons surveyed by UHS-Pruitt Corporation representatives requested additional Medicaid beds. Both current and proposed Medicaid share of days is less than the county average for comparable facilities.
- The applicants do not propose to provide any services to Veteran's Administration residents. Yet, 10 percent of all Wake County residents are civilian veterans<sup>2</sup>.
- The proposed facility does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Universal-North Raleigh states that the Neuse Township can best serve the need for additional nursing care facility beds in North Raleigh. However, the application does not project the need for additional nursing care facility beds in the Neuse Township. On Universal-North Raleigh application page 44, the application shows the geographic areas with the need for additional nursing care facility beds are House Creek, Bartons Creek, Wake Forest, Raleigh, and Saint Matthews Townships.

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<sup>2</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qtr\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFFacts?_event=&geo_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qtr_name=null&reg=&keyword=&industry=)

- Additionally, the applicants' need analysis is based on inappropriate data. As discussed above, the applicants fail to address the impact of CCRCs in their independent bed need assessment. As such, the projections are artificially high. Had the applicants adjusted for CCRCs, they would have noticed that locations central to the Cedar Fork, Cary, Leesville, and House Creek areas are more appropriate. Please see a comparison of bed need in Attachment 17.

In conclusion, the applicants do not adequately demonstrate the need that population has for the services proposed and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13c), and (18a).

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.***

#### **OPERATIONAL PROJECTIONS**

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants provide no payor mix assumptions.
- The applicants provide no referrals to validate utilization projections.

## **FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants provide no assumptions for private pay and Medicare payment rates. Furthermore, without documentation, it is impossible to determine if the applicants decreased the Medicare rates. Effective October 1, 2011, Medicare rates for skilled nursing facilities will be cut by 11.1 percent<sup>3</sup>. As such, projections made at current rates would be unreasonable.
- As discussed in Criterion (7), the applicants' staffing projections are unreliable. Therefore, financial projections are unreliable.
- The applicants' capital costs are unreliable. The applicants provide no documentation to demonstrate that it has adequate funds for water and sewer additions necessary for the added beds. Please see discussion in Criterion (12).
- The applicants provide no proforma financial statements or cash flow projections for the property company, Universal Properties / North Raleigh, LLC.
- Financial projections do not include adequate staffing.

## **AVAILABILITY OF FUNDS**

Section VIII of the Universal-North Raleigh application identifies \$1,490,200 in capital costs for the project. Section I of the application identifies two applicants, Universal Properties / North Raleigh, LLC and Universal Healthcare / North Raleigh, Inc. However, capital costs in Section VIII are not assigned to either applicant, as required by VIII.1 (e). Additionally, the financing letter in Universal-North Raleigh application Exhibit 13 commits to fund capital costs of only Universal Properties / North Raleigh, LLC. Therefore, it cannot be determined if there are any capital costs for Universal Healthcare / North Raleigh, Inc. or if there are available funds to cover capital costs for Universal Healthcare / North Raleigh, Inc.

In conclusion, the applicants did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

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<sup>3</sup> <http://www.kaiserhealthnews.org/Daily-Reports/2011/August/01/nursing-home-payments.aspx>

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide a separate analysis to *demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities*. Geographically, the proposed project is in a location that duplicates services. Moreover, the application’s need methodology is incomplete. The applicants do not project the need for additional nursing care facility beds in the proposed township location, and do not adjust the projected bed need to account for CCRC populations. Furthermore, the applicants do not describe the unmet need that necessitated the inclusion of each of the proposed project components. Therefore, the applicants fail to directly or indirectly demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming to this Criterion. The applicants fail to show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided for the following reasons:

- It is impossible to verify if the applicants adequately budgeted for necessary LPN, and Aide staff. Projected direct care staff by shift in Table VII.2 cannot be translated to projected FTE’s in Table VII.3 using the instructions on Universal-North Raleigh page 76. The instructions state that staff in Table VII.2 is to be multiplied by 1.4 to determine FTE’s in Table VII.3. However, this formula does not work. The table below demonstrates the inconsistencies.

Table 18 – Direct Care Staff

<b>a</b>	<b>Staff Position</b>	<b>LPN</b>	<b>Aide</b>
b	Table VII.2 Staff	13.0	39.5
c	Table VII.3 FTEs	17.4	54.9
d	Correct FTEs (d*1.4)	18.2	55.3
e	FTE’s Understaffed (d-e)	0.8	0.4

- The applicants propose to decrease LPN staff from 18.0 FTE’s to 17.4 FTE’s. With the proposed increase in beds and a 61 percent increase in nursing care facility days of care this will significantly decrease LPN hours per patient day.
- The applicants propose to decrease Laundry staff from 4.01 FTE’s to 3.56 FTE’s. This also decreases the level of Laundry staffing per patient day

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.***

The application is non-conforming to the Criterion. The applicants fail to 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 in six areas, either failing to document availability, or proposing care by untrained individuals.

- On Universal-North Raleigh application page 34, Table II.4, the applicants state that the proposed facility will utilize Hillary C. Byrd for physical therapy services. However, the applicants do not provide documentation of Hillary C. Byrd's availability, interest, or existing contract to provide physical therapy services, as required by application question II.4. (b).
- On Universal-North Raleigh application page 34, Table II.4, the applicants state that the proposed facility will utilize Therapy Services R Us for occupational therapy services. However, the applicants do not provide documentation of Therapy Services R Us' availability, interest, or existing contract to provide occupational therapy services, as required by application question II.4.(b).
- On Universal-North Raleigh application page 34, Table II.4, the applicants state that the proposed facility will utilize Medi PAC Pharmacy as a pharmacy consultant. However, the applicants do not provide documentation of Medi PAC's availability, interest, or existing contract to provide pharmacy consulting services, as required by application question II.4.(b).
- On Universal-North Raleigh application page 34, Table II.4, the applicants state that the proposed facility will utilize Millennium Laboratory for laboratory services. However, the applicants do not provide documentation of Millennium Laboratory's availability, interest, or existing contract to provide laboratory services, as required by application question II.4.(b).
- On Universal-North Raleigh application page 34, Table II.4, the applicants state that the proposed facility will utilize Carron Patterson as a dietician consultant. However, the applicants do not provide documentation of Carron Patterson's availability, interest, or existing contract to provide dietician services, as required by application question II.4.(b).
- On Universal-North Raleigh application page 34, Table II.4 indicates that beauty barber services will be provided by laundry staff. This is not consistent with quality care standards.

The applicants also fail to demonstrate that the proposed service will be coordinated with the existing health care system. The applicants provide no letters of support for the project and no documentation of attempts to coordinate with Wake County healthcare providers outside of hospitals.



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.***

The application is non-conforming with this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative because they did not provide verification that existing utility lines are appropriately sized, as required by application question XI.2.(k). It is possible that the existing water and sewer lines on site would need to be expanded for the project. Thus, it is impossible to verify if appropriate funds have been allocated for water and sewer systems.

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 handicapped persons, 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:***

- (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***

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants' projected Medicaid percentage is below the county average for comparable facilities and the applicants do not project Veterans Administration residents utilization.

18. a. ***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 the service for which competition will not have a favorable impact.***

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c).

20. *An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.*

UHS-Pruitt Corporation assumes that the CON Section will research all applicants' regulatory compliance to assure all applicants are conforming to this Criterion.

**SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

**10A NCAC 14C.1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported by need justification or letters proposing referrals. Please see discussion in Criterion (5).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to the intent of this Criterion. The proposal for additional beds does not verify that city water and sewer have capacity for the proposed project or if existing lines are the appropriate size for the increased utility usage. Please see Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

**10A NCAC 14C.1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*



**Britthaven-St. Mary's**

**J-8715-11**

COMPETITIVE REVIEW OF -  
BRITTHAVEN INC. AND REDWOOD LTC GROUP, LLC, J-8715-11  
(BRITTHAVEN-ST. MARY'S)

**CON REVIEW CRITERIA**

This application proposes to locate 100 nursing care facility beds in Garner, North Carolina, St. Mary's Township. The application proposes the highest percentage of Medicaid days in Year 2. However, this comes at the expense of higher Year 2 private pay charges than the median of all applications and lower than median investment in Direct Care per patient day. RN direct time per patient day is below the median for improved clinical outcomes. Working capital needs appear understated and Year 1 Medicaid days may be overstated. The property company appears to have insufficient working capital to meet loan obligations. For these and other reasons the application is non-conforming with Review Criterion (1), (3), (4), (5), (6), (8), (12), (13c), and (18a).

- 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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Britthaven-St. Mary's fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is not conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

## **SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of necessary ancillary and support staff. Please see discussion in Criterion (8).

On a comparative basis, Britthaven facilities in North Carolina had the third lowest Medicare Nursing Home Compare Average Quality Star rating among applicants in this batch (3.0 compared to a high of 4.7). This application proposes no external clinical outcomes benchmarking. Medicare Compare Health Inspections Rating average for applicant companies was 2.64 of a possible 5 stars.

This application proposes only 25.2 minutes of RN direct care per patient day in Year 2. This is below the threshold of 30 to 40 minutes required for improved clinical outcomes, according to evidence-based research by Hon et al. The increased LPN time in this application would not compensate for the shortage of RN time.<sup>1</sup>

Average salaries and benefits of support staff are second lowest of all applications. Better salaries and benefits have been associated with lower turnover, a factor associated with quality of care. The low salaries and low staffing could also become problematic in light of the rich program the application proposes.

## **ACCESS**

The applicants do not document that the proposed facility will serve Veterans Administration residents. It is also impossible to validate the applicants' hospice and Medicaid access individually. Please see discussion in Criterion (3).

Proposed charges for private pay patients, who will comprise 44 percent of the new beds is above the median of the applications, making Britthaven-St. Mary's less accessible to persons who will pay for services from their own resources.

## **VALUE**

It is not possible to determine that Britthaven-St. Mary's proposed project will maximize healthcare value because the applicants do not adequately demonstrate the population to be served and the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

This application proposes high Medicaid access, but is not comparable in value to others because of its higher private pay charges and lower RN direct care hours.

For the reasons stated above, Britthaven-St. Mary's fails to demonstrate that its application is consistent with all applicable policies.

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<sup>11</sup> Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, Nov. 2005, Volume 105 No. 11 Pgs 58-70

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**POPULATION TO BE SERVED**

The applicants do not adequately identify the population to be served for the following reason. Britthaven-St. Mary's application page 134, Section III.9.(a), states, without explanation, that two percent of projected resident origin is from "Other NC County". The applicants do not explain which counties are included in this category. Thus, the applicants do not identify all of the population to be served by the proposed project. The agency has found this methodology non-conforming in the past. Please see Agency findings for Project ID# O-7945-07. With the county unnamed, it will also be difficult to determine need. The assumptions provide no other support for the need of this unspecified group.

**NEED FOR THE PROPOSED PROJECT**

Britthaven-St. Mary's does not adequately demonstrate the need of the population to be served for the following reasons:

- The applicants' independent bed need assessment is incomplete. The applicants fail to project bed need past 2014. The applicants' second project year ends September 30, 2015.
- The applicants fail to address the impact of Continuing Care Retirement Communities (CCRCs) in their independent bed need assessment. The need for additional nursing care facility beds in both the 2011 SMFP and the applicants' township analysis are artificially high because the 2011 SMFP methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the State's population estimates utilized in the 2011 SMFP. As such, all CCRC beds should be considered when determining true geographic need.



## ACCESS

Britthaven-St. Mary's does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services for the following reasons:

- The applicants do not project serving residents utilizing the Veterans Administration as a payor source. The applicants state on Britthaven-St. Mary's application page 326, Appendix C, that the proposed facility will provide placement opportunities for Veteran's Administration residents. However, the applicants project no Veteran's Administration days in the utilization projections provided on Britthaven-St. Mary's application pages 148 and 149, Section IV.3.
- It is impossible to validate hospice and Medicaid access. On Britthaven-St. Mary's application page 164, Section VI.3, the applicants state that Medicaid patient days include hospice patient days. The applicants provide no estimation of hospice days of care. As a result, Medicaid days and related reimbursement projections are also unreliable.
- Comparatively, this application provides less access for persons who must pay for services from their own resources.

In conclusion, the applicants do not adequately identify the population to be served, do not adequately demonstrate the need that population has for the services proposed, and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

**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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is not conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (8), (12), (13c), and (18a).

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.*

#### OPERATIONAL PROJECTIONS

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants' patient day projections are overstated in Project Year 1. On Britthaven-St. Mary's application page 144, Section IV.2.(e), the applicants state that a fill-up rate of four residents per week was assumed. It is not reasonable to assume a new nursing care facility will fill at four per week from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing care facility will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.
  - Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
  - Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on the process outline provided above, unless all admissions are private pay residents, it is unreasonable to assume the applicants will fill four residents per week for at least three to four weeks. The applicants would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, it is unreasonable to assume a facility will fill beds expecting not to get paid for the care. Based on the assumptions provided on Britthaven-St. Mary's application page 255, it is reasonable to assume that the applicants filled all beds evenly and then distributed days to achieve a desired payor mix. The applicants state on Britthaven-St. Mary's application page 255 that the proposed building will be certified on October 1, 2013 and the 100 beds will fill at a rate of 4 residents per week. As a result of the applicants projecting Certification on opening day, it is reasonable to assume the applicants fill Medicare and Medicaid residents from Day 1.

On page 148, the application shows 1,646 Year 1 Private Pay days. Translated to beds, this would be 5 beds for Project Year 1 (1,646/365). A fill rate of four per week for four weeks would translate to 16 private pay beds. So, one of the following must be true: the private pay is understated, the bad debt is understated or the Medicaid and Medicare are overstated. The bad debt is only \$20,260 in Year 1. If the 16 patients admitted during the first four weeks each stayed 280 days, they would use 4,480 private pay days more than twice the 1,646 private pay days reported on page 149.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually back paid until each individual provider number is issued. As such, it is reasonable to assume that a facility might not fill Medicare residents for 2-3 months and Medicaid residents for 5-6 months.

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- On Britthaven-St. Mary's application page 222, Section XII, the applicants project licensure and certification on the same day. This is not possible. Please see Attachment 13 for a logs of conversations with the North Carolina Nursing Home Licensure and Certification Section.
- As stated in Criterion (3), it is impossible to validate hospice and Medicaid utilization. On Britthaven-St. Mary's application page 164, Section VI.3, the applicants state that Medicaid patient days include hospice patient days. The applicants provide no estimation of the split between hospice days of care and Medicaid days of care.
- The applicants provide no referrals to validate utilization projections.

### **FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants provide no assumptions for start-up costs projected on Britthaven-St. Mary's application page 190, Section IX.1.(a), as required by IX.1.(c).
- The applicants do not provided estimates of start-up costs, initial operating expense, and total working capital needs for the property company.
- The applicants did not include rent, taxes, or insurance in its start-up cost estimate. According to the schedule provided on Britthaven St. Mary's application page 222, Section XII, construction of the facility will be complete September 1, 2013. It is reasonable to assume lease payments would commence starting September 1, 2013. It is also reasonable to assume the applicants will be responsible for a pro-rated portion of taxes and insurance upon completion of construction.

- The property company, Britthaven, Inc., on a cash basis, is operating at a loss in Project Year 1 and 2. As stated earlier, the applicants did not provide a cash flow statement for the property company. If the applicants would have completed the required task, they would have seen that the property company is not generating enough revenue for all required expenses. The following is a table that explains the losses.

Table 19 – Net Operating Cash

Note	Cash	Project Year 1	Project Year 2	Source
	Rent Revenue	\$ 492,750	\$ 520,110	Form B - Britthaven, Inc.
<b>a</b>	Principal and Interest Payments	\$ 491,423	\$ 491,423	Amortization Schedule-Section VIII.4, Page 185
<b>b</b>	Other Non-Depreciation Property Company Costs	\$ 76,018	\$ 76,018	Form C - Britthaven, Inc.
<b>c</b>	Total Property Costs	\$ 567,441	\$ 567,441	
<b>d</b>	Net Operating Cash	\$ (74,691)	\$ (47,331)	

Notes:

*c* *a+b*

*d* *a-c*

Britthaven, Inc. shows positive income in Form B because Form B is a revenue and expense statement. Form C projections show depreciation, and not principal payments. On a cash basis, as illustrated above, a company must have enough cash to pay all obligations. Applicants do not document sufficient capital to pay all obligations. As illustrated above, the cumulative shortfall for the property company is \$122,022 for the two years.

- Costs associated with necessary ancillary and support staff are unverifiable and unreliable. Please see discussion below in Criterion (8).
- On Britthaven-St. Mary's application page 255, the applicants state that interest expense for the working capital loan is based on the amortization schedule. The applicants do not provide an amortization schedule for the working capital loan.
- The applicants state, on Britthaven-St. Mary's application page 193, Section IX.5, that a portion of the total working capital needs will be paid for through a Principal Long-Term Care, Inc. line of credit. However, the applicants do not provide the terms of the line of credit that will be utilized to pay for working capital costs.
- The applicants' site development costs cannot be verified. Please see discussion in Criterion (12).

## AVAILABILITY OF FUNDS

The applicants' working capital needs are underestimated and unverifiable for the following reasons:

- As discussed above, the applicants' underestimated start-up costs. This is important because, on Britthaven-St. Mary's application page 193, Section IX.5, and Britthaven-Cedar Fork application Attachment P, the applicants allocate \$729,773 for working capital needs. Thus, the applicants do not provide evidence of funds sufficient to cover any increase.
- As discussed above, the applicants' fill-up projections are too aggressive. It is not realistic for the proposed facility to fill at four residents per week for at least a month from opening. A reduction in admissions would decrease revenue and increase the applicants' initial operating expense. As discussed above, Britthaven-St. Mary's does not provide evidence of funds sufficient to cover any increase in working capital needs.
- The applicants fail to apply a lag to Medicare and Medicaid receipts. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, UHS-Pruitt Corporation believes it is unreasonable to collect Medicare revenue for at least four months from the data of licensure and Medicaid revenue for at least seven months from the data of licensure. By underestimating the cash flow lag, Britthaven-St. Mary's understated its initial operating expenses. A longer lag in cash flow would require more initial operating capital. Britthaven-St. Mary's does not provide evidence of funds sufficient to cover any increase in working capital requirements.
- As discussed above, the applicants provide estimates of start-up costs, initial operating expense, and total working capital needs for only one applicant. Thus, it is impossible to determine if sufficient working capital funds have been allocated.
- As discussed above, and in Criterion (12), Britthaven-St. Mary's site development costs are unverifiable. Thus, it is impossible to determine if sufficient capital cost funds have been allocated.

In conclusion, the applicants did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide a separate analysis to *demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities*. Moreover, application's need methodology is incomplete. The applicants do not forecast nursing care facility bed need for Project Year 2 and do not adjust the projected bed need to account for CCRC populations. Therefore, the applicants failed to demonstrate, directly or indirectly, that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

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.***

The applicants are non-conforming to this Criterion. The applicants fail to 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 for the following reasons:

- On Britthaven-St. Mary's application page 173, Table VII.3, the applicants state that the proposed facility will utilize a pharmacy consultant. However, the applicants do not provide documentation of a provider's availability or interest in providing pharmacy consulting services, as required by application question II.4.(b).
- The following personnel are listed as consultants on Britthaven-St. Mary's application pages 56 and 57, Section II.4.(a), but are not included as consultants in Table VII.3 and no funds are budget in the applicants proformas for the positions. The personnel are:
  - Activities Consultant
  - Medical Records Consultant
  - Beauty and Barber
  - Wound Care Consultant
  - Housekeeping/Laundry
- On Britthaven-St. Mary's application pages 56 and 57, Section II.4.(a), the following services are shown with "facility paid consultants." However, no consultant positions are listed in Table VII.3 for these services and no funds are budgeted in the applicants' proformas. The services are:
  - Dialysis
  - Hospice
  - Respite
- On Britthaven-St. Mary's application pages 56 and 57, Section II.4.(a), the following services are listed with "facility paid consultants" and "contract billed to resident." It is unclear what services are provided by a facility paid consultant and what services are billed to the resident. Also, if certain services are provided by a facility paid consultant no consultant positions are listed in Table VII.3 for these services and no funds are budget in the applicants' proformas. The services are:
  - Dental
  - Lab/Radiology
  - Podiatry
  - Ophthalmology
  - Optometry
  - Pharmacy
  - Psychology

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.*

The application is non-conforming to this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative because the water and sewer verification letter provided on Britthaven- St. Mary's application page 827, Appendix S, does not verify that city water and sewer have capacity for the proposed project or if existing utility lines are of appropriate size. Documentation is necessary to document that adequate costs have been included, as required by application question XI.2.(1).

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 handicapped persons, 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:*

- (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*

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not offer access to Veterans Administration residents and it is impossible to validate hospice and Medicaid resident access. Please see discussion in Criterion (3).

18. (a) *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (8), (12) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (8), (12) and (13c).

20. *An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.*

UHS-Pruitt Corporation assumes that the CON Section will research all applicants' regulatory compliance to assure all applicants' are conforming to this Criterion.

**SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

**10A NCAC 14C.1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (b) *An applicant proposing to establish new nursing facility or adult care home beds shall project patient origin by percentage by county of residence. All assumptions, including the specific methodology by which patient origin is projected, shall be stated.*

The application is non-conforming to this Criterion. Assumptions are incomplete for out of county residents. Please see discussion in Criterion (3).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to this Criterion. The applicants do not verify that city water and sewer have capacity for the proposed project or if existing piping is appropriately sized. Please see Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*



**10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*

(1)

(2)

(3)

**The Heritage**

**J-8717-11**

COMPETITIVE REVIEW OF –  
AH NORTH CAROLINA OWNER, LLC, J-8717-11  
(THE HERITAGE OF RALEIGH)

**CON REVIEW CRITERIA**

This application proposes to locate 90 nursing care facility beds in North Raleigh, Neuse Township. The application offers suboptimal levels of RN care per patient day, a geographic location with no need for nursing care facility beds, and limited Medicaid access. Based on these and other factors, the application is non-conforming with Review Criterion (1), (3), (4), (5), (6), (7), (8), (12), (13c), and (18a).

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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, The Heritage fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

**SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicant fails to adequately demonstrate the availability of health manpower and necessary ancillary and support staff. Please see discussion in Criterion (7) and (8).

The applicant's projected nursing hours per patient day (NHPPD) are below the Wake County average. The Heritage application page 112 denotes that the applicant projects 3.6 NHPPD, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the current Wake County average NHPPD for non-hospital, non-CCRC nursing care facilities is 3.75. Please see Attachment 14. Furthermore, the applicant proposes fewer than 30 minutes of RN hours per patient day (.28 x 60 = 17.1). In a recent evidence based study of nursing care facility staffing, the threshold for improved outcomes was 30 to 40 minutes of RN direct care per day. Specifically, researchers found fewer pressure ulcers, less weight loss and fewer hospitalizations among the facilities having at least this threshold. See page \_.

### ACCESS

The applicant does not propose to offer an Alzheimer's program. Alzheimer's programming is one of the most needed services in Wake County. Please see discussion in Criterion (3).

The applicant's Medicaid days are below the Wake County average for similar facilities. Nursing care facility access for Medicaid recipients is one of the most needed services in Wake County. Please see discussion in Criterion (3).

The applicant does not document that the proposed facility will serve residents in need of hospice. Please see discussion in Criterion (3).

It is also impossible to determine how much, if any, access is proposed for Veterans Administration residents. Please see discussion in Criterion (3).

The applicant's proposal does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Please see discussion in Criterion (3).

### VALUE

It is not possible to determine that The Heritage's proposed project will maximize healthcare value, because the applicant does not adequately demonstrate the population to be served and the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

The applicant also does not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, The Heritage fails to demonstrate that its application is consistent with all applicable policies.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**POPULATION TO BE SERVED**

The applicant's patient origin projections on The Heritage application page 83, Section III.9.(a), are unsupported and not reasonable. The applicant does not provide the source data for its calculation of the current Wake County nursing care facility patient origin. The applicant also fails to adjust the patient origin for its location within the county. A review of existing Wake County nursing care facility patient origin shows that a facility's patient origin varies based on its location within Wake County. Please see Attachment 9.

**NEED FOR THE PROPOSED PROJECT**

The Heritage does not adequately demonstrate the need of the population to be served for the following reasons:

- The Heritage does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. As a matter of fact, the applicant provides no discussion of need for any services. Section III.1.(a) instructs applicants to "describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3" Review Criterion (3) also specifically states that an applicant "...shall demonstrate the need that [the] population has for the services proposed."
- The applicant's independent bed need assessment is incomplete. The applicant fails to project bed need past 2014. The applicant's second project year ends September 30, 2015.
- The applicant fails to address the impact of Continuing Care Retirement Communities (CCRCs) in its independent bed need assessment. The need for additional nursing care facility beds in both the 2011 SMFP and the applicant's township analysis are artificially high because the 2011 SMFP methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the state's population estimates utilized in the 2011 SMFP. As such, all CCRC beds should be considered when determining true geographic need.

## ACCESS

The Heritage does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the proposed services for the following reasons:

- The applicant's Medicaid days are below the Wake County average for comparable facilities. The Heritage application page 99, Section VI.3, denotes that the applicant projects 55.4 percent of its patient days will be Medicaid, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the current Wake County average Medicaid percentage for non-hospital, non-CCRC nursing care facilities is 60.5 percent. A comparison of non-hospital, non-CCRC nursing care facilities is the most accurate comparison. CCRC and hospital-based facilities care for a different patient population. Hospital based facilities are more focused on short-term rehabilitation services, and have more Medicare and commercially insured patients, and many times CCRC's in Wake County do not accept Medicare and/or Medicaid residents. Please see Attachment 10. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, 61 percent of the persons surveyed by UHS-Pruitt Corporation representatives requested additional Medicaid beds.
- The applicant does not propose to offer an Alzheimer's program. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, 67 percent of the persons surveyed by UHS-Pruitt Corporation representatives requested additional programming for residents with Alzheimer's/dementia.
- The applicant does not project serving residents receiving hospice care. On The Heritage application page 42, Section II.2, the applicant states that the proposed facility will offer hospice services to residents in need of such care. However, the applicant projects no hospice days in the utilization projections provided on The Heritage application pages 88 and 89, Section IV.3. Additionally, as discussed in Criterion (8), the applicant provides no documentation of a hospice company willing to provide services to the proposed facility. As discussed in Section III.1.(a), of the UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.
- It is impossible to verify how much, if any, access is proposed for Veterans Administration residents. On The Heritage application page 99, Section VI.3, the applicant states that Veterans Administration days are included in the payor type "Other". However, the applicant provides no estimation of the breakout of the "Other" payor. Veterans Administration access is more important because 10.1 percent of Wake County's residents are civilian veterans<sup>1</sup>.

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<sup>1</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&\\_geoContext=01000US|04000US37|05000US37183&\\_street=&\\_county=Wake&\\_cityTown=&\\_state=04000US37&\\_zip=&\\_lang=en&\\_sse=on&ActiveGeoDiv=&\\_useEV=&\\_pctxt=fph&\\_pgsl=050&\\_submenuId=factsheet\\_1&\\_ds\\_name=DEC\\_2000\\_SAFF&\\_ci\\_nbr=null&\\_qr\\_name=null&\\_reg=&\\_keyword=&\\_industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&_geoContext=01000US|04000US37|05000US37183&_street=&_county=Wake&_cityTown=&_state=04000US37&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV=&_pctxt=fph&_pgsl=050&_submenuId=factsheet_1&_ds_name=DEC_2000_SAFF&_ci_nbr=null&_qr_name=null&_reg=&_keyword=&_industry=)

- The proposed facility does not expand geographical access to nursing care facility services to the areas of Wake County most in need. On The Heritage application page 61, the applicant states that House Creek Township has the largest project bed deficit. On The Heritage application page 71, the applicant argues that because House Creek has the largest deficit, it is the ideal location for a new facility. The problem with The Heritage analysis is that need projections are based on inappropriate data. As discussed above, the applicant fails to address the impact of CCRCs in its independent bed need assessment. As such, the projections are artificially high. If the applicant would have adjusted for CCRCs, it would have noticed that locations central to the Cedar Fork, Cary, Leesville, and House Creek areas are more appropriate. Please see a comparison of bed need in Attachment 18.

In conclusion, the applicant does not adequately identify the population to be served, does not adequately demonstrate the need that population has for the services proposed, and does not adequately demonstrate that all persons will have access to its proposed services. Therefore, the application is non-conforming to Review Criterion (3).

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.*

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicant did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13c), and (18a).

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.*

#### **OPERATIONAL PROJECTIONS**

The applicant's operational projections are unsupported and unreliable for the following reasons:

- The applicant's patient day projections are overstated in Project Year 1. According to the tables provides on The Heritage application page 86, Section IV.2.(e), the applicant projects utilization starting October 1, 2013. However, on The Heritage application page 150, Section XII, the applicant projects facility licensure on October 15, 2013. A nursing care facility cannot admit residents until the facility is licensed. As a result the applicant's utilization projections are overstated. Please see discussion on the licensure and certification timeline in the bullet below.



- The applicant's utilization by payor is unreasonable. On The Heritage application page 99, Section VI.3., the applicant states that the payor mix is based on the actual average payor mix of existing Wake County skilled nursing care facility providers (excluding CCRCs) in FY 2010. However, on The Heritage application page 86, Section IV.2.(e), the applicant states that a portion of its residents will originate from Brookdale's existing Wake County independent living/assisted living communities. The applicant should have adjusted the proposed payor mix based on the expected payors for residents transferred from its existing independent living/assisted living communities.
- The applicant provides no referrals to validate utilization projections.

### **FINANCIAL PROJECTIONS**

The applicant's financial projections are unsupported and unreliable for the following reasons:

- The applicant's utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicant's utilization projections are unreliable.
- The applicant's projected charges are unreliable. On The Heritage application page 131, the applicant states that projected Medicare, private pay, and other reimbursed rates are based on the average FY 2010 reimbursement rates reported for existing skilled nursing care facilities in Wake County on 2011 licensure renewal applications. However, the applicant provides no data to back-up the calculations. Additionally, UHS-Pruitt Corporation cannot reconcile the applicant's numbers after reviewing the 2011 licensure renewal applications for existing Wake County skilled nursing care facilities. First, the 2011 nursing home licensure renewal application does not include an "Other" charge category. Second, UHS-Pruitt Corporation calculates an average private pay, private room charge of \$236.86 and a private pay, semi-private room charge of \$209.34. The applicant projects a private pay, private room charge of \$244.33 and a private pay, semi-private room charge of \$221.34. Third, UHS-Pruitt Corporation calculates an average Medicare rate (excluding City of Oaks) of \$391.84. The applicant projects an average Medicare rate of \$448.73. Please see Attachment 12 for UHS-Pruitt Corporation's calculations.
- The applicant does not cut its Medicare rates from current levels. Affective October 1, 2011, Medicare rates for skilled nursing care facilities. will be cut by 11.1 percent<sup>2</sup>. As such, projections made at current rates would be unreasonable.
- The applicant's capital costs are unreliable. The applicant provides no documentation to validate if enough money has been allocated for water and sewer. Please see discussion in Criterion (12).
- It is impossible to verify if appropriate funds have been allocated for physical therapy, occupational therapy, and speech therapy staff. Please see discussion in Criterion (7).

<sup>2</sup> <http://www.kaiserhealthnews.org/Daily-Reports/2011/August/01/nursing-home-payments.aspx>

## **AVAILABILITY OF FUNDS**

As discussed above, and in Criterion (12), the applicant's capital costs are unreliable. The applicant does not provide verification that existing water and sewer have capacity for the proposed project or if existing piping is appropriately sized the proposed facility. This is important because on The Heritage application page 116, Section VIII.2, and The Heritage application Exhibit 27, the applicant allocates \$20,961,007 for capital costs needs. Thus, the applicant does not provide evidence of funds sufficient to cover any increase in capital costs.

In conclusion, the applicant did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicant's utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide a separate analysis to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities. The application's need methodology is incomplete. Moreover, the applicant does not forecast nursing care facility bed need for Project Year 2 and do not adjust the projected bed need to account for CCRC populations. Furthermore, the applicant does not describe the unmet need that necessitated the inclusion of each of the proposed project components. Therefore, the applicant fails to provide alternative information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming to this Criterion. The applicant fails to show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided for the following reason: It is impossible to verify if appropriate funds have been allocated for physical therapy, occupational therapy, and speech therapy staff. On The Heritage application pages 38 and 77, the applicant states that physical therapy, occupational therapy, and speech therapy will be provided by Innovative Senior Care (ISC). The Heritage application Exhibit 12, contains a letter from ISC documenting its willingness to provide physical therapy, occupational therapy, and speech therapy services to the proposed facility. However, Table VII.3, on The Heritage application page 110, and the Form C statements, on The Heritage application pages 153-160, budget physical therapy, occupational therapy, and speech therapy staff as employees. It is impossible to verify if staff will be contracted or employed. Thus, it is impossible to tell if appropriate funds have been allocated.

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.***

The application is non-conforming to this Criterion. The applicant fails to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On The Heritage application page 109, Table VII.3, the applicant states that the proposed facility will utilize a pharmacy consultant. However, the applicant does not provide documentation of a provider's availability or interest in providing pharmacy consulting services, as required by application question II.4.(b).
- On the Heritage application page 42, Section II.2, the applicant states that the proposed facility will offer hospice services to residents in need of such care. However, the applicant does not provide documentation of a provider's availability or interest in providing hospice services, as required by application question II.4.(b).
- On the Heritage application page 109, Section VII.3, the applicant states that the proposed facility will contract for security services. However, the applicant does not provide documentation of a provider's availability or interest in providing security services, as required by application question II.4.(b).

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.***

The application is non-conforming with this Criterion. The applicant did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reasons:

- The applicant does not provide verification that existing water and sewer have capacity for the proposed project or if existing piping is appropriately sized, as required by application question XI.2.(k). The applicant answers question XI.2. (k) as not applicable. This is inappropriate. It is possible that the existing water and sewer pipes on site would need to be expanded for the new facility.
- As stated on The Heritage application page 145, the total cost per square foot to develop the proposed project is \$280.53. This is substantially higher than all other applicants. As such, the proposed costs do not represent the most reasonable alternative. Please see Attachment 19.

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 handicapped persons, 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:*

(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*

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicant's projected Medicaid percentage is below the county average for comparable facilities, the applicant does not project hospice access, and access by Veterans Administration beneficiaries is not verifiable. Please see discussion in Criterion (3).

18. a. *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c).

## **SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

### **10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICATION**

(a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (b) *An applicant proposing to establish new nursing facility or adult care home beds shall project patient origin by percentage by county of residence. All assumptions, including the specific methodology by which patient origin is projected, shall be stated.*

The application is non-conforming to this Review Criterion. Please see discussion in Criterion (3).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to this criterion. The applicant does not verify that city water and sewer have capacity for the proposed project or if existing piping is the appropriate size. Please see Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

#### **10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*



**Universal-Fuquay-Varina**

**J-8721-11**

COMPETITIVE REVIEW OF –  
**UNIVERSAL PROPERTIES / FUQUAY-VARINA, LLC, AND UNIVERSAL HEALTH  
CARE / FUQUAY-VARINA, INC., J-8721-11  
(UNIVERSAL-FUQUAY-VARINA)**

**CON REVIEW CRITERIA**

This application proposes to add 60 nursing care facility beds to Universal Healthcare-Fuquay-Varina, a 49-bed nursing care facility under development in Fuquay-Varina, North Carolina, Middle Creek Township. The applicants propose a low value solution with sub-optimal levels of RN care per patient day, a geographic location with no need for nursing care facility beds and limited services. For these and other reasons, the application is non-conforming to Criteria (1), (3),(4), (5), (6), (7), (8), (12), (13c), and (18a).

- 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, ambulatory surgery operating rooms, or home health offices that may be approved.***

**OVERVIEW**

The proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is not conforming to Criterion (1).

The application does not specifically include a written statement describing the projects plan to assure improved energy efficiency and water conversation. Therefore, Universal-Fuquay-Varina fails to be consistent with Policy GEN-4; thus, non-conforming to Criterion (1).

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Universal-Fuquay-Varina fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.



## **SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of health manpower and necessary ancillary and support staff. Please see discussion in Criterion (7) and (8).

The applicants' projected RN and LPN nursing hours per patient day (NHPPD) of 1.14 is tied for the second lowest among all applicants. Moreover, their proposed direct RN staffing per patient day, 22.8 minutes, is very low and far below the evidence-based 30 to 40 minutes threshold for improved patient outcomes reported by Han et al<sup>1</sup>.

The applicants' projected nursing hours per patient day (NHPPD) are also below the Wake County 2010 average. Universal-Fuquay-Varina application page 84 states that the applicants project 3.57 NHPPD, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the current Wake County average NHPPD for non-hospital, non-CCRC nursing care facilities is 3.75. Please see Attachment 14. Adequate nurse staffing is important to ensure that patient care is effective, compassionate, timely and safe.

Furthermore, this application proposes to involve no external clinical outcome benchmarking services and the service program includes no TPN, no pain management and no chronic disease management for cardiac disease, heart care or stroke care.

## **ACCESS**

The applicants do not document that the proposed facility will serve Veterans Administration residents. Please see discussion in Criterion (3).

The applicants' proposal does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Please see discussion in Criterion (3).

## **VALUE**

It is not possible to determine that Universal-Fuquay-Varina's proposed project will maximize healthcare value, because the applicants do not adequately demonstrate the need of the population for the proposed nursing care facility services. Please see discussion in Criterion (3).

The applicants also does not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

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<sup>1</sup> Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, Nov. 2005, Volume 105 No. 11 Pgs 58-70

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**NEED FOR THE PROPOSED PROJECT**

Universal-Fuquay-Varina does not adequately demonstrate the need of the population to be served for the following reasons:

- Universal-Fuquay-Varina does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. As a matter of fact, the applicants provide no discussion of need for any services. Section III.1.(a) instructs applicants to “describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3” Review Criterion (3) also specifically states that an applicant “...shall demonstrate the need that [the] population has for the services proposed..”
- The applicants’ independent bed need analysis is incomplete. The applicants do not provide supporting documentation for their calculations of need for each township.
- The applicants state that the location of the facility is supported by the Regional Ombudsman. However, the applicants provide no documentation to support this statement. There is no letter of support from the Regional Ombudsman or conversation log documenting this assertion.
- The applicants fail to address the impact of Continuing Care Retirement Communities (CCRCs) in their independent bed need assessment. The need for additional nursing care facility beds in both the 2011 SMFP and the applicants’ township analysis are artificially high because the 2011 SMFP methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the State’s population estimates utilized in the 2011 SMFP. As such, all CCRC beds should be considered when determining true geographical need.

## ACCESS

Universal-Fuquay-Varina does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the proposed services for the following reasons:

- The applicants do not propose to provide any services to Veterans Administration residents. Yet, 10 percent of all Wake County residents are civilian veterans<sup>2</sup>.
- The proposed facility does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Universal-Fuquay-Varina states its facility will serve the need in the Southwest portion of Wake County in the Middle Creek and Panther Branch townships. However, the applicants' need analysis, on page 49 of the Universal-Fuquay-Varina, application reveals that there is a need for only 92 additional nursing care facility beds in these two townships. Based on the need analysis in Attachment 17, the Cedar Fork, Cary, Leesville, and House Creek townships show a greater need for additional nursing care facility beds and would be more effective locations for the project.
- Additionally, the applicants' need analysis is based on inappropriate data. The applicants fail to address the impact of CCRCs in their independent bed need assessment. As such, the projections are artificially high. If the applicants would have adjusted for CCRCs, it would have noticed that the Middle Creek Township needs only three beds and that locating a facility central to the Cedar Fork, Cary, Leesville, and House Creek is more appropriate. Please see a comparison of bed need in Attachment 17.

In conclusion, the applicants do not adequately demonstrate the need that population has for the services proposed and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

**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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13c), and (18a).

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<sup>2</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qv\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qv_name=null&reg=&keyword=&industry=)

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.*

#### **OPERATIONAL PROJECTIONS**

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants do not provide payor mix assumptions.
- The applicants provide no referrals to validate utilization projections.

#### **FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants provide no assumptions for private pay and Medicare rates. Furthermore, without documentation, it is impossible to determine if the applicants decreased the Medicare rates. Effective October 1, 2011, Medicare rates for skilled nursing facilities will be cut by 11.1 percent<sup>3</sup>. As such, projections made at current rates would be unreasonable.
- As discussed in Criterion (7), the applicants' staffing projections are unreliable. Therefore, financial projections are unreliable.
- The applicants' capital costs are unreliable. The applicants provide no documentation to demonstrate that it has adequate funds for water and sewer additions necessary for the added beds. Please see discussion in Criterion (12).
- The applicants provide no proforma financial statements or cash flow projections for the property company, Universal Properties / Fuquay-Varina, LLC.

#### **AVAILABILITY OF FUNDS**

Section VIII of the Universal-Fuquay application identifies \$3,541,100 in capital costs for the project. Section I of the application identifies two applicants, Universal Properties / Fuquay-Varina, LLC and Universal Healthcare / Fuquay-Varina, Inc. However, capital costs in Section VIII are not assigned to either applicant, as required by VIII.1 (e). Additionally, the financing letter in Universal-Fuquay application Exhibit 13 commits to fund capital costs of only Universal Properties / Fuquay-Varina, LLC. Therefore, it cannot be determined if there are any capital costs for Universal Healthcare / Fuquay-Varina, Inc. or if there are available funds to cover capital costs for Universal Healthcare / Fuquay-Varina, Inc.

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<sup>3</sup> <http://www.kaiserhealthnews.org/Daily-Reports/2011/August/01/nursing-home-payments.aspx>

In conclusion, the applicants did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide a separate analysis to *demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities*. Geographically, the proposed project is in a location that duplicates services. Moreover, the application's need methodology is incomplete. The applicants do not adjust the projected bed need to account for CCRC populations. Furthermore, the applicants do not describe the unmet need that necessitated the inclusion of each of the proposed project components. Therefore, the applicants fail to directly or indirectly demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming to this Criterion. The applicants fail to show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided for the following reasons:

- Staff by shift provided on Universal-Fuquay-Varina application page 79, Section VII.2.(b), do not total.
- It is impossible to verify if the applicants adequately budgeted for necessary Aide staff. Projected direct care staff by shift in Table VII.2 cannot be translated to projected FTE's in Table VII.3 using the instructions on Universal-Fuquay-Varina page 80. The instructions state that staff in Table VII.2 is to be multiplied by 1.4 to determine FTE's in Table VII.3. However, this formula does not work. Table VII.2 states that there will be 16 Aides for the entire day. Therefore, Table VIII.3 should show 22.4 Aide FTE's ( $16 \times 1.4 = 22.4$ ). However, Table VIII.3 shows 47.69 Aide FTE's.

Table 20 – Direct Care Staff

a	Staff Position	Aide
b	Table VII.2 Staff	16
c	Table VII.3 FTEs	47.69
d	Correct FTEs (d*1.4)	22.4

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.***

The application is non-conforming to the Criterion. The applicants fail to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services in six areas, either failing to document availability, or proposing care by untrained individuals.

- On Universal-Fuquay-Varina application page 38, Table II.4, the applicants state that the facility will utilize Hillary C. Byrd for physical therapy services. However, the applicants do not provide documentation of Hillary C. Byrd's availability, interest, or existing contract to provide physical therapy services, as required by application question II.4. (b).
- On Universal-Fuquay-Varina application page 38, Table II.4, the applicants state that the facility will utilize Therapy Services R Us for occupational therapy services. However, the applicants do not provide documentation of Therapy Services R Us' availability, interest, or existing contract to provide occupational therapy services, as required by application question II.4.(b).
- On Universal-Fuquay-Varina application page 39, Table II.4, the applicants state that the facility will utilize Medi PAC Pharmacy as a pharmacy consultant. However, the applicants do not provide documentation of Medi PAC's availability, interest, or existing contract to provide pharmacy consulting services, as required by application question II.4.(b).
- On Universal-Fuquay-Varina application page 39, Table II.4, the applicants state that the facility will utilize Spectrum Laboratory for laboratory services. However, the applicants do not provide documentation of Spectrum Laboratory's availability, interest, or existing contract to provide laboratory services, as required by application question II.4.(b).
- On Universal-Fuquay-Varina application page 39, Table II.4, the applicants state that the facility will utilize a dietician consultant. However, the applicants do not provide documentation of a dietician's availability, interest, or existing contract to provide dietician services, as required by application question II.4.(b).
- On Universal-Fuquay-Varina application page 39, Table II.4 indicates that beauty barber services will be provided by laundry staff. This is not consistent with quality care standards.

The applicants also fail to demonstrate that the proposed service will be coordinated with the existing health care system. The applicants provide no letters of support for the project and no documentation of attempts to coordinate with Wake County healthcare providers outside of hospitals.

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.*

The application is non-conforming with this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative because they did not provide verification that existing utility lines are appropriately sized, as required by application question XI.2.(k). It is possible that the existing water and sewer lines on site would need to be expanded for the project. Thus, it is impossible to verify if appropriate funds have been allocated for water and sewer systems.

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 handicapped persons, 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:*

- (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*

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not project Veterans Administration residents utilization.

18. a. *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c).

20. *An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.*

UHS-Pruitt Corporation assumes that the CON Section will research all applicants' regulatory compliance to assure all applicants are conforming to this Criterion.

**SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITIES OR ADULT CARE SERVICES**

**10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to the intent of this Criterion. The proposal for additional beds does not verify that city water and sewer have capacity for the proposed project or if existing lines are the appropriate size for the increased utility usage. Please see Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*



## 10A NCAC 14C .1102-PERFORMANCE STANDARDS

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*



**Liberty-St. Mary's**

**J-8723-11**

COMPETITIVE REVIEW OF –  
**LIBERTY HEALTHCARE PROPERTIES OF W. WAKE COUNTY, LLC, D/B/A  
LIBERTY PROPERTIES AND LIBERTY COMMONS NURSING & REHAB CNTR OF  
W. WAKE COUNTY, LLC, D/B/A WAKE COUNTY REHAB CNTR, J-8723-11  
(LIBERTY-ST. MARY'S)**

**CON REVIEW CRITERIA**

This application proposes to relocate 10 beds from Capital Nursing and use 120 beds from the 2011 Nursing Home bed allocation to develop a new 130-bed nursing facility in Garner, North Carolina, St. Mary's Township. The application proposes a 20-bed Special Care unit for persons with Alzheimer's' and related dementia. This is one of three applications submitted by the same owner. The applicants demonstrated funds available are sufficient to cover only one of the three applications. This application does not discuss the need for each proposed project component, does not provide evidence of sufficient funds and does not document the availability of necessary ancillary and support services. For these and other reasons, the application is non-conforming to Criterion (1), (3), (3a), (4), (5), (6), (8), (12), (13c), and (18a).

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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the 2011 *State Medical Facilities Plan* (SMFP) for the following reasons. First, the applicants do not specifically address Policy GEN-4. Second, the application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Liberty-St. Mary's fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

### **SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of necessary ancillary and support staff. Please see discussion in Criterion (8).

Liberty-St. Mary's provides no specific evidence of commitment to quality programming. The applicants provide minimal explanation of the facility's proposed services. In Section II.2, the applicants copied the nursing home licensure regulations almost verbatim, but provided little or no program description to document the ways in which requirements will be met. Liberty-St. Mary's made minimal attempts to describe services in detail. For example, the applicants provide limited details on dining programs and their short-term rehabilitation program. Additionally, the application describes no care management programs for residents in need of pain, diabetes, cardiac, stroke or TPN care.

On the Medicare Compare Rating, this applicant rated 2.47 of a possible five stars on Average Health Inspections of its North Carolina facilities; ranking fifth among the nine applicants.

### **ACCESS**

The applicants do not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

The applicants do not propose to serve residents in need of hospice services. Please see discussion in Criterion (3).

### **VALUE**

It is not possible to determine that Liberty-St. Mary's proposed project will maximize healthcare value because the applicants do not adequately demonstrate the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

The applicants also do not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, the applicants fail to demonstrate that their application is consistent with all applicable policies.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

#### **POPULATION TO BE SERVED**

The applicants did not adequately identify the population to be served for the following reason. The applicants' patient origin assumptions do not match patient origin projections. On Liberty-St. Mary's application page 71, Section III.9. (a), the applicants project that two percent of the facility's patient population will originate from Nash, Franklin, Durham, and Chatham Counties. However, the applicants' assumptions, on Liberty-St. Mary's application page 71, Section III.9. (b) do not provide justification for Nash County. The assumptions also mention serving Orange County, which is not, listed in the patient origin projections.

#### **NEED FOR THE PROPOSED PROJECT**

Liberty-St. Mary's does not adequately demonstrate the need of the population to be served for the following reasons:

- Liberty-St. Mary's does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. Liberty-St. Mary's provides a discussion of need for only an Alzheimer's Special Care Unit. Section III.1.(a) instructs applicants to "describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3" Review Criterion (3) also specifically states that an applicant "...shall demonstrate the need that [the] population has for the services proposed.."
- The applicants provide documentation of only one interview with area representatives to substantiate the need for the proposed project components. This one interview summary is secondary data and does not mention all of the services the application proposes. For example short term rehabilitation is not mentioned.
- The applicants' independent bed need analysis is incomplete and not reproducible for the following reasons:
  - It is impossible to recreate the applicants' 2014 bed need estimates utilizing the information provided in the application. On Liberty-St. Mary's application page 57, Section III.1.(a), the applicants state that their 2014 bed need estimates were generated by proportionally adjusting 2015 bed need projections. However, the applicants do not state what factor was used for the proportional adjustment nor do they provide data that would allow someone to recreate the methodology.

- The applicants provide no use rate assumptions for their 3-mile radius need projections, provided in Liberty-St. Mary's Exhibit 12. Furthermore, the applicants do not provide the reader with the data necessary to validate the applicants' estimate existing bed inventory within the three mile radius. Both sets of information are essential to validate the applicants' need statements on Liberty-St. Mary's application page 58.
- The applicants fail to address the impact of Continuing Care Retirement Communities (CCRCs) in their independent bed need assessment. The need for additional nursing care facility beds in both the 2011 SMFP and the applicants' township analysis are artificially high because the 2011 SMFP methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the state's population estimates utilized in the 2011 SMFP. As such, all CCRC beds should be considered when determining true geographic need.

### ACCESS

Liberty-St. Mary's does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed for the following reasons:

- The applicants do not propose to serve any Veterans Administration residents. Yet 10.1 percent of Wake County residents are civilian veterans<sup>1</sup>.
- The applicants do not project serving residents receiving hospice care. On Liberty-St. Mary's application page 68, Section II.4, the applicants state that the proposed facility will offer hospice services to residents in need of such care. However, the applicants project no hospice days in the utilization projections provided on Liberty-St. Mary's application pages 79 through 82, Section IV.3. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.

In conclusion, the applicants do not adequately identify the population to be served, do not adequately demonstrate the need that population has for the services proposed, and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

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<sup>1</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qv\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qv_name=null&reg=&keyword=&industry=)

3. a. *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, handicapped persons, and other underserved groups and the elderly to obtain needed health care.*

As stated on Liberty-St. Mary's application page 9, Section I.7, the applicants propose to relocate 10 skilled nursing beds from Capital Nursing to the proposed facility. The applicants argue on Liberty-St. Mary's application page 70, Section III.7, that that no one will be harmed by the relocation because the beds are empty. However, the applicants have also submitted two other applications, J-8726-11 and J-8727-11. Both alternate applications call for relocating 10 beds from Capital Nursing. The applicants have made no indication that they would like only one application approved. While all three applications cannot be approved, two could be approved. However, approval would require 20 beds to be relocated from Capital Nursing. This would likely displace existing residents. As documented on Liberty-St. Mary's application page 347, Liberty-St. Mary's Exhibit 15, Capital Nursing's average daily census (ADC) for the last 12 months ranged from 100 to 109 beds, including five months of an ADC over 105. The removal of 20 beds from Capital Nursing would leave the facility with 105 beds. The applicants provide no plan for residents that could be displaced as a result of the project. As such, the application is non-conforming to Criterion (3a).

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.*

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (3a), (5), (6), (8), (12), (13c), and (18a).



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.*

#### OPERATIONAL PROJECTIONS

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants' patient day projections are overstated in Partial Project Year 1. On Liberty-St. Mary's application page 74, Section IV.2.(e), the applicants state that a fill-up rate of four residents per week was assumed. It is not reasonable to assume a new nursing care facility will fill at four per week, from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing home will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.
  - Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
  - Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on the process outline provided above, unless admissions are all private pay, it is unreasonable to assume the applicants will fill four residents per week for at least three to four weeks. The applicants would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, it is unreasonable to assume a facility will fill beds expecting not to get paid for the care. Based on the applicants' Partial Project Year 1 patient day estimates, provided on Liberty-St. Mary's application page 79, Table IV.3, UHS-Pruitt Corporation believes it is unreasonable to assume the applicants filled only private pay patients for the first month. Had the applicants filled with four private pay patients a week for the first month, they would not have hit the patient day estimates provided in Tables IV.2 and IV.3. It is reasonable to make this assumption because the applicants project filling approximately four private pay beds in Partial Project Year 1 ((536 private pay, private room days + 830 private pay, semi-private room days)/365 = 3.74). Four per week for four weeks would require 16 private pay beds.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually back paid until each individual provider number is issued. As such, it is reasonable to assume that a facility might delay admitting Medicare residents for 2 to 3 months and Medicaid residents for 5 to 6 months. In Section IX page 112, the application shows Medicare and Medicaid cash receipts in the first quarter of Partial Year 1 ( 3rd Qtr).

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- The applicants do not provide payor mix assumptions.
- The applicants provide no referrals to validate utilization projections.
- On Liberty-St. Mary's application page 140, Section XII, the applicants project licensure and certification before the facility opens. This is not possible. Please see Attachment 13 for a logs of conversations with the North Carolina Nursing Home Licensure and Certification Section. Furthermore, it is not reasonable to assume that a facility will be certified within 15 days of licensure. Please see Attachment 13 for a logs of conversations with the North Carolina Nursing Home Licensure and Certification Section.

### **FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants do not provide Form B and C statements for all applicants. Application question X.8.(b) specifically instructs all applicants to complete Form B and C for each of the first two full federal fiscal years of operation. The applicants do not provided estimates of start-up costs, initial operating expense, and total working capital needs for the property company.
- The applicants' capital costs are unreliable. The applicants provide no documentation to validate if enough money has been allocated for water and sewer. Please see discussion in Criterion (12).

### AVAILABILITY OF FUNDS

The applicants fail to provide adequate documentation of funding for capital cost and working capital needs for the following reason. As discussed above, the applicants have submitted three separate applications. While all three applications cannot be approved, two could be approved. The applicants have made no indication that they would like only one application approved. As such, the applicants do not provide sufficient funding. The applicants' provide documentation of available funds up to \$20,000,000, in Liberty-St. Mary's Exhibit 37. However, the total equity contributions for the three projects are as follows:

Table 21 – Total Equity Contributions

<b>Equity Needs</b>	<b>Liberty-St. Mary's J-8723-11</b>	<b>Liberty-Cedar Fork J-8726-11</b>	<b>Liberty-House Creek J-8727-11</b>	<b>All Applications</b>
Capital Cost	\$14,719,180	\$13,850,714	\$15,667,836	\$44,237,730
Working Capital	\$1,600,412	\$1,585,103	\$1,597,250	\$4,782,765
<b>Total</b>	<b>\$16,319,592</b>	<b>\$15,435,817</b>	<b>\$17,265,086</b>	<b>\$49,020,495</b>

As such, the applicants do not have sufficient funds for their proposed projects. Furthermore, UHS-Pruitt Corporation questions the validity of the availability of \$20,000,000. As stated above, the applicants provide a letter from Mr. Joel M. White, CPA, in Liberty-St. Mary's Exhibit 37, to validate the availability of \$20,000,000. The letter states that John A. McNeil, Jr. and Ronald B. McNeil each have in excess of \$10,000,000 in cash, stocks, or short-term investments. However, no documentation of how the funds are broken out is included. This is important because if a majority of the McNeil brothers' money is in stocks. It is reasonable to assume, especially given the current economic climate that those stocks may be worth less today than they were yesterday. It is also unclear what type of penalties would occur by selling short term investments. As such, the applicants have not provided sufficient documentation of the availability of funds. Please see Attachment 20 for a letter from Russell G. Seney, CPA explaining the uncertainty of the applicants' funding letter in more detail.

In conclusion, the applicants did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide separate analysis to demonstrate *that the project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.* Moreover, the applicants do not describe the unmet need that necessitated the inclusion of each of the proposed project components and the applicants' independent bed need analysis is incomplete and unverifiable. Therefore, the applicants fail to provide alternate information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming to this Criterion. The applicants fail to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Liberty-St. Mary's application page 98, Table VII.3, the applicants state that the facility will utilize a Pharmacy Consultant. However, the applicants do not provide documentation of a provider's availability or interest in providing pharmacy consulting services, as required by application question II.4.(b).
- On Liberty-St. Mary's application page 98, Table VII.3, the applicants state that the facility will utilize a contracted Dietician. On Liberty-St. Mary's application page 100, the applicants state that the Dietician will be provided through the LTC Management Services, LLC contract. However, the sample management contract provided in Liberty-St. Mary's Exhibit 3 does not mention dietician services. As such, the applicants do not provide documentation of a provider's availability or interest in providing dietician services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2701 requires facilities to employ or contract a dietician.

- 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.**

The application is non-conforming to this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reason. The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. Documentation is necessary to document that adequate costs have been included, as required by application question XI.2.(1).

- 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 handicapped persons, 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:**

- (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**

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not project hospice or Veterans Administration access. Please see discussion in Criterion (3).

- 18. a. 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 the service for which competition will not have a favorable impact.**

The application is non-conforming with Criterion (1), (3), (3a), (4), (5), (6), (8), (12), and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (3a), (4), (5), (6), (8), (12), and (13c).

20. *An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.*

UHS-Pruitt Corporation assumes that the CON Section will research all applicants' regulatory compliance to assure all applicants' are conforming to this Criterion.

**SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

**10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICATION**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (b) *An applicant proposing to establish new nursing facility or adult care home beds shall project patient origin by percentage by county of residence. All assumptions, including the specific methodology by which patient origin is projected, shall be stated.*

The application is non-conforming to this Criterion. Please see discussion in Criterion (3).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to this Criterion. The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. Please see discussion in Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

**10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*

J-8726-11

Liberty-Cedar Fork



**Liberty-Cedar Fork**

**J-8726-11**

COMPETITIVE REVIEW OF –  
**LIBERTY HEALTHCARE PROPERTIES OF W. WAKE COUNTY, LLC, D/B/A  
LIBERTY PROPERTIES AND LIBERTY COMMONS NURSING & REHAB CNTR OF  
W. WAKE COUNTY, LLC, D/B/A WAKE COUNTY REHAB CNTR, J-8726-11  
(LIBERTY-CEDAR FORK)**

**CON REVIEW CRITERIA**

This application proposes to relocate 10 beds from Capital Nursing and use 120 beds from the 2011 Nursing Home bed allocation to develop a new 130-bed nursing facility in Morrisville, North Carolina, Cedar Fork Township. The application proposes a 20-bed Special Care unit for persons with Alzheimer's' and related dementia. This is one of three applications submitted by the same owner. The applicants demonstrated funds available are sufficient to cover only one of the three applications. This application does not discuss the need for each proposed project component, does not provide evidence of sufficient funds and does not document the availability of necessary ancillary and support services. For these and other reasons, the application is non-conforming to Criterion (1), (3), (3a), (4), (5), (6), (8), (12), (13c), and (18a).

- 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, ambulatory surgery operating rooms, or home health offices that may be approved.***

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan* (SMFP) for the following reasons. First, the applicants do not specifically address Policy GEN-4. Second, the application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Liberty-Cedar Fork fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

### **SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of necessary ancillary and support staff. Please see discussion in Criterion (8).

Liberty-Cedar Fork provides no specific evidence of commitment to quality programming. The applicants provide minimal explanation of the facility's proposed services. In Section II.2, the applicants copied the nursing home licensure regulations almost verbatim, but provided little or no program description to document the ways in which requirements will be met. Liberty-Cedar Fork made minimal attempts to describe services in detail. For example, the applicants provide limited details on dining programs and their short-term rehabilitation program. Additionally, the application describes no care management programs for residents in need of pain, diabetes, cardiac, stroke or TPN care.

On the Medicare Compare Rating, this applicant rated 2.47 of a possible five stars on Average Health Inspections of its North Carolina facilities; ranking fifth among the nine applicants.

### **ACCESS**

The applicants do not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

The applicants do not propose to serve residents in need of hospice services. Please see discussion in Criterion (3).

### **VALUE**

It is not possible to determine that Liberty-Cedar Fork's proposed project will maximize healthcare value because the applicants do not adequately demonstrate the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

The applicants also do not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, the applicants fail to demonstrate that their application is consistent with the all applicable policies.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**NEED FOR THE PROPOSED PROJECT**

Liberty-Cedar Fork does not adequately demonstrate the need of the population to be served for the following reasons:

- Liberty-Cedar Fork does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. Liberty-Cedar Fork provides a discussion of need for only an Alzheimer’s Special Care Unit. Section III.1.(a) instructs applicants to “describe the unmet need that necessitated the inclusion of each of the proposed project components....as set forth in the description of the scope of services in Section II.2 and II.3” Review Criterion (3) also specifically states that an applicant “...shall demonstrate the need that [the] population has for the services proposed..”
- The applicants provide documentation of only one interview with area representatives to substantiate the need for the proposed project components. This one interview summary is secondary data and does not mention all of the services the application proposes. For example short term rehabilitation is not mentioned.
- The applicants’ independent bed need analysis is incomplete and not reproducible for the following reasons:
  - It is impossible to recreate the applicants’ 2014 bed need estimates utilizing the information provided in the application. On Liberty-Cedar Fork application page 57, Section III.1.(a), the applicants state that their 2014 bed need estimates were generated by proportionally adjusting 2015 bed need projections. However, the applicants do not state what factor was used for the proportional adjustment nor do they provide data that would allow someone to recreate the methodology.
  - The applicants provide no use rate assumptions for their 3-mile radius need projections, provided in Liberty-Cedar Fork Exhibit 12. Furthermore, the applicants do not provide the reader with the data necessary to validate the applicants’ estimated existing bed inventory within the three mile radius. Both sets of information are essential to validate the applicants’ need statements on Liberty-Cedar Fork application page 58.
  - The applicants fail to address the impact of Continuing Care Retirement Communities (CCRCs) in their independent bed need assessment. The need for additional nursing care facility beds in both the 2011 SMFP and the applicants’ township analysis are artificially high because the 2011 SMFP methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the population state’s estimates utilized in the 2011 SMFP. As such, all CCRC beds should be considered when determining the geographic need.

## ACCESS

Liberty-Cedar Fork does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed for the following reasons:

- The applicants do not propose to serve any Veterans Administration residents. Yet 10.1 percent of Wake County residents are civilian veterans<sup>1</sup>.
- The applicants do not project serving residents receiving hospice care. On Liberty-Cedar Fork application page 68, Section II.4, the applicants state that the proposed facility will offer hospice services to residents in need of such care. However, the applicants project no hospice days in the utilization projections provided on Liberty-Cedar Fork application pages 79 through 82, Section IV.3. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.

In conclusion, the applicants do not adequately demonstrate the need that the population has for the services proposed and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

3. a. ***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, handicapped persons, and other underserved groups and the elderly to obtain needed health care.***

As stated on Liberty-Cedar Fork application page 9, Section I.7, the applicants propose to relocate 10 skilled nursing beds from Capital Nursing to the proposed facility. The applicants argue on Liberty-Cedar Fork application page 70, Section III.7, that that no one will be harmed by the relocation because the beds are empty. However, the applicants have also submitted two other applications, J-8723-11 and J-8727-11. Both alternate applications call for relocating 10 beds from Capital Nursing. The applicants have made no indication that they would like only one application approved. While all three applications cannot be approved, two could be approved. However, approval would require 20 beds to be relocated from Capital Nursing. This would likely displace existing residents.

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<sup>1</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US\[04000US37\]05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuld=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qv\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US[04000US37]05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuld=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qv_name=null&reg=&keyword=&industry=)

As documented on Liberty-Cedar Fork application page 347, Liberty-Cedar Fork Exhibit 15, Capital Nursing's average daily census (ADC) for the last 12 months ranged from 100 to 109 beds, including five months of an ADC over 105. The removal of 20 beds from Capital Nursing would leave the facility with 105 beds. The applicants provide no plan for residents that could be displaced as a result of the project. As such, the application is non-conforming to Criterion (3a).

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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (3a), (5), (6), (8), (12), (13c), and (18a).

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.***

#### **OPERATIONAL PROJECTIONS**

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants' patient day projections are overstated in Partial Project Year 1. On Liberty-Cedar Fork application page 74, Section IV.2.(e), the applicants state that a fill-up rate of four residents per week was assumed. It is not reasonable to assume a new nursing care facility will fill at four per week, from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing home will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.

- Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
- Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on the process outline provided above, unless admissions are all private pay, it is unreasonable to assume the applicants will fill four residents per week for at least three to four weeks. The applicants would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, it is unreasonable to assume a facility will fill beds expecting not to get paid for the care. Based on the applicants' Partial Project Year 1 patient day estimates, provided on Liberty-Cedar Fork application page 79, Table IV.3, UHS-Pruitt Corporation believes it is unreasonable to assume the applicants filled only private pay patients for the first month. Had the applicants filled with four private pay patients a week for the first month, they would not have hit the patient day estimates provided in Tables IV.2 and IV.3. It is reasonable to make this assumption because the applicants project filling approximately four private pay beds in Partial Project Year 1 ((536 private pay, private room days + 830 private pay, semi- private room days)/365 = 3.74). Four per week for four weeks would require 16 private pay beds.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually back paid until each individual provider number is issued. As such, it is reasonable to assume that a facility might delay admitting Medicare residents for 2 to 3 months and Medicaid residents for 5 to 6 months. In Section IX page 112, the application shows Medicare and Medicaid cash receipts in the first quarter of Partial Year 1 ( 3rd Qtr).

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- The applicants do not provide payor mix assumptions.
- The applicants provide no referrals to validate utilization projections.
- On Liberty-Cedar Fork application page 140, Section XII, the applicants project licensure and certification before the facility opens. This is not possible. Please see Attachment 13 for a logs of conversations with the North Carolina Nursing Home Licensure and Certification Section. Furthermore, it is not reasonable to assume that a facility will be certified within 15 days of licensure. Please see Attachment 13 for a logs of conversations with the North Carolina Nursing Home Licensure and Certification Section.

## **FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilized projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants do not provide Form B and C statements for all applicants. Application question X.8.(b) specifically instructs all applicants to complete Form B and C for each of the first two full federal fiscal years of operation.
- The applicants do not provide estimates of start-up costs, initial operating expense, and total working capital needs for the property company.
- The applicants' capital costs are unreliable. The applicants provide no documentation to validate if enough money has been allocated for water and sewer. Please see discussion in Criterion (12).

## **AVAILABILITY OF FUNDS**

The applicants fail to provide adequate documentation of funding for capital cost and working capital needs for the following reason. As discussed above, the applicants have submitted three separate applications. While all three applications cannot be approved, two could be approved. The applicants have made no indication that they would like only one application approved. As such, the applicants do not provide sufficient funding. The applicants' provide documentation of available funds up to \$20,000,000, in Liberty-Cedar Fork Exhibit 37. However, the total equity contributions for the three projects are as follows:

Table 22 – Total Equity Contributions

<b>Equity Needs</b>	<b>Liberty- St. Mary's J-8723-11</b>	<b>Liberty- Cedar Fork J-8726-11</b>	<b>Liberty- House Creek J-8727-11</b>	<b>All Applications</b>
Capital Cost	\$14,719,180	\$13,850,714	\$15,667,836	\$44,237,730
Working Capital	\$1,600,412	\$1,585,103	\$1,597,250	\$4,782,765
<b>Total</b>	<b>\$16,319,592</b>	<b>\$15,435,817</b>	<b>\$17,265,086</b>	<b>\$49,020,495</b>

As such, the applicants do not have sufficient funds for their proposed projects. Furthermore, UHS-Pruitt Corporation questions the validity of the availability of \$20,000,000. As stated above, the applicants provide a letter from Mr. Joel M. White, CPA, in Liberty-Cedar Fork Exhibit 37, to validate the availability of \$20,000,000. The letter states that John A. McNeil, Jr. and Ronald B. McNeil each have in excess of \$10,000,000 in cash, stocks, or short-term investments. However, no documentation of how the funds are broken out is included.



This is important because if a majority of the McNeil brothers' money is in stocks. It is reasonable to assume, especially given the current economic climate that those stocks may be worth less today than they were yesterday. It is also unclear what type of penalties would occur by selling short term investments. As such, the applicants have not provided sufficient documentation of the availability of funds. Please see Attachment 20 for a letter from Russell G. Seney, CPA explaining the uncertainty of the applicants' funding letter in more detail.

In conclusion, the applicants did not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide separate analysis to demonstrate *that the project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.* Moreover, the applicants do not describe the unmet need that necessitated the inclusion of each of the proposed project components and the applicants' independent bed need analysis is incomplete and unverifiable. Therefore, the applicants fail to provide alternate information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming to this Criterion. The applicants fail to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Liberty-Cedar Fork application page 98, Table VII.3, the applicants state that the facility will utilize a Pharmacy Consultant. However, the applicants do not provide documentation of a provider's availability or interest in providing pharmacy consulting services, as required by application question II.4.(b).
- On Liberty-Cedar Fork application page 98, Table VII.3, the applicants state that the facility will utilize a contracted Dietician. On Liberty-Cedar Fork application page 100, the applicants state that the Dietician will be provided through the LTC Management Services, LLC contract. However, the sample management contract provided in Liberty-Cedar Fork Exhibit 3 does not mention dietician services. As such, the applicants do not provide documentation of a provider's availability or interest in providing dietician services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2701 requires facilities to employ or contract a dietician.

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.***

The application is non-conforming to this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reasons:

- The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. Documentation is necessary to document that adequate costs have been included, as required by application question XI.2.(l).
- The applicants fail to provide justification that the proposed site will be rezoned, as required by application question XI.2.(f).

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 handicapped persons, 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:***

- (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***

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not project hospice or Veterans Administration access. Please see discussion in Criterion (3).

- 18 a. ***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 the service for which competition will not have a favorable impact.***

The application is non-conforming with Criterion (1), (3), (3a), (4), (5), (6), (8), (12), and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (3a), (4), (5), (6), (8), (12), and (13c).

20. *An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.*

UHS-Pruitt Corporation assumes that the CON Section will research all applicants' regulatory compliance to assure all applicants' are conforming to this Criterion.

#### **SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

##### **10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to this Criterion. The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. They also fail provide justification that the proposed site will be rezoned. Please see discussion in Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

##### **10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*

J-8727-11

Liberty-House Creek

**Liberty-House Creek**

**J-8727-11**

COMPETITIVE REVIEW OF –  
**LIBERTY HEALTHCARE PROPERTIES OF W. WAKE COUNTY, LLC, D/B/A  
LIBERTY PROPERTIES AND LIBERTY COMMONS NURSING & REHAB CNTR OF  
W. WAKE COUNTY, LLC, D/B/A WAKE COUNTY REHAB CNTR, J-8727-11  
(LIBERTY-HOUSE CREEK)**

**CON REVIEW CRITERIA**

This application proposes to relocate 10 beds from Capital Nursing and use 120 beds from the 2011 Nursing Home bed allocation to develop a new 130-bed nursing facility on Ray Road in North Raleigh, House Creek Township. The application proposes a 20-bed Special Care unit for persons with Alzheimer's' and related dementia. This is one of three applications submitted by the same owner. The applicants demonstrated funds available are sufficient to cover only one of the three applications. This application does not provide evidence that the applicants have control of viable site and no secondary site is proposed. It does not discuss the need for each proposed project component, does not provide evidence of sufficient funds and does not document the availability of necessary ancillary and support services. For these and other reasons, the application is non-conforming to Criterion (1), (3), (3a), (4), (5), (6), (8), (12), (13c), and (18a).

- 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, ambulatory surgery operating rooms, or home health offices that may be approved.***

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan* (SMFP) for the following reasons. First, the applicants do not specifically address Policy GEN-4. Second, the application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Liberty-House Creek fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

## SAFETY AND QUALITY

Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of necessary ancillary and support staff. Please see discussion in Criterion (8).

Liberty-House Creek provides no specific evidence of commitment to quality programming. The applicants provide minimal explanation of the facility's proposed services. In Section II.2, the applicants copied the nursing home licensure regulations almost verbatim, but provided little or no program description to document the ways in which requirements will be met. Liberty-House Creek made minimal attempts to describe services in detail. For example, the applicants provide limited details on dining programs and their short-term rehabilitation program. Additionally, the application describes no care management programs for residents in need of pain, diabetes, cardiac, stroke or TPN care. ~~Additionally, the application describes no care management programs for pain, diabetes, cardiac, stroke or TPN residents.~~

On the Medicare Compare Rating, this applicant rated 2.47 of a possible five stars on Average Health Inspections of its North Carolina facilities; ranking fifth among the nine applicants.

## ACCESS

The applicants do not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

The applicants do not propose to serve residents in need of hospice services. Please see discussion in Criterion (3).

## VALUE

It is not possible to determine that Liberty-House Creek's proposed project will maximize healthcare value because the applicants do not adequately demonstrate the need of the population for the proposed nursing care facility service. Please see discussion in Criterion (3).

The applicants also do not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, Liberty-House Creek fail to demonstrate that the application is consistent with all applicable policies.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**NEED FOR THE PROPOSED PROJECT**

Liberty-House Creek does not adequately demonstrate the need of the population to be served for the following reasons:

- Liberty-House Creek does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. Liberty-House Creek provides a discussion of need for only an Alzheimer’s Special Care Unit. Section III.1.(a) instructs applicants to “describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3” Review Criterion (3) also specifically states that an applicant “...shall demonstrate the need that [the] population has for the services proposed..”
- The applicants provide documentation of only one interview with area representatives to substantiate the need for the proposed project components. This one interview summary is secondary data and does not mention all of the services the application proposes. For example short term rehabilitation is not mentioned.
- The applicants’ independent bed need analysis is incomplete and not reproducible for the following reasons:
  - It is impossible to recreate the applicants’ 2014 bed need estimates utilizing the information provided in the application. On Liberty-House Creek application page 57, Section III.1.(a), the applicants state that their 2014 bed need estimates were generated by proportionally adjusting 2015 bed need projections. However, the applicants do not state what factor was used for the proportional adjustment nor do they provide data that would allow someone to recreate the methodology.
  - The applicants provide no use rate assumptions for their 3-mile radius need projections provided in Liberty-House Creek Exhibit 12. Furthermore, the applicants do not provide the reader with the data necessary to validate the applicants’ estimated existing bed inventory within the three mile radius. Both sets of information are essential to validate the applicants’ need statements on Liberty-House Creek application page 58.
  - The applicants fail to address the impact of Continuing Care Retirement Communities (CCRCs) in their independent bed need assessment. The need for additional nursing care facility beds in both the 2011 SMFP and the applicants’ township analysis are artificially high because the 2011 SMFP methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the state’s population estimates utilized in the 2011 SMFP. As such, all CCRC beds should be considered when determining true geographic need.



## ACCESS

Liberty-House Creek does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services for the following reasons:

- The applicants do not propose to serve any Veterans Administration residents. Yet 10.1 percent of Wake County residents are civilian veterans<sup>1</sup>.
- The applicants do not project serving residents receiving hospice care. On Liberty-House Creek application page 68, Section II.4, the applicants state that the proposed facility will offer hospice services to residents in need of such care. However, the applicants project no hospice days in the utilization projections provided on Liberty-House Creek application pages 79 through 82, Section IV.3. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.

In conclusion, the applicants do not adequately demonstrate the need that the population has for the services proposed and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Criterion (3).

3. a. ***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, handicapped persons, and other underserved groups and the elderly to obtain needed health care.***

As stated on Liberty-House Creek application page 9, Section I.7, the applicants propose to relocate 10 skilled nursing beds from Capital Nursing to the proposed facility. The applicants argue on Liberty-House Creek application page 70, Section III.7, that that no one will be harmed by the relocation because the beds are empty. However, the applicants have also submitted two other applications, J-8723-11 and J-8726-11. Both alternate applications call for relocating 10 beds from Capital Nursing. The applicants have made no indication that they are seeking approval for only one of their three applications. While all three applications cannot be approved, two could be approved. However, approval of two would require 20 beds to be relocated from Capital Nursing. This would likely displace existing residents. As documented on Liberty-House Creek application page 347, Liberty-House Creek Exhibit 15, Capital Nursing's average daily census (ADC) for the last 12 months ranged from 100 to 109 beds, including five months of an ADC over 105.

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<sup>1</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgs=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qtr\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgs=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qtr_name=null&reg=&keyword=&industry=)

The removal of 20 beds from Capital Nursing would leave the facility with 105 beds. The applicants provide no plan for residents that could be displaced as a result of the project. As such, the application is non-conforming to Criterion (3a).

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.*

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (3a), (5), (6), (8), (12), (13c), and (18a).

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.*

#### **OPERATIONAL PROJECTIONS**

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants' patient day projections are overstated in Partial Project Year 1. On Liberty-House Creek application page 74, Section IV.2.(e), the applicants state that a fill-up rate of four residents per week was assumed. It is not reasonable to assume a new nursing care facility will fill at four per week, from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing home will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.
  - Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.

- Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on the process outline provided above, unless admissions are all private pay, it is unreasonable to assume the applicants will fill four residents per week for at least three to four weeks. The applicants would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, it is unreasonable to assume a facility will fill beds expecting not to get paid for the care. Based on the applicants' Partial Project Year 1 patient day estimates, provided on Liberty-House Creek application page 79, Table IV.3, UHS-Pruitt Corporation believes it is unreasonable to assume the applicants filled only private pay patients for the first month. Had the applicants filled with four private pay patients a week for the first month, they would not have hit the patient day estimates provided in Tables IV.2 and IV.3. It is reasonable to make this assumption because the applicants project filling approximately four private pay beds in Partial Project Year 1 ((536 private pay, private room days + 830 private pay, semi-private room days)/365 = 3.74). Four per week for four weeks would require 16 private pay beds.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually back paid until each individual provider number is issued. As such, it is reasonable to assume that a facility might delay admitting Medicare residents for 2 to 3 months and Medicaid residents for 5 to 6 months. In Section IX page 112, the application shows Medicare and Medicaid cash receipts in the first quarter of Partial Year 1 (3<sup>rd</sup> Qtr).

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- The applicants do not provide payor mix assumptions.
- The applicants provide no referrals to validate utilization projections.
- On Liberty-House Creek application page 140, Section XII, the applicants project licensure and certification before the facility opens. This is not possible. Please see Attachment 13 for a log of conversations with the North Carolina Nursing Home Licensure and Certification Section. Furthermore, it is not reasonable to assume that a facility will be certified within 15 days of licensure. Please see Attachment 13 for a log of conversations with the North Carolina Nursing Home Licensure and Certification Section.

## FINANCIAL PROJECTIONS

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilized projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants do not provide Form B and C statements for all applicants. Application question X.8.(b) specifically instructs all applicants to complete Form B and C for each of the first two full federal fiscal years of operation.
- The applicants do not provide estimates of start-up costs, initial operating expense, and total working capital needs for the property company.
- The applicants' capital costs are unreliable. The applicants provide no documentation to validate if enough money has been allocated for water and sewer. Please see discussion in Criterion (12).

## AVAILABILITY OF FUNDS

The applicant fails to provide adequate documentation of funding for capital cost and working capital needs for the following reason. As discussed above, the applicants have submitted three separate applications. While all three applications cannot be approved, two could be approved. The applicants have made no indication that they would like only one application approved. As such, the applicants do not provide sufficient funding. The applicants' provide documentation of available funds up to \$20,000,000, in Liberty-House Creek Exhibit 37. However, the total equity contributions for the three projects are as follows:

Table 23 – Total Equity Contributions

Equity Needs	Liberty-St. Mary's J-8723-11	Liberty-Cedar Fork J-8726-11	Liberty-House Creek J-8727-11	All Applications
Capital Cost	\$14,719,180	\$13,850,714	\$15,667,836	\$44,237,730
Working Capital	\$1,600,412	\$1,585,103	\$1,597,250	\$4,782,765
<b>Total</b>	<b>\$16,319,592</b>	<b>\$15,435,817</b>	<b>\$17,265,086</b>	<b>\$49,020,495</b>

As such, the applicants do not have sufficient funds for their proposed projects. Furthermore, UHS-Pruitt Corporation questions the validity of the availability of \$20,000,000. As stated above, the applicants provide a letter from Mr. Joel M. White, CPA, in Liberty-House Creek Exhibit 37, to validate the availability of \$20,000,000. The letter states that John A. McNeil, Jr. and Ronald B. McNeil each have in excess of \$10,000,000 in cash, stocks, or short-term investments. However, no documentation of how the funds are broken out is included.

This is important because if a majority of the McNeil brothers' money is in stocks. It is reasonable to assume, especially given the current economic climate that those stocks may be worth less today than they were yesterday. It is also unclear what type of penalties would occur by selling short term investments. As such, the applicants have not provided sufficient documentation of the availability of funds. Please see Attachment 20 for a letter from Russell G. Seney, CPA explaining the uncertainty of the applicants' funding letter in more detail.

In conclusion, the applicants do not adequately demonstrate the availability of sufficient funds for capital and operating needs and the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide separate analysis to demonstrate *that the project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.* Moreover, the applicants do not describe the unmet need that necessitated the inclusion of each of the proposed project components and the applicants' independent bed need analysis is incomplete and unverifiable. Therefore, the applicants fail to provide alternate information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming with this Criterion. The applicants fail to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Liberty-House Creek application page 98, Table VII.3, the applicants state that the facility will utilize a Pharmacy Consultant. However, the applicants do not provide documentation of a provider's availability or interest in providing pharmacy consulting services, as required by application question II.4.(b).
- On Liberty-House Creek application page 98, Table VII.3, the applicants state that the facility will utilize a contracted Dietician. On Liberty-House Creek application page 100, the applicants state that the Dietician will be provided through the LTC Management Services, LLC contract. However, the sample management contract provided in Liberty-House Creek Exhibit 3 does not mention dietician services. As such, the applicants do not provide documentation of a provider's availability or interest in providing dietician services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2701 requires facilities to employ or contract a dietician.

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.***

The application is non-conforming with this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reasons:

- The applicants' proposed site is not under the control of the applicants and no alternative is provided. On Liberty-House Creek application page 127, Section XI.1, the applicants state that the proposed site is optioned. However, the site option provided in Liberty-House Creek application Exhibit 39 is not executed. No pages are initialed and no representative of Liberty Healthcare Properties of North Carolina, LLC signed the document. Further, the applicants provide no secondary site option.
- The applicants fail to provide justification that the proposed site will be rezoned, as required by application question XI.2.(f).
- The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. Documentation is necessary to document that adequate costs have been included, as required by application question XI.2.(l).

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 handicapped persons, 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:***

- (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***

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not project hospice or Veterans Administration access. Please see discussion in Criterion (3).

18. a. *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (3a), (4), (5), (6), (8), (12), and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (3a), (4), (5), (6), (8), (12), and (13c).

20. *An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.*

UHS-Pruitt Corporation assumes that the CON Section will research all applicants' regulatory compliance to assure all applicants' are conforming to this Criterion.

#### **SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

##### **10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (d) *An applicant proposing to establish a new nursing facility or adult care home shall specify the site on which the facility will be located. If the proposed site is not owned by or under the control of the applicant, the applicant shall specify at least one alternate site on which the services could be operated should acquisition efforts relative to the proposed site ultimately fail, and shall demonstrate that the proposed and alternate sites are available for acquisition.*

The application is non-conforming to this Criterion. The applicants proposed site is not under the control of the applicants and no alternative is provided. Please see discussion in Criterion (12).

- (e) ***An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.***

The application is non-conforming to this Criterion. The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. They also fail provide justification that the proposed site will be rezoned. Please see discussion in Criterion (12).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

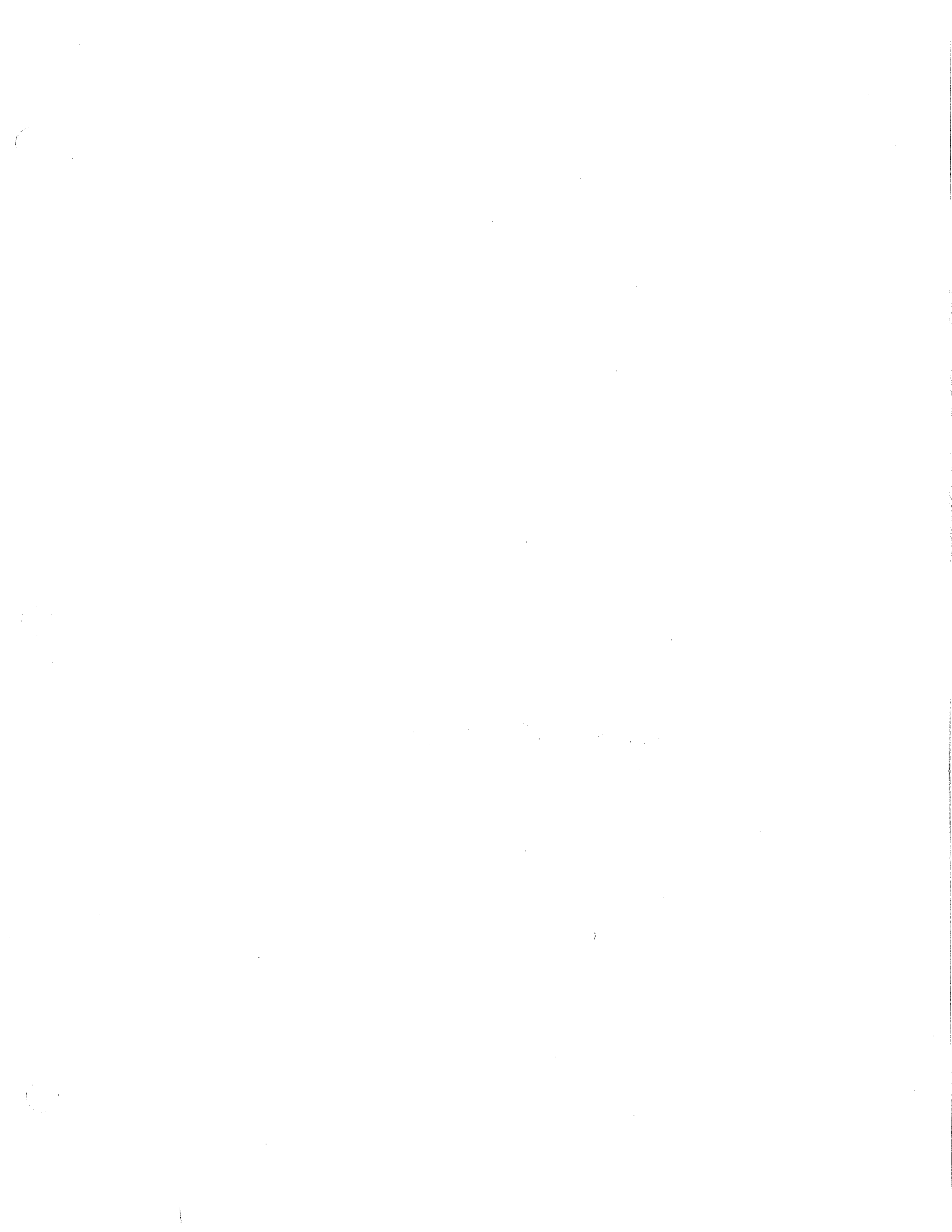
#### **10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) ***An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.***

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*





**BellaRose**

**J-8729-11**

COMPETITIVE REVIEW OF –  
E.N.W., LLC AND BELLAROSE NURSING AND REHAB CENTER, INC., J-8729-11  
(BELLAROSE)

**CON REVIEW CRITERIA**

This application proposes to locate 100 nursing care facility beds in Southeast Raleigh, St. Mary's Township. The application does not discuss the need for each proposed project component; it is not consistent with all applicable policies and does not document the availability of necessary ancillary and support services. For these and other reasons, the application is non-conforming to Criterion (1), (3), (4), (5), (6), (8), (12), (13c), and (18a).

- 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, ambulatory surgery operating rooms, or home health offices that may be approved.***

BellaRose fails to be consistent with all applicable policies in the *2011 State Medical Facilities Plan (SMFP)* for the following reasons:

- The applicants fail to address Policy GEN-4 in response to application question III.4. The applicants provide no other information in the application that could be viewed as a plan to assure improved energy efficiency and water conservation.
- The applicants fail to completely address Policy NH-8 in response to application question III.4. The applicants fail to address how the facility shall pursue innovative approaches in care practices and work place practices. The applicants provide no other information in the application that could be used to address these two points of Policy NH-8. The applicants provide a very brief overview of services, with little detail, and provide no examples of programs that improve work place practices.
- The applicants fail to address Policy GEN-3 in response to application question III.4. Even if the applicants had addressed Policy GEN-3, UHS-Pruitt Corporation believes the applicants fail to be consistent with Policy GEN-3 for the following reasons:
  - Safety and quality cannot be assumed because the applicants fail to adequately demonstrate the availability of necessary health manpower and ancillary and support staff. Please see discussion in Criterion (7) and (8).
  - Safety and quality cannot be assumed because the applicants provide no detailed quality assurance or performance improvement plan. The applicants also do not propose to utilize any third-party quality assurance benchmark tools, such as LTC Trend Tracker or My InnerView.

- Safety and quality cannot be assumed because the applicants provide no evidence of a commitment to quality programming. BellaRose made minimal attempts to describe services in detail. For example, the applicants provide no details on facility activities, Alzheimer’s programming, dining programs, or its short-term rehabilitation program.
- It is not possible to determine that BellaRose’s proposed project will maximize healthcare value, because the applicants do not adequately demonstrate the need of the population for the proposed nursing care facility services. Please see discussion in Criterion (3).
- It is not possible to determine that BellaRose’s proposed project will maximize healthcare value, because the applicants do not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).
- The applicants do not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is non-conforming to Criterion (1).

For the reasons stated above, BellaRose fails to demonstrate that its application is consistent with all applicable policies. As a result, the application is non-conforming to Criterion (1).

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.***

**NEED FOR THE PROPOSED PROJECT**

BellaRose does not adequately demonstrate the need of the population to be served for the following reasons:

- BellaRose does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. Section III.1.(a) instructs applicants to “describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3” Review Criterion (3) also specifically states that an applicant “...shall demonstrate the need that [the] population has for the services proposed..” The applicants reference six surveys as a basis for including Medicaid beds, beds for males, and Alzheimer’s/dementia programming. Six surveys are not significant and the applicants provide no other statistics to back up the need for the services. Furthermore, the applicant provides no discussion for the other services it proposes in Section II.2 and II.3. Moreover, relative to other applications, Bella Rose proposal for private rooms (46%) is below the median (51%).

- The applicants' independent bed need assessment is incomplete. The applicants fail to project bed need past 2014. The applicants' second project year ends September 30, 2016.
- On BellaRose application pages 36 and 37, Section III.2.(b), the applicants acknowledges the fact that the bed need in the 2011 SMFP is likely high because Continuing Care Retirement Community (CCRC) residents are included in the population estimates but half of the CCRC beds are excluded. However, the applicants do not include all CCRC beds in its independent need analysis. As such, estimates are high. This is important because on BellaRose application pages 36 and 37, Section III.2.(b), the applicants attempt to discount the need in the Cary and House Creek townships but provide no statistical data to back it up. The applicants simply state that the CCRCs will impact the need.

### ACCESS

BellaRose does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed because the applicants do not propose to serve any Veterans Administration residents. Yet 10.1 percent of all Wake County residents are civilian veterans<sup>1</sup>.

In conclusion, the applicants do not adequately demonstrate the need that population has for the services proposed and do not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

**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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicants did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13c), and (18a).

<sup>1</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US\[04000US37\]05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qv\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US[04000US37]05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qv_name=null&reg=&keyword=&industry=)

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.*

#### **OPERATIONAL PROJECTIONS**

The applicants' operational projections are unsupported and unreliable for the following reasons:

- The applicants' patient day projections may be overstated in Partial Project Year 1. BellaRose application page 43, Section IV.2.(c), the applicants state that a fill-up rate of four residents per week, was assumed. It is not reasonable to assume a new nursing care facility will fill at four per week with Medicare and Medicaid residents, from the opening day. According to Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, the process for licensure and certification of a new nursing care facility will follow a path similar to the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.
  - Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
  - Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

Based on the process outline provided above, unless admissions are all private pay, it is unreasonable to assume the applicants will fill four residents per week for at least three to four weeks. The applicants would not be paid for any Medicare and Medicaid residents admitted before the certification recommendation has been issued. Therefore, it is unreasonable to assume a facility will fill beds expecting not to get paid for the care. Based on the applicants' Partial Project Year 1 patient day estimates, provided on BellaRose application page 48, Table IV.3, UHS-Pruitt Corporation believes it is unreasonable to assume the applicants filled only private pay patients for the first month. If the applicants' had filled four private pay patients a week for the first month, they would not have reached the Medicaid patient day estimates provided in Tables IV.2 and IV.3.

It is reasonable to make this assumption because the applicants project filling approximately five private pay beds in Partial Project Year 1 ((1,105 private pay, private room days + 736 private pay, semi- private room days)/365 =5.04). Four per week for four weeks would require 16 private pay beds for that period. Applicants provide no assumptions to indicate that residents admitted in the first four weeks would be discharged at the end of that period.

Furthermore, it has been UHS-Pruitt Corporation operational experience that payment for Medicare and Medicaid residents is not actually received until each individual provider number is issued. As such, it is reasonable to assume that a facility might delay admitting Medicare residents for 2-to 3 months and Medicaid residents for 5to 6 months.

Please see conversation logs explaining the Certification project in Exhibit 72 of Application J-8722-11. The logs are provided for convenience in Attachment 13.

- On BellaRose application page 106, Section XII, the applicants project Certification will occur 10 days after opening. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, this is unreasonable. Please see Attachment 13.
- The applicants' hospice utilization projections in Table IV.3 are unreliable because the applicants do not have a relationship with a hospice provider. The facility itself cannot provide hospice care.
- The applicants provide no documentation of referrals to validate utilization projections.

### **FINANCIAL PROJECTIONS**

The applicants' financial projections are unsupported and unreliable for the following reasons:

- The applicants' utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicants' utilization projections are unreliable.
- The applicants do not provide Form B and C statements for all applicants. Application question X.8.(b) specifically instructs all applicants to complete Form B and C for each of the first two full federal fiscal years of operation.
- The applicants do not provide estimates of start-up costs, initial operating expense, and total working capital requirements for the property company.
- The applicants' capital costs are unreliable. The applicants provide no documentation to validate that enough money has been allocated for water and sewer. Please see discussion in Criterion (12).

In conclusion, the applicants' utilization and financial projections are unreliable. Thus, the application is non-conforming to Criterion (5).

6. ***The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide separate analysis to demonstrate *that the project will not result in unnecessary duplication of existing or approved health service capabilities or facilities*. Moreover, the applicants do not describe the unmet need that necessitated the inclusion of each of the proposed project components and the applicants' independent bed need analysis is incomplete and unverifiable. Therefore, the applicants fail to provide alternate information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

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.***

The application is non-conforming to this Criterion. The applicants fail to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- The applicants do not state, or provide evidence, that laboratory services will be available to residents of the proposed facility. This is also important because nursing home licensure regulation 10A NCAC 13D .2504 requires facilities to have a relationship with a laboratory service provider.
- On BellaRose application page 27, Section II.4.(b), the applicants state that the proposed facility will have access to radiology services. However, the applicants do not provide documentation of a provider's availability or interest in providing laboratory or radiology services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2504 requires facilities to have a relationship with a radiology service provider.
- On BellaRose application page 65, Table VII.3, the applicants document that the proposed facility will utilize a contracted Dietician. However, the applicants do not provide documentation of a provider's availability or interest in providing hospice services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2701 requires facilities to employ or contract a Dietician.
- On BellaRose application page 27, Section II.4.(b), the applicants state that the proposed facility will offer Podiatry and Dental services. However, the applicants do not provide documentation of a provider's availability or interest in providing hospice services, as required by application question II.4.(b).



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.*

The application is non-conforming to this Criterion. The applicants did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. Documentation is necessary to document that adequate costs have been included, as required by application question XI.2.(1).

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 handicapped persons, 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:*

- (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*

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicants do not project Veterans Administration access. There is no Veterans Administration nursing home in the Triangle. Please see discussion in Criterion (3).

18. a. *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (8), (12), and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (8), (12), and (13c).

**SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

**10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The applicants fail to provide verification from local authorities that existing water and sewer piping is appropriately sized and has capacity. Please see discussion in Criterion (12).

*History Note:* Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.

**10A NCAC 14C .1102-PERFORMANCE STANDARDS**

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicants' projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note:* Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.



**Rehab and Nursing-Cary**

**J-8730-11**

COMPETITIVE REVIEW OF –  
CARY OPERATIONS, LLC, D/B/A THE REHABILITATION AND NURSING CENTER AT  
CARY, J-8730-11  
(REHAB AND NURSING-CARY)

**CON REVIEW CRITERIA**

This application proposes to locate 120 nursing care facility beds in Cary, North Carolina, Cary Township. The application proposes a 30-bed Special Care unit for persons with Alzheimer's and related dementia. The application does not discuss the need for each proposed project component; limits Medicaid access; offers low NHPPD, does not provide evidence of sufficient funds and does not document the availability of necessary health manpower, ancillary and support services. For these and other reasons the application is non-conforming to Criterion (1), (3), (4), (5), (6), (7), (8), (12), (13c), and (18a).

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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the 2011 State Medical Facilities Plan (SMFP). The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Rehab and Nursing-Cary fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Facility Services, in Section II.1, thus, is non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

**SAFETY AND QUALITY**

Safety and quality cannot be assumed because the applicant fails to adequately demonstrate the availability of health manpower and necessary ancillary and support staff. Please see discussion in Criterion (7) and (8).

The applicant's projected nursing hours per patient day (NHPPD) are below the 2010 Wake County average. Rehab and Nursing-Cary application page 130, Section VII.4, denotes that the applicant projects 3.50 NHPPD, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the most recently documented Wake County average NHPPD for non-hospital, non-CCRC nursing care facilities is 3.75. Please see Attachment 14. Furthermore, the applicant proposes fewer than 30 minutes of RN hours per patient day ( $0.49 \times 60 = 29.4$ ). In a recent evidence based study of nursing care facility staffing, the threshold for improved outcomes was 30 to 40 minutes of RN direct care per day. Specifically, researchers found fewer pressure ulcers, less weight loss and fewer hospitalizations with facilities hitting at least this threshold.<sup>1</sup>

### ACCESS

The applicant's Medicaid days, for the new beds, are below the Wake County average for similar facilities. Nursing care facility access for Medicaid recipients is one of the most needed services in Wake County. Please see discussion in Criterion (3).

The applicant does not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

It is also impossible to determine how much, if any, access is proposed for residents in need of hospice services. Please see discussion in Criterion (3).

The applicant's proposal does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Please see discussion in Criterion (3).

### VALUE

It is not possible to determine that Rehab and Nursing-Cary's proposed project will maximize healthcare value because the applicant does not adequately demonstrate the need of the population for the proposed nursing care facility services. Please see discussion in Criterion (3).

The applicant also does not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

For the reasons stated above, Rehab and Nursing-Cary fails to demonstrate that the application is consistent all applicable policies.

It should also be noted that the application does not include certification pages, the application is missing a number of Exhibits, and there are a tremendous number of inconsistencies in utilization numbers, capital and start-up costs, and applicant name references.

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<sup>1</sup> Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, Nov. 2005, Volume 105 No. 11 Pgs 58-70

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.*

**NEED FOR THE PROPOSED PROJECT**

Rehab and Nursing-Cary does not adequately demonstrate the need of the population to be served for the following reasons:

- Rehab and Nursing-Cary does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. The applicant provided a discussion of only the need for rehabilitation services, Alzheimer's/Dementia, and hospice services. Section III.1.(a) instructs applicants to "describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3" Review Criterion (3) also specifically states that an applicant "...shall demonstrate the need that [the] population has for the services proposed."
- It is impossible to recreate the applicant's 2011 and 2016 bed need analysis. On Rehab and Nursing-Cary application pages 65 and 66, the applicant provides an independent bed need analysis. However, the applicant does not provide the use rates utilized to calculate the bed need. Also, the applicant fails to address the impact of Continuing Care Retirement Communities (CCRCs) in its independent bed need assessment. The need for additional nursing care facility beds in both the *2011 SMFP* and the applicant's township analysis are artificially high because the *2011 SMFP* methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the state's population estimates utilized in the *2011 SMFP*. As such, all CCRC beds should be considered when determining true geographic need.
- The applicant provides no surveys or interviews with area representatives to substantiate the need for the proposed project components.

## ACCESS

Rehab and Nursing-Cary does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed for the following reasons:

- The applicant's Medicaid days, for the new beds, are below the 2010 Wake County average for comparable facilities. On Rehab and Nursing-Raleigh application page 115, Section VI.3, the applicant projects that 50.7 of its patient days will be Medicaid, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the most recently documented Wake County average Medicaid percentage for non-hospital, non-CCRC nursing care facilities is 60.5 percent. A comparison of non-hospital, non-CCRC nursing care facilities is the most accurate comparison. CCRC and hospital-based facilities care for a different patient population. Hospital based facilities are more focused on short-term rehabilitation services, and have more Medicare and commercially insured patients, and many times CCRC's in Wake County do not accept Medicare and/or Medicaid residents. Please see Attachment 10. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, 61 percent of the persons surveyed by UHS-Pruitt Corporation representatives requested additional Medicaid beds.
- The applicant does not project serving residents receiving hospice care. On Rehab and Nursing-Cary application page 42, Section II.2, the applicant states that the proposed facility will offer hospice services to residents in need of such care. However, the applicant projects no hospice days in the utilization projections provided on Rehab and Nursing-Cary application pages 104 through 106, Section IV.3. Additionally, as discussed in Criterion (8), the applicant provides no documentation of a hospice company willing to provide services to the proposed facility. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.
- The applicant does not propose to serve any Veterans Administration residents. Yet 10.1 percent of Wake County residents are civilian veterans<sup>2</sup>.
- The proposed facility does not expand geographical access to nursing care facility services to the areas of Wake County most in need. The applicant's proposed location in the Southeast corner of the Cary Township is not ideal for serving the needs of the Cary, Cedar Fork, Leesville, and House Creek Townships. As shown in Attachment 11, these three townships show a need for a minimum of 272 beds. An applicant should be situated in an area that can easily serve residents of the Cedar Fork, Leesville, and House Creek Townships, as well as Cary. Cary alone will not support the need.

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<sup>2</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&\\_geo\\_id=05000US37183&\\_geoContext=01000US\[04000US37\]\[05000US37183&\\_street=&\\_county=Wake&\\_cityTown=&\\_state=04000US37&\\_zip=&\\_lang=en&\\_sse=on&ActiveGeoDiv=&\\_useEV=&\\_pctxt=fph&\\_pgsl=050&\\_submenuId=factsheet\\_1&\\_ds\\_name=DEC\\_2000\\_SAFF&\\_ci\\_nbr=null&\\_qr\\_name=null&\\_reg=&\\_keyword=&\\_industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&_geo_id=05000US37183&_geoContext=01000US[04000US37][05000US37183&_street=&_county=Wake&_cityTown=&_state=04000US37&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV=&_pctxt=fph&_pgsl=050&_submenuId=factsheet_1&_ds_name=DEC_2000_SAFF&_ci_nbr=null&_qr_name=null&_reg=&_keyword=&_industry=)



In conclusion, the applicant does not adequately demonstrate the need that the population has for the services proposed and does not adequately demonstrate that all persons will have access to their proposed services. Therefore, the application is non-conforming to Review Criterion (3).

**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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicant did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13c), and (18a).

**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.***

**OPERATIONAL PROJECTIONS**

The applicant's operational projections are unsupported and unreliable for the following reasons:

- The applicant's utilization projections by payor do not include hospice residents. On Rehab and Nursing-Cary application page 42, Section II.2, the applicant states that the proposed facility will offer hospice services to residents in need of such care. However, the applicant projects no hospice days in the utilization projections provided on Rehab and Nursing-Cary application pages 104 through 106, Section IV.3.
- The applicant's do not break out utilization projections provided in Table IV.2 and IV.3 by general nursing days and by special care unit days, as requested in the application.
- The applicant's utilization projections provided on Rehab and Nursing –Cary application page 105, Section IV.3, do not total.
- The applicant provides no referrals to validate utilization projections.

**FINANCIAL PROJECTIONS**

The applicant's financial projections are unsupported and unreliable for the following reasons:

- The applicant's utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicant's utilization projections are unreliable.
- The applicant does not provide special care unit charges, as requested in the application question X.4.

- The applicant does not break out Form C and B projections by general nursing days and by special care unit days, as requested in the application question X.8.(d).
- The applicant's projected Medicaid rate is too high. On Rehab and Nursing-Cary application page 151, Section X.4 (c), the applicant projects a Medicaid rate of \$163.32. This rate includes a direct rate of \$105.49. The CON monthly report instructs applicants to utilize a direct rate of \$101.52. As such, the applicant overstates revenue.
- The applicant provides no assumptions for private pay, commercial insurance, and Medicare rates. Furthermore, it is impossible to determine if the applicant decreased the Medicare rates. Effective October 1, 2011, Medicare rates for skilled nursing facilities will be cut by 11.1 percent<sup>3</sup>. As such, projections made at current rates would be unreasonable.
- The applicant's capital costs are unreliable for the following reasons:
  - The total capital cost cannot be verified. The applicant's funding letter states, in Rehab and Nursing Care-Cary Exhibit 28, that the proposed capital cost for the project is \$10,933,381. On Rehab and Nursing Care-Cary application page 133, Section VIII.1, the applicant states that the proposed capital cost for the project is \$10,933,149. On the Certification Page, the total capital expenditure is listed at \$10,943,381. On Rehab and Nursing Care-Cary application page 134, Section VIII.2, the applicant states that the proposed capital cost for the project is \$13,000,000. In Rehab and Nursing-Cary application Exhibit 34, Mr. Claeys states that it is his understanding that the total project capital cost is \$13,000,000.
  - The applicant provides no documentation to validate if enough money has been allocated for water and sewer. Please see discussion in Criterion (12).
- It is impossible to verify the applicant's working capital needs. On Rehab and Nursing-Cary application page 138, the applicant states that start-up costs total \$143,372. On Rehab and Nursing-Cary application page 141, the applicant states that total initial operating expense is \$2,031,818. As such, the total working capital expense should be \$2,175,190. However, on Rehab and Nursing-Cary application page 141, the applicant states that total working capital expense is \$2,031,818. This is the same as the total initial operating expense. It is possible that the initial operating expense or total working capital expense are typos. However, it is impossible to verify. On Rehab and Nursing-Cary application page 144, the applicant's cash flow statement projects an initial operating expense of \$1,210,311. This number should tie to the initial operating expense provided on Rehab and Nursing-Cary application page 141. It does not. Furthermore, a start-up cost of \$143,372 and an initial operating expense of \$1,210,311 also do not total \$2,031,818. Finally, on Rehab and Nursing-Cary application page 144, Section IX.5, the applicant shows working capital needs of \$23,825,000. This number is completely unverifiable.
- The applicant's RN and LPN FTEs are underestimated. Please see discussion in Criterion (7).

<sup>3</sup> <http://www.kaiserhealthnews.org/Daily-Reports/2011/August/01/nursing-home-payments.aspx>

## AVAILABILITY OF FUNDS

The applicant fails to provide adequate documentation of funding for capital cost and working capital needs for the following reasons:

- Capital costs and total working capital needs cannot be verified. Thus, it is impossible to verify if appropriate funds have been allocated.
- It is impossible to verify where funding for working capital costs will originate. Information provided in Rehab and Nursing-Cary application Exhibit 28, leads one to think that all total working capital costs will be paid for by Daniel E. Straus. However, information provided on Rehab and Nursing-Cary application pages 145 through 147, Sections IX.5 through IX.9, leads one to think that an existing TD Bank line of credit, a TD bank loan, restricted assets of DES Senior Care Holdings, LLC or personal funds from Daniel E. Straus could be utilized for working capital needs. It is also important to note that if the CON Section verifies that the applicant intended to, or needs to, utilize funds from the existing TD Bank line of credit or restricted assets of DES Senior Care Holdings, LLC, the applicant provides no documentation that the funds have been allocated for the proposed project.
- The applicant does not provide sufficient evidence that Mr. Daniel E. Straus has the funds necessary for development of the proposed project. In Rehab and Nursing-Cary application Exhibit 34, the applicant provides a letter from Matthew J. Claeys, CPA attempting to verify that the applicant has sufficient funds for the proposed project. However, the letter is not sufficient. In the second paragraph of the letter, Mr. Claeys states that “he believes that [Mr. Straus] has liquid financial assets in more than sufficient amount to fund all equity requirements necessary for the development of the Rehabilitation and Nursing Center at Cary.” This statement is not sufficient. Mr. Claeys does not verify that Mr. Straus has sufficient funds. He simply states, “I believe”, not I verify or I attest to. The letter also does not state how Mr. Claeys is familiar with Mr. Straus’s financial status or provide any numerical estimates of how much funding is available. Furthermore, Mr. Claeys’s opinion is likely based on incorrect knowledge. In his letter, Mr. Claeys states the following: “ I further understand that the project is expected to involve a total capital cost of \$13,000,000 of which the equity contribution is \$2,600,000.” As discussed above, this estimate does not match capital cost estimates provided in VIII.1. The letter also does not take into account that in Mr. Straus’s letter, in Rehab and Nursing-Cary application Exhibit 28, Mr. Straus states that he will provide \$2,600,000 for capital costs, plus all funds necessary for start-up and initial operating expenses.
- The applicant fails to apply a lag to Medicare and Medicaid receipts. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, UHS-Pruitt Corporation believes it is unreasonable to collect Medicare revenue for at least four months from the data of licensure and Medicaid revenue for at least seven months from the data of licensure. By underestimating the cash flow lag, Rehab and Nursing understated its initial operating expenses. A longer lag in cash flow would call for access to more initial operating capital. Because it is impossible to verify the applicant’s initial operating expense, it is hard to tell if the applicant will have enough funding for the increase. However, if the CON Section is able to reconcile the applicant’s working capital needs, it should add approximately \$286,939 to the total need.

6. ***The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide separate analysis to demonstrate *that the project will not result in unnecessary duplication of existing or approved health service capabilities or facilities*. Moreover, the applicant does not describe the unmet need that necessitated the inclusion of each of the proposed project components and the applicant's independent bed need analysis is incomplete and unverifiable. Therefore, the applicant fails to provide alternate information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

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.***

The application is non-conforming with this Criterion. The applicant fails to show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided for the following reasons:

- The application fails to breakout projected FTEs by general nursing days and by special care unit days, as requested in the application question X.8.(d).
- It is impossible to tie RN and LPN Staff projections, provided on Rehab and Nursing-Cary application page 122, Table VII.2, to FTE projections in Table VII.3, on Rehab and Nursing-Cary application page 126, utilizing the applicant's assumptions provided in response to application question VII.2.(b). Furthermore, based on the applicant's staff projections in Table VII.2, UHS-Pruitt Corporation believes that the applicant underestimated RN and LPN FTEs in Table VII.3. UHS-Pruitt Corporation calculates a need for 9.8 RN FTEs ( $7 \times 1.4 = 9.8$ ) and 16.1 LPN FTEs ( $11.5 \times 1.4 = 16.1$ ). In Table VII.3, the applicant projects needing 9.4 RN FTEs and 15.50 LPN FTEs.

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.***

The application is non-conforming with this Criterion. The applicant fails to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Rehab and Nursing-Cary application page 29, Section II.2, the applicant states that the proposed facility will have access to laboratory and radiology services. However, the applicant does not provide documentation of a provider's availability or interest in providing laboratory or radiology services, as required by application question II.4.(b). This is also important because nursing home licensure regulation 10A NCAC 13D .2504 requires facilities to have a relationship with a radiology and laboratory service providers.
- On Rehab and Nursing-Cary application page 30, Section II.2, the applicant states that the proposed facility will have access to pharmacy services. However, the applicant does not provide documentation of a provider's availability or interest in providing pharmacy services, as required by application question II.4.(b). This is also important because nursing home licensure regulation 10A NCAC 13D .2600 requires facilities to provide pharmacy services. It is also important to note that the applicant does not budget for the services to be provided in-house. As such, the services would be contracted.
- On Rehab and Nursing-Cary application page 42, Section II.3.(a), the applicant states that the proposed facility will offer hospice services. However, the applicant does not provide documentation of a provider's availability or interest in providing hospice services, as required by application question II.4.(b). This is also important because the applicant cannot provide hospice services.
- On Rehab and Nursing-Cary application page 49, Section II.4.(a), the applicant states that the proposed facility will offer the following on-site services: Internal Medicine, Rehabilitation Medicine, Psychiatry, Podiatry, Ophthalmology, and Dental. However, the applicant does not provide documentation of a provider's availability or interest in providing the above referenced services, as required by application question II.4.(b).
- The applicant provides no explanation of how beauty and barber services will be provided.
- The applicant provides no evidence of efforts to establish transfer agreements.

- 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.***

The application is non-conforming with this Criterion. Rehab and Nursing-Cary did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative because the applicant fails to provide verification that existing water and sewer piping is appropriately sized, as required by application question XI.2.(k). It is possible that the existing water and sewer pipes on site would need to be expanded for the new facility.

- 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 handicapped persons, 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:***

- (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***

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicant's projected Medicaid percentage is below the county average for comparable facilities and the applicant does not project hospice or Veterans Administration access. Please see discussion in Criterion (3).

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

The applicant only documents contacting one area training program, Wake Technical Community College. UHS-Pruitt Corporation does not believe this is sufficient evidence of an applicant accommodating the clinical needs of health professional training programs in Wake County. Wake County is home to a community college, three four-year colleges, and two four year universities with degree programs that could benefit from a relationship with the proposed facility.

- 18 a. *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (7), (8), (12) and (13c).

#### **SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT CARE HOME SERVICES**

##### **10A NCAC 14C.1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to this Criterion. The applicant does not verify that existing piping is the appropriate size. Please see Criterion (12).

- (f) *An applicant proposing to establish new nursing facility or adult care home beds shall provide documentation to demonstrate that the physical plant will conform with all requirements as stated in 10A NCAC 13D or 10A NCAC 13F, whichever is applicable.*

The application is non-conforming to this Criterion. The applicant provides no documentation to demonstrate that the physical plant will conform with all requirements of 10A NCAC 13D.

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

## 10A NCAC 14C.1102-PERFORMANCE STANDARDS

- (b) *An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.*

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*



( )

**Rehab and Nursing-Raleigh**

**J-8731-11**

COMPETITIVE REVIEW OF -  
RALEIGH OPERATIONS, LLC, D/B/A THE REHABILITATION AND NURSING CENTER AT  
RALEIGH, J-8731-11  
(REHAB AND NURSING-RALEIGH)

**CON REVIEW CRITERIA**

This application proposes to locate 120 nursing care facility beds in Southeast Raleigh, St. Mary's Township. The application proposes a 30-bed Special Care unit for persons with Alzheimer's and related dementia. The application does not discuss the need for each proposed project component; limits Medicaid access; offers low NHPPD, will not accommodate the clinical needs of area health professional training programs; does not provide evidence of sufficient funds and does not document the availability of necessary health manpower, ancillary and support services. For these and other reasons the application is also non-conforming to Criterion (1), (3), (4), (5), (6), (7), (8), (12), (13c), (14) and (18a).

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, ambulatory surgery operating rooms, or home health offices that may be approved.*

**OVERVIEW**

The proposed application is not consistent with applicable policies in the *2011 State Medical Facilities Plan (SMFP)*. The application does not demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value. Therefore, Rehab and Nursing-Raleigh fails to be consistent with Policy GEN-3: BASIC PRINCIPLES; thus, non-conforming to Criterion (1).

Additionally, the proposed project is not consistent with all the special rules for nursing care facilities, in 10A NCAC Section 14C .1100 – Criteria and Standards for Nursing Care Facility Services, in Section II.1, thus, is non-conforming to Criterion (1).

The discussion below outlines how the application is inconsistent with Policy GEN-3.

## SAFETY AND QUALITY

Safety and quality cannot be assumed because the applicant fails to adequately demonstrate the availability of health manpower and necessary ancillary and support staff. Please see discussion in Criterion (7) and (8).

The applicant's projected nursing hours per patient day (NHPPD) are below the 2010 Wake County average. Rehab and Nursing-Raleigh application page 132, Section VII.4, denotes that the applicant projects 3.50 NHPPD, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the most recently documented Wake County average NHPPD for non-hospital, non-CCRC nursing care facilities is 3.75. Please see Attachment 14. Furthermore, the applicant proposes fewer than 30 minutes of RN hours per patient day ( $0.49 \times 60 = 29.4$ ). In a recent evidence based study of nursing care facility staffing, the threshold for improved outcomes was 30 to 40 minutes of RN direct care per day. Specifically, researchers found fewer pressure ulcers, less weight loss and fewer hospitalizations with facilities hitting at least this threshold.<sup>1</sup>

## ACCESS

The applicant's Medicaid days, for the new beds, are below the Wake County average for similar facilities. Nursing care facility access for Medicaid recipients is one of the most needed services in Wake County. Please see discussion in Criterion (3).

The applicant does not propose to serve Veterans Administration residents. Please see discussion in Criterion (3).

It is also impossible to determine how much, if any, access is proposed for residents in need of hospice services. Please see discussion in Criterion (3).

The applicant's proposal does not expand geographical access to nursing care facility services to the areas of Wake County most in need. Please see discussion in Criterion (3).

## VALUE

It is not possible to determine that Rehab and Nursing-Raleigh's proposed project will maximize healthcare value because the applicant does not adequately demonstrate the need of the population for the proposed nursing care facility services. Please see discussion in Criterion (3).

The applicant also does not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative. Please see discussion in Criterion (12).

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<sup>1</sup> Susan D. Horn PhD, Peter Buerhaus PhD, RN, Nancy Bergstrom PhD, RN, Randall J. Smout MSRN Staffing Time and Outcomes of Long-Stay Nursing Home Residents *AJN, American Journal of Nursing*, Nov. 2005, Volume 105 No. 11 Pgs 58-70

For the reasons stated above, Rehab and Nursing-Raleigh fails to demonstrate that the application is consistent with all applicable policies.

It should also be noted that the application is missing a number of Exhibits and there are a tremendous number of inconsistencies in utilization numbers, capital and start-up costs, and applicant name references. Also, the Certification Pages list two applicants, DES Senior Care Holdings, LLC and Raleigh Operations, LLC. Section I.1 lists only Raleigh Operations, LLC.

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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.***

#### **NEED FOR THE PROPOSED PROJECT**

Rehab and Nursing-Raleigh does not adequately demonstrate the need of the population to be served for the following reasons:

- Rehab and Nursing-Raleigh does not describe the unmet need that necessitated the inclusion of each of the proposed project components described in Section II.2 and II.3. The applicant provided a discussion of only the need for rehabilitation services, Alzheimer's/Dementia, and hospice services. Section III.1.(a) instructs applicants to "describe the unmet need that necessitated the inclusion of each of the proposed project components...as set forth in the description of the scope of services in Section II.2 and II.3" Review Criterion (3) also specifically states that an applicant "...shall demonstrate the need that [the] population has for the services proposed."
- It is impossible to recreate the applicant's 2011 and 2016 bed need analysis. On Rehab and Nursing-Raleigh application pages 63 and 64, the applicant provides an independent bed need analysis. However, the applicant does not provide the use rates utilized to calculate the bed need. Also, the applicant fails to address the impact of Continuing Care Retirement Communities (CCRCs) in its independent bed need assessment. The need for additional nursing care facility beds in both the *2011 SMFP* and the applicant's township analysis are artificially high because the *2011 SMFP* methodology excludes half of the beds in CCRCs. However, the CCRC residents are included in the state's population estimates utilized in the *2011 SMFP*. As such, all CCRC beds should be considered when determining true geographic need.
- The applicant provides no surveys or interviews with area representatives to substantiate the need for the proposed project components.

## ACCESS

Rehab and Nursing-Raleigh does not adequately demonstrate the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the proposed services for the following reasons:

- The applicant's Medicaid days, for the new beds, are below the 2010 Wake County average for comparable facilities. On Rehab and Nursing-Raleigh application page 115, Section VI.3, the applicant projects that 50.7 of its patient days will be Medicaid, in Project Year 2. According to 2011 Nursing Home Licensure renewal applications, the most recent documented Wake County average Medicaid percentage for non-hospital, non-CCRC nursing care facilities is 60.5 percent. A comparison of non-hospital, non-CCRC nursing care facilities is the most accurate comparison. CCRC and hospital-based facilities care for a different patient population. Hospital based facilities are more focused on short-term rehabilitation services, and have more Medicare and commercially insured patients, and many times CCRC's in Wake County do not accept Medicare and/or Medicaid residents. Please see Attachment 10. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, 61 percent of the persons surveyed by UHS-Pruitt Corporation representatives requested additional Medicaid beds.
- The applicant does not project serving residents receiving hospice care. On Rehab and Nursing-Raleigh application page 44, Section II.2, the applicant states that the proposed facility will offer hospice services to residents in need of such care. However, the applicant projects no hospice days in the utilization projections provided on Rehab and Nursing-Raleigh application pages 106 through 108, Section IV.3. Additionally, as discussed in Criterion (8), the applicant provides no documentation of a hospice company willing to provide services to the proposed facility. As discussed in Section III.1.(a) of UPAC applications J-8719-11, J-8720-11, and J-8722-11, over a third of the persons surveyed by UHS-Pruitt Corporation representatives requested additional hospice access for nursing care facility residents.
- The applicant does not propose to serve any Veterans Administration residents. Yet 10.1 percent of Wake County residents are civilian veterans<sup>2</sup>.
- The proposed facility does not expand geographical access to nursing care facility services to the areas of Wake County most in need. The applicant's proposed location in the eastern portion of the Raleigh Township does is not ideal for serving the needs of Western Wake County, the area most in need of new beds. As shown in Attachment 11, Cary, Cedar Fork, Leesville, and House Creek Townships show a need for a minimum of 272 beds. Furthermore, the proposed location is within 1.7 miles of three existing Wake County nursing care facilities. Please see Attachment 21.

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<sup>2</sup> U. S. Census American Fact Finder 2005-2009 10.1 percent of population is civilian veteran  
[http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=&geo\\_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet\\_1&ds\\_name=DEC\\_2000\\_SAFF&ci\\_nbr=null&qv\\_name=null&reg=&keyword=&industry=](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=05000US37183&geoContext=01000US|04000US37|05000US37183&street=&county=Wake&cityTown=&state=04000US37&zip=&lang=en&sse=on&ActiveGeoDiv=&useEV=&pctxt=fph&pgsl=050&submenuId=factsheet_1&ds_name=DEC_2000_SAFF&ci_nbr=null&qv_name=null&reg=&keyword=&industry=)

In conclusion, the applicant does not adequately demonstrate the need that population has for the services proposed and do not adequately demonstrate that all persons will have access to its proposed services. Therefore, the application is non-conforming to Review Criterion (3).

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.***

The application is non-conforming to other applicable statutory and regulatory Review Criteria. Therefore, the applicant did not demonstrate the least costly or most effective alternative has been proposed. As a result, the application is non-conforming to this Review Criterion. Please see discussion in Review Criterion (1), (3), (5), (6), (7), (8), (12), (13c), (14) and (18a).

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.***

#### **OPERATIONAL PROJECTIONS**

The applicant's operational projections are unsupported and unreliable for the following reasons:

- The applicant's utilization projections by payor do not include hospice residents. On Rehab and Nursing-Raleigh application page 44, Section II.2, the applicant states that the proposed facility will offer hospice services to residents in need of such care. However, the applicant projects no hospice days in the utilization projections provided on Rehab and Nursing-Raleigh application pages 106 through 108, Section IV.3.
- The applicant's do not break out utilization projections provided in Table IV.2 and IV.3 by general nursing days and by special care unit days, as requested in the application.
- The applicant's utilization projections provided on Rehab and Nursing –Raleigh application page 107, Section IV.3, do not total.
- The applicant provides no referrals to validate utilization projections.

## FINANCIAL PROJECTIONS

The applicant's financial projections are unsupported and unreliable for the following reasons:

- The applicant's utilization projections are unsupported and unreliable. Please see discussion above. Consequently, costs and revenues that are based on the applicant's utilization projections are unreliable.
- The applicant does not provide special care unit charges, as requested in the application question X.4.
- The applicant does not break out Form C and B projections by general nursing days and by special care unit days, as requested in the application question X.8.(d).
- The applicant's projected Medicaid rate is too high. On Rehab and Nursing-Raleigh application page 154, Section X.4 (c), the applicant projects a Medicaid rate of \$163.32. This rate includes a direct rate of \$105.49. CON monthly report instructs applicants to utilize a direct rate of \$101.52. As such, the applicant over states revenue.
- The applicant provides no assumptions for private pay, commercial insurance, and Medicare rates. Furthermore, it is impossible to determine if the applicant decreased the Medicare rates. Effective October 1, 2011, Medicare rates for skilled nursing care facilities will be cut by 11.1 percent<sup>3</sup>. As such, projections made at current rates would be unreasonable.
- The applicant's capital costs are unreliable for the following reasons:
  - On Rehab and Nursing Care-Raleigh application page 136, Section VIII.1, the applicant states that the proposed capital cost for the project is \$11,335,022. On Rehab and Nursing Care-Raleigh application page 134, Section VIII.2, the applicant states that the proposed capital cost for the project is \$13,400,000. In Rehab and Nursing-Raleigh application Exhibit 34, Mr. Claeys states that it is his understanding that the total project capital cost is \$13,400,000.
  - The applicant provides no documentation to validate if enough money has been allocated for water and sewer or for site work. Please see discussion in Criterion (12).
- It is impossible to verify the applicant's working capital needs. On Rehab and Nursing-Raleigh application page 141, the applicant states that start-up costs total \$143,372. On Rehab and Nursing-Raleigh application page 144, the applicant states that total initial operating expense is \$2,028,973. As such, the total working capital expense should be \$2,172,345. However, on Rehab and Nursing-Raleigh application page 144, the applicant states that total working capital expense is \$2,028,973. This is the same as the total initial operating expense. It is possible that the initial operating expense or total working capital expense are typos. However, it is impossible to verify. On Rehab and Nursing-Raleigh application page 147, the applicant's cash flow statement projects an initial operating expense of \$1,216,480. This number should tie to the initial operating expense provided on Rehab and Nursing-Raleigh application page 144. It does not. Furthermore, a start-up cost of \$143,372 and an initial operating expense of \$1,216,480 also do not total \$2,028,973. Finally, on Rehab and Nursing-Raleigh page 144, Section IX.5, the applicant shows working capital needs of \$24,025,000. This number is completely unverifiable.
- The applicant's RN and LPN FTEs are underestimated.

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<sup>3</sup> <http://www.kaiserhealthnews.org/Daily-Reports/2011/August/01/nursing-home-payments.aspx>



## AVAILABILITY OF FUNDS

The applicant fails to provide adequate documentation of funding for capital cost and working capital needs for the following reasons:

- Capital costs and total working capital needs cannot be verified. Thus, it is impossible to verify if appropriate funds have been allocated.
- It is impossible to verify where funding for working capital costs will originate. Information provided in Rehab and Nursing-Raleigh application Exhibit 30, leads one to think that all total working capital costs will be paid for by Daniel E. Straus. However, information provide on Rehab and Nursing-Raleigh application pages 148 through 150, Sections IX.5 through IX.9, leads one to think that an existing TD Bank line of credit, a TD bank loan, restricted assets of DES Senior Care Holdings, LLC or personal funds from Daniel E. Straus could be utilized for working capital needs. It is also important to note that if the CON Section verifies that the applicant intended to, or needs to, utilize funds from the existing TD Bank line of credit or restricted assets of DES Senior Care Holdings, LLC, the applicant provides no documentation that the funds have been allocated for the proposed project.
- The applicant does not provide sufficient evidence that Mr. Daniel E. Straus has the funds necessary for development of the proposed project. In Rehab and Nursing-Raleigh application Exhibit 34, the applicant provides a letter from Matthew J. Claeys, CPA attempting to verify that the applicant has sufficient funds for the proposed project. However, the letter is not sufficient. In the second paragraph of the letter, Mr. Claeys states that “he believes that [Mr. Straus] has liquid financial assets in more than sufficient amount to fund all equity requirements necessary for the development of the Rehabilitation and Nursing Center at Raleigh.” This statement is not sufficient. Mr. Claeys does not verify that Mr. Straus has sufficient funds. He simply states, “I believe”, not I verify or I attest to. The letter also does not state how Mr. Claeys is familiar with Mr. Straus’s financial status or provide any numerical estimates of how much funding is available. Furthermore, Mr. Claeys’s opinion is likely based on incorrect knowledge. In his letter, Mr. Claeys states the following: “I further understand that the project is expected to involve a total capital cost of \$13,400,000 of which the equity contribution is \$2,680,000.” As discussed above, this estimate does not match capital cost estimates provided in VIII.1. The letter also does not take into account that in Mr. Straus’s letter, in Rehab and Nursing-Raleigh application Exhibit 30, Mr. Straus states that he will provide \$2,680,000 for capital costs, plus all funds necessary for start-up and initial operating expenses.
- The applicant fails to apply a lag to Medicare and Medicaid receipts. Per a conversation with Ms. Becky Wertz, Division of Health Service Regulation, Nursing Home Licensure and Certification, UHS-Pruitt Corporation believes it is unreasonable to collect Medicare revenue for at least four months from the data of licensure and Medicaid revenue for at least seven months from the data of licensure. By underestimating the cash flow lag, Rehab and Nursing understated its initial operating expenses. A longer lag in cash flow would call for access to more initial operating capital. Because it is impossible to verify the applicant’s initial operating expense, it is hard to tell if the applicant will have enough funding for the increase. However, if the CON Section is able to reconcile the applicant’s working capital needs, it should add approximately \$286,939 to the total need.

**6. *The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

The application fails to provide separate analysis to demonstrate *that the project will not result in unnecessary duplication of existing or approved health service capabilities or facilities*. Moreover, the applicant does not describe the unmet need that necessitated the inclusion of each of the proposed project components and the applicant's independent bed need analysis is incomplete and unverifiable. Therefore, the applicant fails to provide alternate information to demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities and the application is non-conforming with this Review Criterion. Please also see discussion of need in Criterion (3).

**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.***

The application is non-conforming to this Criterion. The applicant fails to show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided for the following reasons:

- The application fails to breakout projected FTEs by general nursing days and by special care unit days, as requested in the application question X.8.(d).
- It is impossible to tie RN and LPN Staff projections, provided on Rehab and Nursing-Raleigh application page 124, Table VII.2, to FTE projections in Table VII.3, on Rehab and Nursing-Raleigh application page 128, utilizing the applicant's assumptions provided in response to application question VII.2.(b). Furthermore, based on the applicant's staff projections in Table VII.2, UHS-Pruitt Corporation believes that the applicant underestimated RN and LPN FTEs in Table VII.3. UHS-Pruitt Corporation calculates a need for 9.8 RN FTEs ( $7 \times 1.4 = 9.8$ ) and 16.1 LPN FTEs ( $11.5 \times 1.4 = 16.1$ ). In Table VII.3, the applicant projects needing 9.4 RN FTEs and 15.50 LPN FTEs.

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.***

The application is non-conforming to this Criterion. The applicant fails to demonstrate that that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services for the following reasons:

- On Rehab and Nursing-Raleigh application page 31, Section II.2, the applicant states that the proposed facility will have access to laboratory and radiology services. However, the applicant does not provide documentation of a provider's availability or interest in providing laboratory or radiology services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2504 requires facilities to have a relationship with a radiology and laboratory service providers.
- On Rehab and Nursing-Raleigh application page 31, Section II.2, the applicant states that the proposed facility will have access to pharmacy services. However, the applicant does not provide documentation of a provider's availability or interest in providing pharmacy services, as required by application question II.4.(b). This is also important because nursing care facility licensure regulation 10A NCAC 13D .2600 requires facilities to provide pharmacy services. It is also important to note that the applicant does not budget for the services to be provided in-house. As such, the services would be contracted.
- On Rehab and Nursing-Raleigh application page 44, Section II.3.(a), the applicant states that the proposed facility will offer hospice services. However, the applicant does not provide documentation of a provider's availability or interest in providing hospice services, as required by application question II.4.(b). This is also important because the applicant cannot provide hospice services.
- The applicant provides no explanation of how beauty and barber services will be provided.

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.***

The application is non-conforming to this Criterion. Rehab and Nursing-Raleigh did not demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative for the following reasons:

- It is impossible to verify if the applicant allocated appropriate funds for site work, as a result of the proposed site being located in a flood plain. On Rehab and Nursing-Raleigh application page 163, Section XI.2.(g)(iv), the applicant states that capital costs include the costs of raising portions of the site to be compliant with City of Raleigh planning requirements. However, also on Rehab and Nursing-Raleigh application page 163, Section XI.2.(g)(iv), the applicant states that it has not yet determined how much site fill will be necessary for the proposed project. UHS-Pruitt Corporation also questions the applicant's site cost estimate for two more reasons. First, the applicant states on Rehab and Nursing-Raleigh application page 163, Section XI.2.(g)(iv), that only a portion of the proposed site is in a floodplain. A review of North Carolina Floodplain Maps shows that almost all the site is covered by floodplains. Please see Attachment 3. Second, the applicant's site cost estimate is less than the site cost estimate provided in its sister application, J-8730-11, which did not have floodplain issues.
- It does not appear that the applicant includes cost for the demolition of the existing building that is on the site.
- The applicant fails to provide verification of city water and sewer capacity or that existing water and sewer piping is appropriately sized, as required by application question XI.2.(k). It is possible that the existing water and sewer pipes on site would need to be expanded for the new facility.

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 handicapped persons, 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:***

- (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***

The application is non-conforming to this Criterion. As stated in Criterion (3), the applicant's projected Medicaid percentage is below the county average for comparable facilities and the applicant does not project hospice or Veterans Administration access. Please see discussion in Criterion (3).

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

The applicant is non-conforming to this Criterion. The applicant provides no letters to area health professional training programs, or letters from area health professional training programs, documenting the applicant's willingness to accommodate the clinical needs of area health professional training programs.

18. a. *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 the service for which competition will not have a favorable impact.*

The application is non-conforming with Criterion (1), (3), (4), (5), (6), (7), (8), (12), (13c), and (14). As a result, it is impossible to determine if the facility will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; thus, the application is non-conforming with this Criterion. Please see discussions in Criterion (1), (3), (4), (5), (6), (7), (8), (12), (13c), and (14).

#### **SECTION .1100 – CRITERIA AND STANDARDS FOR NURSING FACILITY OR ADULT HOME CARE SERVICES**

##### **10A NCAC 14C .1101-INFORMATION REQUIRED OF APPLICANT**

- (a) *An applicant proposing to establish new nursing facility or adult care home beds shall project an occupancy level for the entire facility for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be stated.*

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

- (e) *An applicant proposing to establish a new nursing facility or adult care home shall document that the proposed site and alternate sites are suitable for development of the facility with regard to water, sewage disposal, site development and zoning including the required procedures for obtaining zoning changes and a special use permit after a certificate of need is obtained.*

The application is non-conforming to this Criterion. The applicant does not verify that existing piping is the appropriate size or that costs have been included for floodplain and demolition work. Please see Criterion (12).

- (f) ***An applicant proposing to establish new nursing facility or adult care home beds shall provide documentation to demonstrate that the physical plant will conform with all requirements as stated in 10A NCAC 13D or 10A NCAC 13F, whichever is applicable.***

The application is non-conforming to this Criterion. The applicant provides no documentation to demonstrate that the physical plant will conform with all requirements of 10A NCAC 13D.

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2003; January 1, 2002; Amended Eff. August 1, 2004; April 1, 2003.*

#### **10A NCAC 14C.1102-PERFORMANCE STANDARDS**

- (b) ***An applicant proposing to establish a new nursing facility or add nursing facility beds to an existing facility, except an applicant proposing to transfer existing certified nursing facility beds from a State Psychiatric Hospital to a community facility, shall not be approved unless occupancy is projected to be at least 90 percent for the total number of nursing facility beds proposed to be operated, no later than two years following the completion of the proposed project. All assumptions, including the specific methodologies by which occupancies are projected, shall be clearly stated.***

The applicant's projections for utilization are unsupported and unreliable. Please see discussion in Criterion (5).

*History Note: Authority G.S. 131E-175; 131E-176; 131E-177(1); 131E-183(b); S.L. 2001, c. 234; Eff. November 1, 1996; Temporary Amendment Eff. January 1, 2002; Amended Eff. April 1, 2003.*

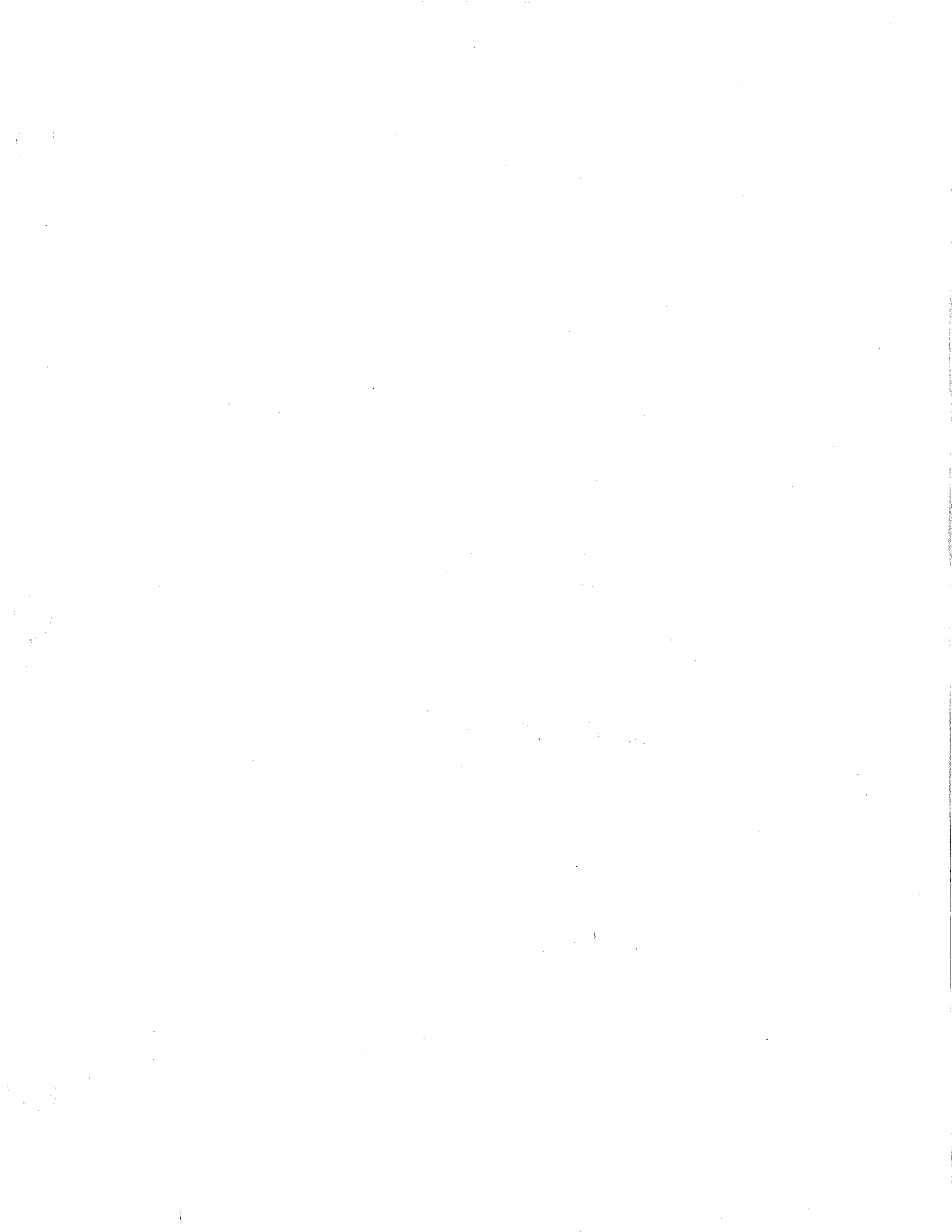


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# **Attachment 1 -**

## **Medicare Nursing Home Compare**

## NURSING HOME COMPARE CMS Five Star Rating

Medicare.gov

### Average Star Ratings for All Applicant North Carolina Facilities

CON ID	Applicant Name	Average Overall Star Rating	Average Health Inspections Star Rating	Average Nursing Home Star Rating	Average Quality Measures Star Rating
J-8711-11	Hillcrest-Wake*	<b>5.00</b>	<b>5.00</b>	0.00	4.00
J-8712-11	Wake County H&R	2.67	2.33	3.00	3.78
J-8717-11	The Heritage*	3.00	4.00	0.00	1.00
J-8723-11 J-8726-11	Liberty-St. Mary Liberty-Cedar Fork	2.53	2.47	2.00	4.00
J-8729-11	BellaRose	2.67	2.33	3.67	2.33
J-8730-11 J-8731-11	Rehab & Nursing-Cary Rehab & Nursing-Raleigh	3.00	2.00	<b>4.00</b>	4.00
J-8713-11 J-8715-11	Britthaven-Cedar Fork Britthaven-St. Mary's	2.68	2.64	2.64	3.00
J-8714-11 J-8721-11	Universal-North Raleigh Universal-Fuquay Varina	2.00	1.93	2.67	3.27
J-8719-11 J-8720-11 J-8722-11	UPAC-Raleigh UPAC-Cary UPAC-North Raleigh	3.70	2.90	2.90	<b>4.70</b>

*\*Note: Hillcrest and Heritage Staff rating is N/A not zero. Zero was used for ranking.*

Source: [www.medicare.gov/nhcompare/](http://www.medicare.gov/nhcompare/)

*\*Accessed on September 22, 2011*

**J-8711-11**

Hillcrest Convalescent Center, Inc.

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8711-11 - Hillcrest Convalescent Center, Inc.**  
*(Hillcrest Convalescent Center, Inc.)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Hillcrest Convalescent Center, Inc.	1417 W PETTIGREW STREET DURHAM, NC 27705	Durham	5	5	N/A	4
<b>Avg Star Rating</b>			<b>5.00</b>	<b>5.00</b>		<b>4.00</b>

Source: [www.medicare.gov/nhcompare/](http://www.medicare.gov/nhcompare/)

\*Accessed on September 22, 2011

J-8711-11 - Hillcrest Convalescent Center, Inc.



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#### Your Selected Nursing Homes

#### HILLCREST CONVALESCENT CENTER

1417 W PETTIGREW STREET  
DURHAM, NC 27705  
(919) 286-7705

#### Mapping & Directions

#### Your Search Criteria

You have selected the following criteria for your search:

**County:** DURHAM

**State:** North Carolina

[New Search](#)

[Modify Search](#)

#### Overall Rating

★★★★★  
5 out of 5 stars



#### Health Inspections

★★★★★  
5 out of 5 stars



#### Nursing Home Staffing

Star Rating not available<sup>a</sup>



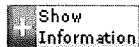
#### Quality Measures

★★★★  
4 out of 5 stars



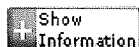
#### Fire Safety Inspections

2 Fire Safety Deficiencies



#### Enforcement

0 Enforcement Actions



#### Complaints

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

#### Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	56 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> Not enough data available to calculate a star rating.

#### Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**J-8712-11**

**Wake County Health and  
Rehabilitation**

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8712-11 - Wake County Health and Rehabilitation**  
*(Medical Facilities of North Carolina, Inc.)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Alamance Health Care Center	1987 Hilton Road Burlington, NC 27217	Alamance	3	2	4	4
Asheville Health Care Center	1984 US 70 Highway Swannanoa, NC 28778	Buncombe	2	1	2	5
Carolina Health Care Center of Burke	2647 Miller Bridge Road Connelly Springs, NC 28612	Burke	5	5	4	5
Carolina Health Care Center of Cumberland	4600 Cumberland Road Fayetteville, NC 28306	Cumberland	1	1	1	2
Lexington Health Care Center	17 Cornelia Drive Lexington, NC 27292	Davidson	4	4	3	4
Belaire Health Care Center	2065 Lyon Steet Gastonia, NC 28052	Gaston	4	4	4	4
Guilford Health Care Center	2041 Willow Road Greensboro, NC 27406	Guilford	1	1	2	3
Charlotte Health Care Center	1735 Toddville Road Charlotte, NC 28214	Mecklenburg	1	1	3	4
Mecklenburg Health Care Center	2415 Sandy Porter Road Charlotte, NC 27273	Mecklenburg	3	2	4	3

**Avg Star Rating**      **2.67**      **2.33**      **3.00**      **3.78**



ALAMANCE COUNTY

J-8712-11 - Wake County Health & Rehab (MFNC)



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Your Selected Nursing Homes

**ALAMANCE HEALTH CARE CENTER**

1987 HILTON STREET  
BURLINGTON, NC 27217  
(336) 226-0848

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** ALAMANCE  
**State:** North Carolina

[New Search](#)

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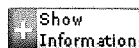
Overall Rating

★★★  
3 out of 5 stars



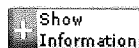
**Health Inspections**

★★  
2 out of 5 stars



**Nursing Home Staffing**

★★★★  
4 out of 5 stars



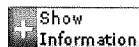
**Quality Measures**

★★★★  
4 out of 5 stars



**Fire Safety Inspections**

5 Fire Safety Deficiencies



**Enforcement**

1 Enforcement Actions



**Complaints**

5 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	<b>180</b> Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**BUNCOMBE COUNTY**

J-8712-11 - Wake County Health & Rehab (MFNC)



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**Your Selected Nursing Homes**

**ASHEVILLE HEALTH CARE CENTER**  
 1984 HIGHWAY 70  
 SWANNANOA, NC 28778  
 (828) 298-2214

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** BUNCOMBE

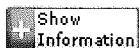
**State:** North Carolina

[New Search](#)

[Modify Search](#)

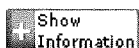
**Overall Rating**

★★★  
2 out of 5 stars



**Health Inspections**

★  
1 out of 5 stars



**Nursing Home Staffing**

★★  
2 out of 5 stars



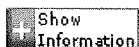
**Quality Measures**

★★★★★  
5 out of 5 stars



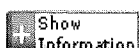
**Fire Safety Inspections**

6 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

3 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	106 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**BURKE COUNTY**

J-8712-11 - Wake County Health & Rehab (MFNC)



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**Your Selected Nursing Homes**

**CAROLINA REHAB CENTER OF BURKE**

3647 MILLER BRIDGE ROAD  
CONNELLY SPG, NC 28612  
(828) 397-3144

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** BURKE  
**State:** North Carolina

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**Overall Rating**

★★★★★  
5 out of 5 stars

[Show Information](#)

**Health Inspections**

★★★★★  
5 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★★☆  
4 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★★★  
5 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

0 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

0 Enforcement Actions

[Show Information](#)

**Complaints**

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Partnership
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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CUMBERLAND COUNTY

J-8712-11 - Wake County Health & Rehab (MFNC)



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Your Selected Nursing Homes

**CAROLINA REHAB CENTER OF CUMBERLAND**  
 4600 CUMBERLAND ROAD  
 FAYETTEVILLE, NC 28306  
 (910) 429-1690

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** CUMBERLAND

**State:** North Carolina

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Overall Rating

★  
1 out of 5 stars

[Show Information](#)

**Health Inspections**

★  
1 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★  
1 out of 5 stars

[Show Information](#)

**Quality Measures**

★★  
2 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

2 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

2 Enforcement Actions

[Show Information](#)

**Complaints**

5 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	136 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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DAVIDSON COUNTY

J-8712-11 - Wake County Health & Rehab (MFNC)



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Your Search Criteria

You have selected the following criteria for your search:

County: DAVIDSON

State: North Carolina

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Your Selected Nursing Homes

**LEXINGTON HEALTH CARE CENTER**  
 17 CORNELIA DRIVE  
 LEXINGTON, NC 27292  
 (336) 242-1349

Mapping & Directions

Overall Rating

★★★★★  
4 out of 5 stars

Show Information

Health Inspections

★★★★★  
4 out of 5 stars

Show Information

Nursing Home Staffing

★★★☆☆  
3 out of 5 stars

Show Information

Quality Measures

★★★★★  
4 out of 5 stars

Show Information

Fire Safety Inspections

5 Fire Safety Deficiencies

Show Information

Enforcement

0 Enforcement Actions

Show Information

Complaints

3 Complaints  
0 Incidents with Deficiency Findings

What is This?

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds
Type of Ownership	For profit - Partnership
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★★

Average ★★★☆☆

Below Avg. ★★☆☆☆

Much Below Avg. ★☆☆☆☆

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GASTON COUNTY

J-8712-11 - Wake County Health & Rehab (MFNC)



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Your Selected Nursing Homes

**BELAIRE HEALTH CARE CENTER**  
2065 LYON STREET  
GASTONIA, NC 28052  
(704) 867-7300

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: GASTON  
State: North Carolina

New Search

Modify Search

Overall Rating

★★★★☆  
4 out of 5 stars

Show Information

Health Inspections

★★★★☆  
4 out of 5 stars

Show Information

Nursing Home Staffing

★★★★☆  
4 out of 5 stars

Show Information

Quality Measures

★★★★☆  
4 out of 5 stars

Show Information

Fire Safety Inspections

6 Fire Safety Deficiencies

Show Information

Enforcement

0 Enforcement Actions

Show Information

Complaints  
What is This?

0 Complaints  
0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	80 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★☆

Average ★★★☆☆

Below Avg. ★★☆☆☆

Much Below Avg. ★☆☆☆☆

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**GUILFORD COUNTY**

J-8712-11 - Wake County Health & Rehab (MFNC)



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**Your Selected Nursing Homes**

**GUILFORD HEALTH CARE CENTER**  
 2041 WILLOW ROAD  
 GREENSBORO, NC 27406  
 (336) 272-9700

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** GUILFORD  
**State:** North Carolina

[New Search](#)

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**Overall Rating**

☆☆☆  
2 out of 5 stars

Show Information

**Health Inspections**

☆☆☆  
2 out of 5 stars

Show Information

**Nursing Home Staffing**

☆☆☆  
2 out of 5 stars

Show Information

**Quality Measures**

☆☆☆☆  
3 out of 5 stars

Show Information

**Fire Safety Inspections**

10 Fire Safety Deficiencies

Show Information

**Enforcement**

0 Enforcement Actions

Show Information

**Complaints**

10 Complaints  
0 Incidents with Deficiency Findings

[What is This?](#)

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	110 Certified Beds
Type of Ownership	For profit - Partnership
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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MECKLENBURG COUNTY

J-8712-11 - Wake County Health & Rehab (MFNC)



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Step 3: Compare Nursing Homes



The 2 nursing homes you selected to compare are displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**CHARLOTTE HEALTH CARE CENTER**  
1735 TODDVILLE RD  
CHARLOTTE, NC 28214  
(704) 394-4001

**MECKLENBURG HEALTH CARE CENTER**  
2415 SANDY PORTER ROAD  
CHARLOTTE, NC 28273  
(704) 583-0430

Mapping & Directions

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: MECKLENBURG

State: North Carolina

New Search

Modify Search

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

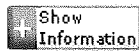
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Overall Rating

★  
1 out of 5 stars

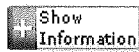
★★★  
3 out of 5 stars



Health Inspections

★  
1 out of 5 stars

★★  
2 out of 5 stars



Nursing Home Staffing

★★★  
3 out of 5 stars

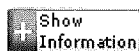
★★★★  
4 out of 5 stars



Quality Measures

★★★★  
4 out of 5 stars

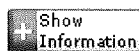
★★★  
3 out of 5 stars



Fire Safety Inspections

5 Fire Safety Deficiencies

1 Fire Safety Deficiencies



Enforcement

3 Enforcement Actions

0 Enforcement Actions



Complaints What is This?

6 Complaints  
0 Incidents with Deficiency Findings

3 Complaints  
0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds	100 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident Council Only
Located in a Hospital	No	No



**J-8713-11**  
Britthaven-Cedar Fork

**J-8715-11**  
Britthaven – St. Mary's

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8713-11- Britthaven-Cedar Fork**  
**J-8715-11- Britthaven-St. Mary's**  
*(Britthaven, Inc.)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
River Trace Nursing & Rehab Center	250 LOVERS LANE WASHINGTON, NC 27889	Beaufort	4	4	2	3
Magnolia Lane Nursing & Rehab Center	107 MAGNOLIA DR MORGANTON, NC 28655	Burke	2	2	2	3
Croatan Ridge Nursing & Rehab Center	210 FOXHALL ROAD NEWPORT, NC 28570	Carteret	4	5	3	1
Chowan River Nursing & Rehab Center	1341 PARADISE RD P O BOX 566	Chowan	2	2	2	2
Cherry Point Bay Nursing & Rehab Center	110 MCCOTTER BLVD HAVELOCK, NC 28532	Craven	4	4	3	2
Britthaven of New Bern	2600 OLD CHERRY POINT ROAD	Craven	2	1	3	5
Cumberland Nursing & Rehab Center	2461 LEGION ROAD FAYETTEVILLE, NC 28306	Cumberland	3	4	1	3
Colony Ridge Nursing & Rehab Center	430 WEST HEALTH CENTER DRIVE	Dare	2	2	3	3
Pine Ridge Health & Rehab Center	706 PINEYWOOD RD THOMASVILLE, NC 27360	Davidson	3	2	2	5
Piney Grove Nursing & Rehab Center (Britthaven of Kenersville)	728 PINEY GROVE RD KERNERSVILLE, NC 27284	Forsyth	1	1	3	3
Franklin Oaks Nursing & Rehab Center	1704 NC HIGHWAY 39 N LOUISBURG, NC 27549	Franklin	2	1	4	3

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Graham Healthcare Rehab Center	811 SNOWBIRD ROAD ROBBINSVILLE, NC 28771	Graham	4	4	4	2
Greendale Forest Nursing & Rehab Center	1304 SE SECOND ST SNOW HILL, NC 28580	Greene	4	4	2	3
Maple Grove Health & Rehab Center	308 WEST MEADOWVIEW ROAD	Guilford	3	2	4	4
Greenhaven Health & Rehab Center	801 GREENHAVEN DR GREENSBORO, NC 27406	Guilford	1	1	1	4
Enfield Oaks Nursing & Rehab Center	208 CARY ST ENFIELD, NC 27823	Halifax	1	1	1	4
Harnett Woods Nursing & Rehab Center	604 LUCAS RD DUNN, NC 28334	Harnett	3	4	1	4
Cornerstone Nursing & Rehab Center	711 SUSAN TART ROAD BOX 948	Harnett	2	2	2	3
Smoky Mountain Nursing & Rehab Center	1349 CRABTREE ROAD WAYNESVILLE, NC 28785	Haywood	4	3	4	2
Barbour Court Nursing & Rehab Cntr (Britthaven of Smithfield)	515 BARBOUR RD SMITHFIELD, NC 27577	Johnston	1	1	3	3
Smithfield Manor	PO BOX 1940 SMITHFIELD, NC 27577	Johnston	1	2	2	1
Harmony Hall Nursing & Rehab Center	312 WARREN AVENUE KINSTON, NC 28502	Lenoir	3	3	3	4
Macon Valley Nursing & Rehab Center	245 OLD MURPHY ROAD FRANKLIN, NC 28734	Macon	2	3	2	1
Roanoke River Nursing & Rehab Center	119 GATLING STREET WILLIAMSTON, NC 27892	Martin	1	1	2	3

**NURSING HOME COMPARE  
CMS Five Star Rating**

Medicare.gov

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
University Place Nursing & Rehab (Britthaven of Charlotte)	9200 GLENWATER DRIVE CHARLOTTE, NC 28262	Mecklenburg	1	1	3	4
Hunter Hills Nursing & Rehab Center	PO BOX BOX 8495 ROCKY MOUNT, NC 27804	Nash	1	2	1	3
North Chase Nursing & Rehab Center (Britthaven of NorthChase)	3015 ENTERPRISE DR WILMINGTON, NC 28405	New Hanover	4	3	4	3
Northampton Nursing & Rehab Center	HWY 305 NORTH JACKSON, NC 27845	Northampton	3	3	2	4
Premier Nursing & Rehab Center	225 WHITE ST JACKSONVILLE, NC 28546	Onslow	2	1	4	4
Carolina Rivers Nursing & Rehab Center	1839 ONSLOW DR EXTENSION	Onslow	3	3	3	2
Britthaven of Chapel Hill	1716 LEGION ROAD CHAPEL HILL, NC 27517	Orange	2	1	4	4
Grantsbrook Nursing & Rehab Center	290 KEEL RD GRANTSBORO, NC 28529	Pamlico	5	5	3	3
Ayden Court Nursing & Rehab Center	128 SNOW HILL RD AYDEN, NC 28513	Pitt	4	4	3	3
Richmond Pines Healthcare & Rehab Center	HIGHWAY 177 S BOX 1489 HAMLET, NC 28345	Richmond	3	3	3	3
Highland Acres Nursing & Rehab Center	1170 LINKHAW ROAD LUMBERTON, NC 28358	Robeson	4	5	1	2
Jacob's Creek Nursing & Rehab Center	1721 BALD HILL LOOP MADISON, NC 27025	Rockingham	4	3	4	3
Bethany Woods Nursing & Rehab Center	33426 OLD SALISBURY ROAD BOX 1250	Stanly	3	2	3	5

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Lake Park Nursing & Rehab Center	3315 FAITH CHURCH RD INDIAN TRAIL, NC 28079	Union	3	3	2	4
Kerr Lake Nursing & Rehab Center	1245 PARK AVE HENDERSON, NC 27536	Vance	4	3	4	4
Tower Nursing & Rehab Center	3609 BOND STREET RALEIGH, NC 27604	Wake	2	1	4	2
Roanoke Landing Nursing & Rehab Center	1084 US 64 EAST PLYMOUTH, NC 27962	Washington	3	3	3	3
Willow Creek Nursing & Rehab Center	2401 WAYNE MEMORIAL DRIVE	Wayne	2	3	2	1
Westwood Hills Nursing & Rehab Center	1016 FLETCHER ST WILKESBORO, NC 28697	Wilkes	4	4	3	3
Wilson Pines Nursing & Rehab Center (Britthaven of Wilson)	403 CRESTVIEW AVENUE WILSON, NC 27893	Wilson	2	4	1	1
<b>Avg Star Rating</b>			<b>2.68</b>	<b>2.64</b>	<b>2.64</b>	<b>3.00</b>

Source: [www.medicare.gov/nhcompare/](http://www.medicare.gov/nhcompare/)  
 \*Accessed on September 22, 2011

**BEAUFORT COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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**Step 3: Compare Nursing Homes**



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**Your Selected Nursing Homes**

**RIVER TRACE NURSING AND REHABILITATION CENTER**  
 250 LOVERS LANE  
 WASHINGTON, NC 27889  
 (252) 975-1636

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** BEAUFORT  
**State:** North Carolina

[New Search](#)

[Modify Search](#)

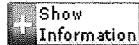
**Overall Rating**

★★★★★  
4 out of 5 stars



**Health Inspections**

★★★★★  
4 out of 5 stars



**Nursing Home Staffing**

★★★  
2 out of 5 stars



**Quality Measures**

★★★  
3 out of 5 stars



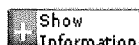
**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

4 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	<b>140</b> Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**BURKE COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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**Step 3: Compare Nursing Homes**

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The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

**Your Selected Nursing Homes**

**MAGNOLIA LANE NURSING AND REHABILITATION CENTER**  
 107 MAGNOLIA DR  
 MORGANTON, NC 28655  
 (828) 437-8760

Mapping & Directions

**Your Search Criteria**

You have selected the following criteria for your search:

County: BURKE  
 State: North Carolina

New Search  
 Modify Search

**Overall Rating**

☆☆  
 2 out of 5 stars

Show Information

**Health Inspections**

☆☆  
 2 out of 5 stars

Show Information

**Nursing Home Staffing**

☆☆  
 2 out of 5 stars

Show Information

**Quality Measures**

☆☆☆  
 3 out of 5 stars

Show Information

**Fire Safety Inspections**

3 Fire Safety Deficiencies

Show Information

**Enforcement**

0 Enforcement Actions

Show Information

**Complaints**

10 Complaints  
 0 Incidents with Deficiency Findings

What is This?

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	121 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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CARTERET COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**CROATAN RIDGE NURSING AND REHABILITATION CENTER**  
 210 FOXHALL ROAD  
 NEWPORT, NC 28570  
 (252) 223-2560

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: CARTERET  
 State: North Carolina

New Search

Modify Search

Overall Rating

★★★★☆  
 4 out of 5 stars



Health Inspections

★★★★★  
 5 out of 5 stars



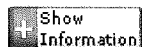
Nursing Home Staffing

★★★☆☆  
 3 out of 5 stars



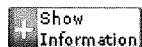
Quality Measures

★☆☆☆☆  
 1 out of 5 stars



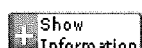
Fire Safety Inspections

5 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints

1 Complaints

What is This?

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	64 Certified Beds <sup>a</sup>
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★☆

Average ★★★☆☆

Below Avg. ★★☆☆☆

Much Below Avg. ★☆☆☆☆

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CHOWAN COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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Step 3: Compare Nursing Homes

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The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**CHOWAN RIVER NURSING AND REHABILITATION CENTER**  
 1341 PARADISE RD P O BOX 566  
 EDENTON, NC 27932  
 (252) 482-7481

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: CHOWAN  
 State: North Carolina

New Search

Modify Search

Overall Rating

2 out of 5 stars

Show Information

Health Inspections

2 out of 5 stars

Show Information

Nursing Home Staffing

2 out of 5 stars

Show Information

Quality Measures

2 out of 5 stars

Show Information

Fire Safety Inspections

4 Fire Safety Deficiencies

Show Information

Enforcement

1 Enforcement Actions

Show Information

Complaints

5 Complaints  
 0 Incidents with Deficiency Findings

What is This?

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	130 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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**CRAVEN COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
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**Step 3: Compare Nursing Homes**



The 2 nursing homes you selected to compare are displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

[Show All](#) | [Hide All](#)

**Your Selected Nursing Homes**

	<b>BRITHAVEN OF NEW BERN</b> 2600 OLD CHERRY POINT ROAD NEW BERN, NC 28563 (252) 637-4730  <b>Mapping &amp; Directions</b>	<b>CHERRY POINT BAY NURSING AND REHABILITATION CENTER</b> 110 MCCOTTER BLVD HAVELOCK, NC 28532 (252) 444-4631  <b>Mapping &amp; Directions</b>
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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** CRAVEN  
**State:** North Carolina  
  
[New Search](#)  
[Modify Search](#)

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★  
**Above Avg.** ★★★★  
**Average** ★★★  
**Below Avg.** ★★  
**Much Below Avg.** ★

<b>Overall Rating</b>	★ ★ 2 out of 5 stars	★ ★ ★ ★ ★ 4 out of 5 stars
<b>Health Inspections</b>	★ 1 out of 5 stars	★ ★ ★ ★ ★ 4 out of 5 stars
<b>Nursing Home Staffing</b>	★ ★ ★ 3 out of 5 stars	★ ★ ★ 3 out of 5 stars
<b>Quality Measures</b>	★ ★ ★ ★ ★ 5 out of 5 stars	★ ★ 2 out of 5 stars
<b>Fire Safety Inspections</b>	4 Fire Safety Deficiencies	2 Fire Safety Deficiencies
<b>Enforcement</b>	2 Enforcement Actions	0 Enforcement Actions
<b>Complaints</b> <small>What is This?</small>	7 Complaints 0 Incidents with Deficiency Findings	2 Complaints 0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	<b>105</b> Certified Beds	<b>70</b> Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident Council Only

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Located in a Hospital	No	No
-----------------------	----	----

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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[Learn more about Health Inspections](#)

[Learn more about Nursing Home Staffing](#)

[Learn more about Quality Measures](#)

[Learn more about Enforcements](#)

[View the Level of Harm & Residents Affected Definitions](#)

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**[Long Term Care Ombudsman](#)**  
1-919-733-8395

**[State Survey Agency](#)**  
Division of Health Service Regulation-Nursing Home Licensure and Certification  
1-800-624-3004

**[State Quality Improvement Organization](#)**  
Medical Review of North Carolina, Inc.  
1-800-682-2650

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- Preventive Service Checklist

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**CUMBERLAND COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
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**Step 3: Compare Nursing Homes**



The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

[Show All](#) | [Hide All](#)

**Your Selected Nursing Homes**

**CUMBERLAND NURSING AND REHABILITATION CENTER**  
 2461 LEGION ROAD  
 FAYETTEVILLE, NC 28306  
 (910) 424-9417

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** CUMBERLAND

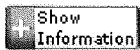
**State:** North Carolina

[New Search](#)

[Modify Search](#)

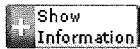
**Overall Rating**

☆☆☆  
3 out of 5 stars



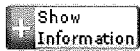
**Health Inspections**

☆☆☆☆  
4 out of 5 stars



**Nursing Home Staffing**

★  
1 out of 5 stars



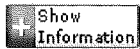
**Quality Measures**

☆☆☆  
3 out of 5 stars



**Fire Safety Inspections**

5 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

2 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	<b>120</b> Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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DARE COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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Step 3: Compare Nursing Homes



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Your Selected Nursing Homes

**COLONY RIDGE NURSING AND REHABILITATION CENTER**  
 430 WEST HEALTH CENTER DRIVE  
 NAGS HEAD, NC 27959  
 (252) 441-3116

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Your Search Criteria

You have selected the following criteria for your search:

**County:** DARE  
**State:** North Carolina

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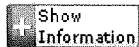
Overall Rating

☆☆☆  
2 out of 5 stars



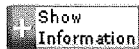
**Health Inspections**

☆☆☆  
2 out of 5 stars



**Nursing Home Staffing**

☆☆☆☆  
3 out of 5 stars



**Quality Measures**

☆☆☆☆  
3 out of 5 stars



**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

1 Enforcement Actions



**Complaints**

8 Complaints  
0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	126 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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DAVIDSON COUNTY

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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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Your Selected Nursing Homes

**PINE RIDGE HEALTH AND REHABILITATION CENTER**  
 706 PINEYWOOD RD  
 THOMASVILLE, NC 27360  
 (336) 475-9116

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Your Search Criteria

You have selected the following criteria for your search:

**County:** DAVIDSON

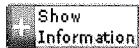
**State:** North Carolina

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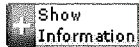
Overall Rating

☆☆☆  
3 out of 5 stars



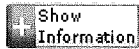
**Health Inspections**

☆☆  
2 out of 5 stars



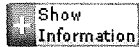
**Nursing Home Staffing**

☆☆  
2 out of 5 stars



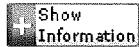
**Quality Measures**

☆☆☆☆☆  
5 out of 5 stars



**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

1 Enforcement Actions



**Complaints**

3 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	140 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**FORSYTH COUNTY**

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**Your Selected Nursing Homes**

**PINEY GROVE NURSING AND REHABILITATION CENTER**  
 728 PINEY GROVE RD  
 KERNERSVILLE, NC 27284  
 (336) 996-4038

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** FORSYTH  
**State:** North Carolina

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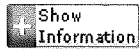
**Overall Rating**

★  
1 out of 5 stars



**Health Inspections**

★  
1 out of 5 stars



**Nursing Home Staffing**

★★★  
3 out of 5 stars



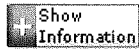
**Quality Measures**

★★★  
3 out of 5 stars



**Fire Safety Inspections**

3 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**  
[What is This?](#)

3 Complaints  
 0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	92 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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FRANKLIN COUNTY



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The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

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Your Selected Nursing Homes

**FRANKLIN OAKS NURSING AND REHABILITATION CENTER**  
 1704 NC HIGHWAY 39 N  
 LOUISBURG, NC 27549  
 (919) 496-7222

Mapping & Directions

Your Search Criteria

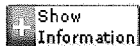
You have selected the following criteria for your search:

County: FRANKLIN  
 State: North Carolina

New Search  
 Modify Search

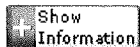
Overall Rating

☆☆☆  
 2 out of 5 stars



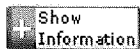
Health Inspections

☆☆☆  
 1 out of 5 stars



Nursing Home Staffing

☆☆☆☆☆  
 4 out of 5 stars



Quality Measures

☆☆☆☆  
 3 out of 5 stars



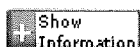
Fire Safety Inspections

6 Fire Safety Deficiencies



Enforcement

1 Enforcement Actions



Complaints  
 What is This?

20 Complaints  
 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	166 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ☆☆☆☆☆

Above Avg. ☆☆☆☆

Average ☆☆☆

Below Avg. ☆☆

Much Below Avg. ☆

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GRAHAM COUNTY

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Your Selected Nursing Homes

**GRAHAM HEALTHCARE AND REHABILITATION CENTER**  
 811 SNOWBIRD ROAD  
 ROBBINSVILLE, NC 28771  
 (828) 479-8421

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

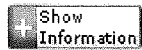
County: GRAHAM  
 State: North Carolina

[New Search](#)

[Modify Search](#)

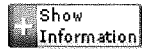
Overall Rating

★★★★ 4 out of 5 stars



Health Inspections

★★★★ 4 out of 5 stars



Nursing Home Staffing

★★★★ 4 out of 5 stars



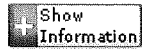
Quality Measures

★★ 2 out of 5 stars



Fire Safety Inspections

1 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints  
 What is This?

4 Complaints  
 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	80 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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GREENE COUNTY

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Your Selected Nursing Homes

**GREENDALE FOREST NURSING AND REHABILITATION CENTER**  
 1304 SE SECOND ST  
 SNOW HILL, NC 28580  
 (252) 747-8126

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Your Search Criteria

You have selected the following criteria for your search:

**County:** GREENE  
**State:** North Carolina

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Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

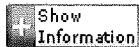
Overall Rating

★★★★★  
4 out of 5 stars



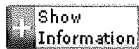
**Health Inspections**

★★★★★  
4 out of 5 stars



**Nursing Home Staffing**

★★★  
2 out of 5 stars



**Quality Measures**

★★★★★  
3 out of 5 stars



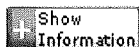
**Fire Safety Inspections**

5 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

1 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	115 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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**GUILFORD COUNTY**

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**Your Selected Nursing Homes**

	<b>GREENHAVEN HEALTH AND REHABILITATION CENTER</b> 801 GREENHAVEN DR GREENSBORO, NC 27406 (336) 292-8371	<b>MAPLE GROVE HEALTH AND REHABILITATION CENTER</b> 308 WEST MEADOWVIEW ROAD GREENSBORO, NC 27406 (336) 230-0534
	<a href="#">Mapping &amp; Directions</a>	<a href="#">Mapping &amp; Directions</a>
<b>Overall Rating</b>	★ 1 out of 5 stars	★★★ 3 out of 5 stars
<a href="#">Show Information</a> <b>Health Inspections</b>	★ 1 out of 5 stars	★★ 2 out of 5 stars
<a href="#">Show Information</a> <b>Nursing Home Staffing</b>	★ 1 out of 5 stars	★★★★ 4 out of 5 stars
<a href="#">Show Information</a> <b>Quality Measures</b>	★★★★ 4 out of 5 stars	★★★★ 4 out of 5 stars
<a href="#">Show Information</a> <b>Fire Safety Inspections</b>	9 Fire Safety Deficiencies	3 Fire Safety Deficiencies
<a href="#">Show Information</a> <b>Enforcement</b>	4 Enforcement Actions	0 Enforcement Actions
<a href="#">Show Information</a> <b>Complaints</b> <a href="#">What is This?</a>	4 Complaints 0 Incidents with Deficiency Findings	6 Complaints 0 Incidents with Deficiency Findings
<b>Nursing Home Characteristics</b>		
Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds	210 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident Council Only

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** GUILFORD

**State:** North Carolina

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**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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Located in a Hospital	No	No
-----------------------	----	----

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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**Contact Information**

**[File a Complaint with your State](#)**

**[Long Term Care Ombudsman](#)**  
1-919-733-8395

**[State Survey Agency](#)**  
Division of Health Service Regulation-Nursing Home Licensure and Certification  
1-800-624-3004

**[State Quality Improvement Organization](#)**  
Medical Review of North Carolina, Inc.  
1-800-682-2650

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  - Welcome to Medicare Preventive Visit
  - Flu Shots
  - Preventive Service Checklist

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HALIFAX COUNTY

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Step 3: Compare Nursing Homes

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Your Selected Nursing Homes

**ENFIELD OAKS NURSING AND REHABILITATION CENTER**  
 208 CARY ST  
 ENFIELD, NC 27823  
 (252) 445-2111

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** HALIFAX  
**State:** North Carolina

[New Search](#)

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Overall Rating

★  
1 out of 5 stars

Show Information

**Health Inspections**

★  
1 out of 5 stars

Show Information

**Nursing Home Staffing**

★  
1 out of 5 stars

Show Information

**Quality Measures**

★★★★  
4 out of 5 stars

Show Information

**Fire Safety Inspections**

4 Fire Safety Deficiencies

Show Information

**Enforcement**

0 Enforcement Actions

Show Information

**Complaints**

2 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation Medicare and Medicaid

Number of Certified Beds **63** Certified Beds<sup>1</sup>

Type of Ownership For profit - Corporation  
New Owner<sup>a</sup>

Continuing Care Retirement Community No

Resident & Family Councils Resident & Family Councils

Located in a Hospital No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**HARNETT COUNTY**

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**Step 3: Compare Nursing Homes**



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**Your Selected Nursing Homes**

	<p><b>CORNERSTONE NURSING AND REHABILITATION CENTER</b>                  711 SUSAN TART ROAD BOX 948                  DUNN, NC 28334                  (910) 892-8843</p> <p><b>Mapping &amp; Directions</b></p>	<p><b>HARNETT WOODS NURSING AND REHABILITATION CENTER</b>                  604 LUCAS RD                  DUNN, NC 28334                  (910) 891-4600</p> <p><b>Mapping &amp; Directions</b></p>
--	---	--

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** HARNETT  
**State:** North Carolina

[New Search](#)  
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**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

<b>Overall Rating</b>	★★★ 2 out of 5 stars	★★★★★ 3 out of 5 stars
<b>Health Inspections</b>	★★★ 2 out of 5 stars	★★★★★ 4 out of 5 stars
<b>Nursing Home Staffing</b>	★★★ 2 out of 5 stars	★ 1 out of 5 stars
<b>Quality Measures</b>	★★★★★ 3 out of 5 stars	★★★★★ 4 out of 5 stars
<b>Fire Safety Inspections</b>	6 Fire Safety Deficiencies	4 Fire Safety Deficiencies
<b>Enforcement</b>	0 Enforcement Actions	0 Enforcement Actions
<b>Complaints</b> <a href="#">What is This?</a>	6 Complaints 0 Incidents with Deficiency Findings	0 Complaints 0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	<b>100</b> Certified Beds	<b>100</b> Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident & Family Councils

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Located in a Hospital	No	No
-----------------------	----	----

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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**Contact Information**

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**[Long Term Care Ombudsman](#)**  
1-919-733-8395

**[State Survey Agency](#)**  
Division of Health Service Regulation-Nursing Home Licensure and Certification  
1-800-624-3004

**[State Quality Improvement Organization](#)**  
Medical Review of North Carolina, Inc.  
1-800-682-2650

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J-8713-11 - Wake County Health & Rehabilitation  
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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Your Search Criteria

You have selected the following criteria for your search:

County: HAYWOOD

State: North Carolina

[New Search](#)

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Your Selected Nursing Homes

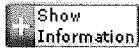
**SMOKY MOUNTAIN HEALTH AND REHABILITATION CENTER**

1349 CRABTREE ROAD  
 WAYNESVILLE, NC 28785  
 (828) 454-9260

[Mapping & Directions](#)

Overall Rating

★★★★ 4 out of 5 stars



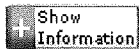
**Health Inspections**

★★★ 3 out of 5 stars



**Nursing Home Staffing**

★★★★ 4 out of 5 stars



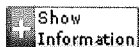
**Quality Measures**

★★ 2 out of 5 stars



**Fire Safety Inspections**

1 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	50 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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JOHNSTON COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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Step 3: Compare Nursing Homes

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The 2 nursing homes you selected to compare are displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

[Show All](#) | [Hide All](#)

Your Selected Nursing Homes

	<b>BARBOUR COURT NURSING AND REHABILITATION CENTER</b> 515 BARBOUR RD SMITHFIELD, NC 27577 (919) 934-6017  <a href="#">Mapping &amp; Directions</a>	<b>SMITHFIELD MANOR INC</b> PO BOX 1940 SMITHFIELD, NC 27577 (919) 934-3171  <a href="#">Mapping &amp; Directions</a>
--	--	--

Your Search Criteria

You have selected the following criteria for your search:

**County:** JOHNSTON

**State:** North Carolina

[New Search](#)

[Modify Search](#)

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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<b>Overall Rating</b>	★ 1 out of 5 stars	★ 1 out of 5 stars
<b>Health Inspections</b>	★ 1 out of 5 stars	★★ 2 out of 5 stars
<b>Nursing Home Staffing</b>	★★★ 3 out of 5 stars	★★ 2 out of 5 stars
<b>Quality Measures</b>	★★★ 3 out of 5 stars	★ 1 out of 5 stars
<b>Fire Safety Inspections</b>	6 Fire Safety Deficiencies	3 Fire Safety Deficiencies
<b>Enforcement</b>	2 Enforcement Actions	0 Enforcement Actions
<b>Complaints What is This?</b>	2 Complaints 0 Incidents with Deficiency Findings	0 Complaints 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	<b>205</b> Certified Beds	<b>160</b> Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>	For profit - Corporation
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident & Family Councils	Resident & Family Councils

Located in a Hospital	No	No
-----------------------	----	----

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

[Information about Nursing Home Compare](#)

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**Contact Information**

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**[State Survey Agency](#)**  
Division of Health Service Regulation-Nursing Home Licensure and Certification  
1-800-624-3004

**[State Quality Improvement Organization](#)**  
Medical Review of North Carolina, Inc.  
1-800-682-2650

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**LENOIR COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
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The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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**Your Selected Nursing Homes**

**HARMONY HALL NURSING AND REHABILITATION CENTER**  
 312 WARREN AVENUE  
 KINSTON, NC 28502  
 (252) 523-0082

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** LENOIR  
**State:** North Carolina

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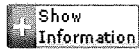
**Overall Rating**

☆☆☆  
3 out of 5 stars



**Health Inspections**

☆☆☆  
3 out of 5 stars



**Nursing Home Staffing**

☆☆☆  
3 out of 5 stars



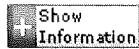
**Quality Measures**

☆☆☆☆  
4 out of 5 stars



**Fire Safety Inspections**

4 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

1 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	175 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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MACON COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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Step 3: Compare Nursing Homes



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Your Search Criteria

You have selected the following criteria for your search:

**County:** MACON  
**State:** North Carolina

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Your Selected Nursing Homes

**MACON VALLEY NURSING AND REHABILITATION CENTER**  
 245 OLD MURPHY ROAD  
 FRANKLIN, NC 28734  
 (828) 524-7806

[Mapping & Directions](#)

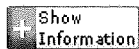
Overall Rating

☆☆☆  
2 out of 5 stars



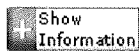
**Health Inspections**

☆☆☆☆  
3 out of 5 stars



**Nursing Home Staffing**

☆☆☆  
2 out of 5 stars



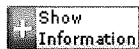
**Quality Measures**

☆  
1 out of 5 stars



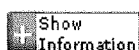
**Fire Safety Inspections**

3 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

1 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	200 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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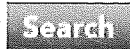
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MARTIN COUNTY



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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

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Your Selected Nursing Homes

**ROANOKE RIVER NURSING AND REHABILITATION CENTER**  
 119 GATLING STREET  
 WILLIAMSTON, NC 27892  
 (252) 792-1616

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: MARTIN  
 State: North Carolina

[New Search](#)

[Modify Search](#)

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

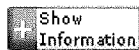
Much Below Avg. ★

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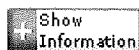
Overall Rating

★  
1 out of 5 stars



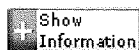
Health Inspections

★  
1 out of 5 stars



Nursing Home Staffing

★★  
2 out of 5 stars



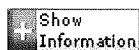
Quality Measures

★★★  
3 out of 5 stars



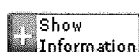
Fire Safety Inspections

4 Fire Safety Deficiencies



Enforcement

1 Enforcement Actions



Complaints

6 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation Medicare and Medicaid

Number of Certified Beds 154 Certified Beds

Type of Ownership For profit - Corporation  
New Owner<sup>a</sup>

Continuing Care Retirement Community No

Resident & Family Councils Resident & Family Councils

Located in a Hospital No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

MECKLENBURG COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

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Your Selected Nursing Homes

**UNIVERSITY PLACE NURSING AND REHABILITATION CENTER**  
 9200 GLENWATER DRIVE  
 CHARLOTTE, NC 28262  
 (704) 549-0807

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** MECKLENBURG

**State:** North Carolina

[New Search](#)

[Modify Search](#)

Overall Rating

★  
1 out of 5 stars

[Show Information](#)

**Health Inspections**

★  
1 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★  
3 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★★  
4 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

4 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

6 Enforcement Actions

[Show Information](#)

**Complaints**

9 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	207 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much**

**Above Avg.** ★★★★★

**Above Avg.** ★★★★★

**Average** ★★★

**Below Avg.** ★★

**Much**

**Below Avg.** ★

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NASH COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**HUNTER HILLS NURSING AND REHABILITATION CENTER**

PO BOX BOX 8495  
 ROCKY MOUNT, NC 27804  
 (252) 443-0867

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: NASH  
 State: North Carolina

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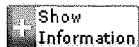
Overall Rating

★  
 1 out of 5 stars



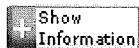
**Health Inspections**

★★  
 2 out of 5 stars



**Nursing Home Staffing**

★  
 1 out of 5 stars



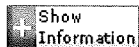
**Quality Measures**

★★★  
 3 out of 5 stars



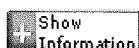
**Fire Safety Inspections**

4 Fire Safety Deficiencies



**Enforcement**

1 Enforcement Actions



**Complaints**

2 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	141 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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NEW HANOVER COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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Your Selected Nursing Homes

**NORTHCHASE NURSING AND REHABILITATION CENTER**

3015 ENTERPRISE DR  
 WILMINGTON, NC 28405  
 (910) 791-3451

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** NEW HANOVER

**State:** North Carolina

[New Search](#)

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Overall Rating

★★★★★  
4 out of 5 stars

Show Information

**Health Inspections**

★★★☆☆  
3 out of 5 stars

Show Information

**Nursing Home Staffing**

★★★★★  
4 out of 5 stars

Show Information

**Quality Measures**

★★★☆☆  
3 out of 5 stars

Show Information

**Fire Safety Inspections**

5 Fire Safety Deficiencies

Show Information

**Enforcement**

2 Enforcement Actions

Show Information

**Complaints**

1 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	130 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.**

★★★★★

**Above Avg.**

★★★★☆

**Average**

★★★☆☆

**Below Avg.**

★★☆☆☆

**Much Below Avg.**

★☆☆☆☆

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**NORTHAMPTON COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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**Your Selected Nursing Homes**

**NORTHAMPTON NURSING AND REHABILITATION CENTER**  
 HWY 305 NORTH  
 JACKSON, NC 27845  
 (252) 534-0131

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** NORTHAMPTON

**State:** North Carolina

[New Search](#)

[Modify Search](#)

**Overall Rating**

☆☆☆  
3 out of 5 stars

**Health Inspections**

☆☆☆  
3 out of 5 stars

**Nursing Home Staffing**

☆☆  
2 out of 5 stars

**Quality Measures**

☆☆☆☆  
4 out of 5 stars

**Fire Safety Inspections**

2 Fire Safety Deficiencies

**Enforcement**

0 Enforcement Actions

**Complaints**

1 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation Medicare and Medicaid

Number of Certified Beds **80** Certified Beds<sup>1</sup>

Type of Ownership For profit - Corporation  
New Owner<sup>a</sup>

Continuing Care Retirement Community No

Resident & Family Councils Resident Council Only

Located in a Hospital No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.**

☆☆☆☆☆

**Above Avg.**

☆☆☆☆

**Average**

☆☆☆

**Below Avg.**

☆☆

**Much Below Avg.**

☆

**Learn More**

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ONslow COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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The 2 nursing homes you selected to compare are displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

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Your Selected Nursing Homes

**CAROLINA RIVERS NURSING AND REHABILITATION CENTER**  
 1839 ONSLOW DR EXTENSION  
 JACKSONVILLE, NC 28540  
 (910) 455-3610

**PREMIER NURSING AND REHABILITATION CENTER**  
 225 WHITE ST  
 JACKSONVILLE, NC 28546  
 (910) 353-7222

Mapping & Directions

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: ONSLOW  
 State: North Carolina

New Search  
 Modify Search

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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Overall Rating

★★★ 3 out of 5 stars

★★ 2 out of 5 stars

Show Information

Health Inspections

★★★ 3 out of 5 stars

★ 1 out of 5 stars

Show Information

Nursing Home Staffing

★★★ 3 out of 5 stars

★★★★ 4 out of 5 stars

Show Information

Quality Measures

★★ 2 out of 5 stars

★★★★ 4 out of 5 stars

Show Information

Fire Safety Inspections

4 Fire Safety Deficiencies

2 Fire Safety Deficiencies

Show Information

Enforcement

1 Enforcement Actions

3 Enforcement Actions

Show Information

Complaints What is This?

0 Complaints  
 0 Incidents with Deficiency Findings

3 Complaints  
 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds	239 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident & Family Councils	Resident Council Only

Located in a Hospital	No	No
-----------------------	----	----

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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[Learn more about Health Inspections](#)

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**Contact Information**

**[File a Complaint with your State](#)**

**[Long Term Care Ombudsman](#)**  
1-919-733-8395

**[State Survey Agency](#)**  
Division of Health Service Regulation-Nursing Home Licensure and Certification  
1-800-624-3004

**[State Quality Improvement Organization](#)**  
Medical Review of North Carolina, Inc.  
1-800-682-2650

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ORANGE COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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Icon Legend



Special Focus Facilities (SFF) are nursing homes that have a history of persistent poor quality of care. These nursing homes have been selected for more frequent inspections and monitoring. To learn more, visit the [CMS Certification & Compliance website](#).

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Your Selected Nursing Homes

BRITTHAVEN OF CHAPEL HILL



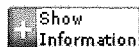
1716 LEGION ROAD  
 CHAPEL HILL, NC 27517  
 (919) 942-2280

Mapping & Directions

Overall Rating



2 out of 5 stars



Health Inspections



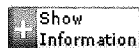
1 out of 5 stars



Nursing Home Staffing



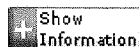
4 out of 5 stars



Quality Measures

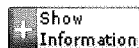


4 out of 5 stars



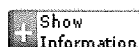
Fire Safety Inspections

9 Fire Safety Deficiencies



Enforcement

6 Enforcement Actions



Complaints

14 Complaints

What is This?

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation Medicare and Medicaid

Number of Certified Beds **133** Certified Beds

Type of Ownership For profit - Corporation  
 New Owner<sup>a</sup>

Your Search Criteria

You have selected the following criteria for your search:

County: ORANGE

State: North Carolina

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Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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**[File a Complaint with your State](#)**

**[Long Term Care Ombudsman](#)**  
1-919-733-8395

**[State Survey Agency](#)**  
Division of Health Service  
Regulation-Nursing Home  
Licensure and  
Certification  
1-800-624-3004

**[State Quality Improvement Organization](#)**  
Medical Review of North  
Carolina, Inc.  
1-800-682-2650

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**Your Selected Nursing Homes**

**GRANTSBROOK NURSING AND REHABILITATION CENTER**

290 KEEL RD  
 GRANTSBORO, NC 28529  
 (252) 745-5005

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** PAMLICO  
**State:** North Carolina  
[New Search](#)  
[Modify Search](#)

**Overall Rating**

★★★★★  
 5 out of 5 stars

[Show Information](#)

**Health Inspections**

★★★★★  
 5 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★  
 3 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★  
 3 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

1 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

0 Enforcement Actions

[Show Information](#)

**Complaints**

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	96 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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PITT COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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Your Selected Nursing Homes

**AYDEN COURT NURSING AND REHABILITATION CENTER**

128 SNOW HILL RD  
 AYDEN, NC 28513  
 (252) 746-8223

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** PITT  
**State:** North Carolina

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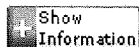
Overall Rating

★★★★☆  
 4 out of 5 stars



**Health Inspections**

★★★★☆  
 4 out of 5 stars



**Nursing Home Staffing**

★★★☆☆  
 3 out of 5 stars



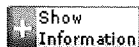
**Quality Measures**

★★★☆☆  
 3 out of 5 stars



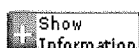
**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	82 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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**RICHMOND COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
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**Your Selected Nursing Homes**

**RICHMOND PINES HEALTHCARE AND REHABILITATION CENTE**  
 HIGHWAY 177 S BOX 1489  
 HAMLET, NC 28345  
 (910) 582-0021

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** RICHMOND

**State:** North Carolina

[New Search](#)

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**Overall Rating**

★★★  
3 out of 5 stars

[Show Information](#)

**Health Inspections**

★★★  
3 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★  
3 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★  
3 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

6 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

0 Enforcement Actions

[Show Information](#)

**Complaints**

3 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation Medicare and Medicaid

Number of Certified Beds **105** Certified Beds

Type of Ownership For profit - Corporation  
New Owner<sup>a</sup>

Continuing Care Retirement Community No

Resident & Family Councils Resident Council Only

Located in a Hospital No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**ROBESON COUNTY**

J-8713-11 - Wake County Health & Rehabilitation  
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**Your Selected Nursing Homes**

**HIGHLAND ACRES NURSING AND REHABILITATION CENTER**  
 1170 LINKHAW ROAD  
 LUMBERTON, NC 28358  
 (910) 671-1163

Mapping & Directions

**Your Search Criteria**

You have selected the following criteria for your search:

County: ROBESON  
 State: North Carolina  
[New Search](#)  
[Modify Search](#)

**Overall Rating**

★★★★☆  
 4 out of 5 stars

Show Information

**Health Inspections**

★★★★★  
 5 out of 5 stars

Show Information

**Nursing Home Staffing**

★  
 1 out of 5 stars

Show Information

**Quality Measures**

★★  
 2 out of 5 stars

Show Information

**Fire Safety Inspections**

7 Fire Safety Deficiencies

Show Information

**Enforcement**

0 Enforcement Actions

Show Information

**Complaints**

What is This?

0 Complaints  
 0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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ROCKINGHAM COUNTY

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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**JACOB'S CREEK NURSING AND REHABILITATION CENTER**  
 1721 BALD HILL LOOP  
 MADISON, NC 27025  
 (336) 548-9658

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: ROCKINGHAM

State: North Carolina

[New Search](#)

[Modify Search](#)

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

Overall Rating

★★★★★  
4 out of 5 stars



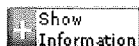
Health Inspections

★★★  
3 out of 5 stars



Nursing Home Staffing

★★★★★  
4 out of 5 stars



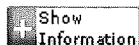
Quality Measures

★★★  
3 out of 5 stars



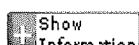
Fire Safety Inspections

7 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints

7 Complaints

What is This?

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation Medicare and Medicaid

Number of Certified Beds 170 Certified Beds

Type of Ownership For profit - Corporation  
New Owner<sup>a</sup>

Continuing Care Retirement Community No

Resident & Family Councils Resident & Family Councils

Located in a Hospital No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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STANLY COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
 J-8715-11 - St. Mary's Health & Rehab Center



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Your Search Criteria

You have selected the following criteria for your search:

County: STANLY  
 State: North Carolina

New Search  
 Modify Search

Show All | Hide All

Your Selected Nursing Homes

**BETHANY WOODS NURSING AND REHABILITATION CENTER**  
 33426 OLD SALISBURY ROAD BOX 1250  
 ALBEMARLE, NC 28002  
 (704) 983-1195

Mapping & Directions

Overall Rating

3 out of 5 stars

Show Information

Health Inspections

2 out of 5 stars

Show Information

Nursing Home Staffing

3 out of 5 stars

Show Information

Quality Measures

5 out of 5 stars

Show Information

Fire Safety Inspections

2 Fire Safety Deficiencies

Show Information

Enforcement

1 Enforcement Actions

Show Information

Complaints

4 Complaints  
 0 Incidents with Deficiency Findings

What is This?

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	180 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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**Your Selected Nursing Homes**

**LAKE PARK NURSING CENTER**  
 3315 FAITH CHURCH RD  
 INDIAN TRAIL, NC 28079  
 (704) 882-3420

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** UNION  
**State:** North Carolina

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**Overall Rating**

☆☆☆  
 3 out of 5 stars

[Show Information](#)

**Health Inspections**

☆☆☆  
 3 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

☆☆  
 2 out of 5 stars

[Show Information](#)

**Quality Measures**

☆☆☆☆  
 4 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

4 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

0 Enforcement Actions

[Show Information](#)

**Complaints**

0 Complaints  
 0 Incidents with Deficiency Findings

[What is This?](#)

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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VANCE COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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Show All | Hide All

Your Selected Nursing Homes

**KERR LAKE NURSING AND REHABILITATION CENTER**

1245 PARK AVE  
 HENDERSON, NC 27536  
 (252) 492-7021

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: VANCE

State: North Carolina

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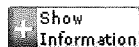
Overall Rating

★★★★☆  
 4 out of 5 stars



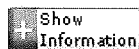
**Health Inspections**

★★★☆☆  
 3 out of 5 stars



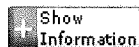
**Nursing Home Staffing**

★★★★☆  
 4 out of 5 stars



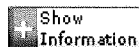
**Quality Measures**

★★★★☆  
 4 out of 5 stars



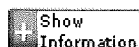
**Fire Safety Inspections**

3 Fire Safety Deficiencies



**Enforcement**

1 Enforcement Actions



**Complaints**

2 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	92 Certified Beds <sup>a</sup>
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★☆

Average ★★★☆☆

Below Avg. ★★☆☆☆

Much Below Avg. ★☆☆☆☆

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WAKE COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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Your Selected Nursing Homes

**TOWER NURSING AND REHABILITATION CENTER**  
 3609 BOND STREET  
 RALEIGH, NC 27604  
 (919) 231-8113

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

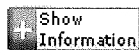
County: WAKE  
 State: North Carolina

[New Search](#)

[Modify Search](#)

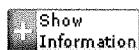
Overall Rating

★★  
 2 out of 5 stars



Health Inspections

★  
 1 out of 5 stars



Nursing Home Staffing

★★★★  
 4 out of 5 stars



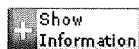
Quality Measures

★★  
 2 out of 5 stars



Fire Safety Inspections

5 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints

4 Complaints  
 0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	180 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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WASHINGTON COUNTY

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Your Search Criteria

You have selected the following criteria for your search:

**County:** WASHINGTON

**State:** North Carolina

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Your Selected Nursing Homes

**ROANOKE LANDING NURSING AND REHABILITATION CENTER**

1084 US 64 EAST  
 PLYMOUTH, NC 27962  
 (252) 793-2100

[Mapping & Directions](#)

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

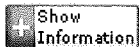
Overall Rating

★★★  
 3 out of 5 stars



**Health Inspections**

★★★  
 3 out of 5 stars



**Nursing Home Staffing**

★★★  
 3 out of 5 stars



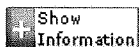
**Quality Measures**

★★★  
 3 out of 5 stars



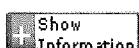
**Fire Safety Inspections**

3 Fire Safety Deficiencies



**Enforcement**

1 Enforcement Actions



**Complaints**

3 Complaints  
 0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation Medicare and Medicaid

Number of Certified Beds **114** Certified Beds

Type of Ownership For profit - Corporation  
 New Owner<sup>a</sup>

Continuing Care Retirement Community No

Resident & Family Councils Resident Council Only

Located in a Hospital No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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WAYNE COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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[Show All](#) | [Hide All](#)

Your Selected Nursing Homes

**WILLOW CREEK NURSING AND REHABILITATION CENTER**  
 2401 WAYNE MEMORIAL DRIVE  
 GOLDSBORO, NC 27534  
 (919) 736-2121

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** WAYNE

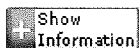
**State:** North Carolina

[New Search](#)

[Modify Search](#)

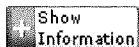
Overall Rating

☆☆☆  
2 out of 5 stars



**Health Inspections**

☆☆☆☆  
3 out of 5 stars



**Nursing Home Staffing**

☆☆☆  
2 out of 5 stars



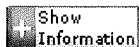
**Quality Measures**

☆  
1 out of 5 stars



**Fire Safety Inspections**

7 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

1 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	200 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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WILKES COUNTY



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Step 3: Compare Nursing Homes



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Your Search Criteria

You have selected the following criteria for your search:

County: WILKES  
 State: North Carolina

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Show All | Hide All

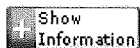
Your Selected Nursing Homes

**WESTWOOD HILLS NURSING AND REHABILITATION CENTER**  
 1016 FLETCHER ST  
 WILKESBORO, NC 28697  
 (336) 667-9261

Mapping & Directions

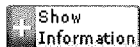
Overall Rating

★★★★ 4 out of 5 stars



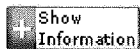
Health Inspections

★★★★ 4 out of 5 stars



Nursing Home Staffing

★★★ 3 out of 5 stars



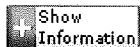
Quality Measures

★★★ 3 out of 5 stars



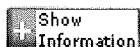
Fire Safety Inspections

2 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints

0 Complaints  
 0 Incidents with Deficiency Findings

[What is This?](#)

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	176 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

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WILSON COUNTY

J-8713-11 - Wake County Health & Rehabilitation  
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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Your Search Criteria

You have selected the following criteria for your search:

County: WILSON  
 State: North Carolina

[New Search](#)

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Your Selected Nursing Homes

**WILSON PINES NURSING AND REHABILITATION CENTER**  
 403 CRESTVIEW AVENUE  
 WILSON, NC 27893  
 (252) 237-0724

[Mapping & Directions](#)

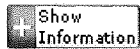
Overall Rating

★★★  
 2 out of 5 stars



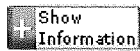
Health Inspections

★★★★★  
 4 out of 5 stars



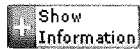
Nursing Home Staffing

★  
 1 out of 5 stars



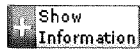
Quality Measures

★  
 1 out of 5 stars



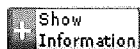
Fire Safety Inspections

4 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	95 Certified Beds
Type of Ownership	For profit - Corporation New Owner <sup>a</sup>
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> This indicates that the nursing home has had a change of owner in the past 12 months. This information may be of interest to you when visiting a nursing home.

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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**J-8714-11**

Universal Health Care / North Raleigh

**J-8721-11**

Universal Health Care / Fuquay-Varina

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8714-11- Universal Health Care / North Raleigh**  
**J-8721-11- Universal Health Care / Fuquay-Varina**  
*(Universal Properties)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Universal HealthCare / Brunswick	1070 OLD OCEAN HIGHWAY BOLIVIA, NC 28422	Brunswick	3	2	4	4
Universal HealthCare & Rehabilitation	430 BROOKWOOD AVE NE CONCORD, NC 28025	Cabarrus	1	2	1	4
Lenoir Healthcare Center	322 NUWAY CIRCLE LENOIR, NC 28645	Caldwell	3	4	1	4
Universal HealthCare / Oxford	500 PROSPECT AVENUE OXFORD, NC 27565	Granville	1	2	1	3
Blumenthal Jewish Nursing & Rehab Center	3724 WIRELESS DRIVE GREENSBORO, NC 27455	Guilford	3	2	5	3
Universal HealthCare / Lillington	1995 EAST CORNELIUS HARNETT BLVD	Harnett	1	1	2	3
Universal HealthCare / Fletcher	86 OLD AIRPORT ROAD FLETCHER, NC 28732	Henderson	1	1	1	4
Saturn Nursing & Rehabilitation	1930 WEST SUGAR CREEK ROAD	Mecklenburg	1	1	2	4
Universal Health Care / Nashville d/b/a Nash Grove Manor	1022 EASTERN AVENUE NASHVILLE, NC 27856	Nash	1	1	4	1
Universal Properties/RM d/b/a South Village	2221 RALEIGH ROAD ROCKY MOUNT, NC 27803	Nash	2	1	4	4
Universal HealthCare / Greenville	2578 WEST 5TH STREET GREENVILLE, NC 27834	Pitt	1	1	3	4

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Universal HealthCare / Ramsuer	7166 JORDON ROAD RAMSEUR, NC 27316	Randolph	5	5	3	3
Universal HealthCare / King	115 WHITE ROAD KING, NC 27021	Stokes	2	1	4	2
Universal HealthCare / Fuquay Varina	410 Judd Parkway Fuquay Varina, NC 27526	Wake	-	-	-	-
Universal HealthCare / North Raleigh	5201 CLARKS FORK DRIVE RALEIGH, NC 27616	Wake	2	3	1	3
Litchford Falls Healthcare & Rehab Center	8200 LITCHFORD ROAD RALEIGH, NC 27615	Wake	3	2	4	3
<b>Avg Star Rating</b>			<b>2.00</b>	<b>1.93</b>	<b>2.67</b>	<b>3.27</b>

Source: www.medicare.gov/nhcompare/  
 \*Accessed on September 22, 2011

BRUNSWICK COUNTY

J-8714-11 - Universal Health Care / Raleigh  
 J-8721-11 - Universal Health Care / Fuquay-Varina



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- Help
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Step 3: Compare Nursing Homes



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Your Selected Nursing Homes

**UNIVERSAL HEALTH CARE /  
 BRUNSWICK**  
 1070 OLD OCEAN HIGHWAY  
 BOLIVIA, NC 28422  
 (910) 755-5955

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** BRUNSWICK

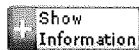
**State:** North Carolina

[New Search](#)

[Modify Search](#)

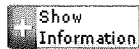
Overall Rating

☆☆☆  
 3 out of 5 stars



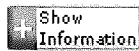
**Health Inspections**

☆☆  
 2 out of 5 stars



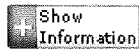
**Nursing Home Staffing**

☆☆☆☆  
 4 out of 5 stars



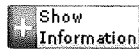
**Quality Measures**

☆☆☆☆  
 4 out of 5 stars



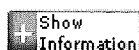
**Fire Safety Inspections**

3 Fire Safety Deficiencies



**Enforcement**

2 Enforcement Actions



**Complaints**

6 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ☆☆☆☆☆

**Above Avg.** ☆☆☆☆

**Average** ☆☆☆

**Below Avg.** ☆☆

**Much Below Avg.** ☆

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**CABARRUS COUNTY**

J-8714-11 - Universal Health Care / Raleigh  
 J-8721-11 - Universal Health Care / Fuquay-Varina



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The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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**Your Selected Nursing Homes**

**UNIVERSAL HEALTH CARE & REHAB**

430 BROOKWOOD AVE NE  
 CONCORD, NC 28025  
 (704) 788-4115

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** CABARRUS

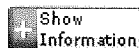
**State:** North Carolina

[New Search](#)

[Modify Search](#)

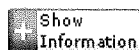
**Overall Rating**

★  
1 out of 5 stars



**Health Inspections**

★★  
2 out of 5 stars



**Nursing Home Staffing**

★  
1 out of 5 stars



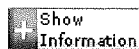
**Quality Measures**

★★★★  
4 out of 5 stars



**Fire Safety Inspections**

1 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

9 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	<b>120</b> Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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CALDWELL COUNTY

J-8714-11 - Universal Health Care / Raleigh  
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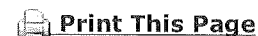
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NHC Home Help Glossary Resources

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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

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Your Selected Nursing Homes

**LENOIR HEALTHCARE CENTER**  
 322 NUWAY CIRCLE  
 LENOIR, NC 28645  
 (828) 758-7326

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: CALDWELL  
 State: North Carolina

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Overall Rating

☆☆☆  
 3 out of 5 stars



Health Inspections

☆☆☆☆  
 4 out of 5 stars



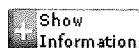
Nursing Home Staffing

☆  
 1 out of 5 stars



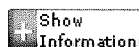
Quality Measures

☆☆☆☆  
 4 out of 5 stars



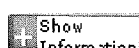
Fire Safety Inspections

3 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints

1 Complaints  
 0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ☆☆☆☆☆

Above Avg. ☆☆☆☆

Average ☆☆☆

Below Avg. ☆☆

Much Below Avg. ☆

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GRANVILLE COUNTY

J-8714-11 - Universal Health Care / Raleigh  
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Step 3: Compare Nursing Homes

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The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**UNIVERSAL HEALTH CARE / OXFORD**  
 500 PROSPECT AVENUE  
 OXFORD, NC 27565  
 (919) 693-1531

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: GRANVILLE  
 State: North Carolina

[New Search](#)

[Modify Search](#)

Overall Rating

★  
1 out of 5 stars

Show Information

Health Inspections

★★  
2 out of 5 stars

Show Information

Nursing Home Staffing

★  
1 out of 5 stars

Show Information

Quality Measures

★★★  
3 out of 5 stars

Show Information

Fire Safety Inspections

6 Fire Safety Deficiencies

Show Information

Enforcement

0 Enforcement Actions

Show Information

Complaints

2 Complaints  
0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	160 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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**GUILFORD COUNTY**

J-8714-11 - Universal Health Care / Raleigh  
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The 1 nursing home you selected to compare is displayed in detailed information about a specific nursing home, click on the home.

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Your Selected Nursing Home

- Medicare Benefits**
- Part A
- Part B
- Part C
- Part D
- Coverage Choices
- Eligibility & Enrollment
- Understanding Claims
- Help with Medical and Drug Costs

Mapping & Directions

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** GUILFORD

**State:** North Carolina

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**Overall Rating**

☆☆☆  
3 out of 5 stars

[Show Information](#)

**Health Inspections**

☆☆  
2 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

☆☆☆☆☆  
5 out of 5 stars

[Show Information](#)

**Quality Measures**

☆☆☆  
3 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

3 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

0 Enforcement Actions

[Show Information](#)

**Complaints**

2 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	134 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ☆☆☆☆☆

**Above Avg.** ☆☆☆☆

**Average** ☆☆☆

**Below Avg.** ☆☆

**Much Below Avg.** ☆

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**HARNETT COUNTY**

J-8714-11 - Universal Health Care / Raleigh  
 J-8721-11 - Universal Health Care / Fuquay-Varina



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**Step 3: Compare Nursing Homes**

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The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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**Your Selected Nursing Homes**

**UNIVERSAL HEALTH CARE  
 LILLINGTON**  
 1995 EAST CORNELIUS HARNETT  
 BOULEVARD  
 LILLINGTON, NC 27546  
 (910) 893-5141

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** HARNETT  
**State:** North Carolina

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**Overall Rating**

★  
1 out of 5 stars

Show Information

**Health Inspections**

★  
1 out of 5 stars

Show Information

**Nursing Home Staffing**

★★  
2 out of 5 stars

Show Information

**Quality Measures**

★★★  
3 out of 5 stars

Show Information

**Fire Safety Inspections**

7 Fire Safety Deficiencies

Show Information

**Enforcement**

7 Enforcement Actions

Show Information

**Complaints**

What is This?

24 Complaints  
0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	129 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★  
**Above Avg.** ★★★★  
**Average** ★★★  
**Below Avg.** ★★  
**Much Below Avg.** ★

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**HENDERSON COUNTY**

J-8714-11 - Universal Health Care / Raleigh  
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**Step 3: Compare Nursing Homes**

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The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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**Your Selected Nursing Homes**

**UNIVERSAL HEALTH CARE/FLETCHER**  
 86 OLD AIRPORT ROAD  
 FLETCHER, NC 28732  
 (828) 654-9060

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** HENDERSON

**State:** North Carolina

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**Overall Rating**

★  
1 out of 5 stars

[Show Information](#)

**Health Inspections**

★  
1 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★  
1 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★★  
4 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

1 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

2 Enforcement Actions

[Show Information](#)

**Complaints**

2 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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MECKLENBURG COUNTY

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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**SATURN NURSING REHAB CENTER**

1930 WEST SUGAR CREEK ROAD  
 CHARLOTTE, NC 28262  
 (704) 598-4480

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: MECKLENBURG

State: North Carolina

New Search

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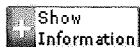
Overall Rating

1 out of 5 stars



Health Inspections

1 out of 5 stars



Nursing Home Staffing

2 out of 5 stars



Quality Measures

4 out of 5 stars



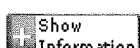
Fire Safety Inspections

1 Fire Safety Deficiencies



Enforcement

1 Enforcement Actions



Complaints

12 Complaints  
 0 Incidents with Deficiency Findings

What is This?

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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NHC Home Help Glossary Resources

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Step 3: Compare Nursing Homes



The 2 nursing homes you selected to compare are displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

	<b>SOUTH VILLAGE</b> 2221 RALEIGH ROAD ROCKY MOUNT, NC 27803 (252) 442-4156  <b>Mapping &amp; Directions</b>	<b>UNIVERSAL HEALTH CARE / NASHVILLE</b> 1022 EASTERN AVENUE NASHVILLE, NC 27856 (252) 459-3014  <b>Mapping &amp; Directions</b>
--	---	---

Your Search Criteria

You have selected the following criteria for your search:

County: NASH  
 State: North Carolina

[New Search](#)  
[Modify Search](#)

<b>Overall Rating</b>	★★ 2 out of 5 stars	★ 1 out of 5 stars
<b>Health Inspections</b>	★ 1 out of 5 stars	★ 1 out of 5 stars
<b>Nursing Home Staffing</b>	★★★★ 4 out of 5 stars	★★★★ 4 out of 5 stars
<b>Quality Measures</b>	★★★★ 4 out of 5 stars	★ 1 out of 5 stars
<b>Fire Safety Inspections</b>	3 Fire Safety Deficiencies	7 Fire Safety Deficiencies
<b>Enforcement</b>	6 Enforcement Actions	4 Enforcement Actions
<b>Complaints</b> <a href="#">What is This?</a>	22 Complaints 0 Incidents with Deficiency Findings	19 Complaints 0 Incidents with Deficiency Findings

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★  
**Above Avg.** ★★★★  
**Average** ★★★  
**Below Avg.** ★★  
**Much Below Avg.** ★

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	100 Certified Beds	60 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident Council Only
Located in a Hospital	No	No

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PITT COUNTY



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Step 3: Compare Nursing Homes



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Your Selected Nursing Homes

**UNIVERSAL HEALTH CARE / GREENVILLE**

2578 WEST 5TH STREET  
GREENVILLE, NC 27834  
(252) 758-7100

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** PITT

**State:** North Carolina

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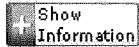
Overall Rating

★  
1 out of 5 stars



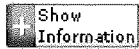
**Health Inspections**

★  
1 out of 5 stars



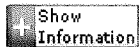
**Nursing Home Staffing**

★★★  
3 out of 5 stars



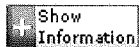
**Quality Measures**

★★★★  
4 out of 5 stars



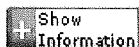
**Fire Safety Inspections**

7 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

7 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**RANDOLPH COUNTY**

J-8714-11 - Universal Health Care / Raleigh  
 J-8721-11 - Universal Health Care / Fuquay-Varina



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**Your Selected Nursing Homes**

**UNIVERSAL HEALTH CARE/RAMSEUR**  
 7166 JORDON ROAD  
 RAMSEUR, NC 27316  
 (336) 824-8828

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** RANDOLPH

**State:** North Carolina

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**Overall Rating**

★★★★★  
5 out of 5 stars

[Show Information](#)

**Health Inspections**

★★★★★  
5 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★  
3 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★  
3 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

2 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

0 Enforcement Actions

[Show Information](#)

**Complaints**

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	Yes
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much**

**Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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STOKES COUNTY

J-8714-11 - Universal Health Care / Raleigh  
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Your Selected Nursing Homes

**UNIVERSAL HEALTH CARE/KING**  
 115 WHITE ROAD  
 KING, NC 27021  
 (336) 983-6505

Mapping & Directions

County: STOKES  
 State: North Carolina

New Search

Modify Search

Overall Rating

☆☆☆  
 2 out of 5 stars

Show Information

Health Inspections

☆☆☆  
 1 out of 5 stars

Show Information

Nursing Home Staffing

☆☆☆☆  
 4 out of 5 stars

Show Information

Quality Measures

☆☆☆  
 2 out of 5 stars

Show Information

Fire Safety Inspections

11 Fire Safety Deficiencies

Show Information

Enforcement

3 Enforcement Actions

Show Information

Complaints

8 Complaints

What is This?

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	96 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ☆☆☆☆☆

Above Avg. ☆☆☆☆

Average ☆☆☆

Below Avg. ☆☆

Much Below Avg. ☆

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WAKE COUNTY

J-8714-11 - Universal Health Care / Raleigh  
 J-8721-11 - Universal Health Care / Fuquay-Varina



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Your Selected Nursing Homes

	<b>LITCHFORD FALLS HEALTHCARE</b> 8200 LITCHFORD ROAD RALEIGH, NC 27615 (919) 878-7772  <b>Mapping &amp; Directions</b>	<b>UNIVERSAL HEALTH CARE/NORTH RALEIGH</b> 5201 CLARKS FORK DRIVE RALEIGH, NC 27616 (919) 872-7033  <b>Mapping &amp; Directions</b>
--	--	--

Your Search Criteria

You have selected the following criteria for your search:

**County:** WAKE  
**State:** North Carolina

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Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★  
**Above Avg.** ★★★★  
**Average** ★★★  
**Below Avg.** ★★  
**Much Below Avg.** ★

<b>Overall Rating</b>	★★★ 3 out of 5 stars	★★ 2 out of 5 stars
<b>Health Inspections</b>	★★ 2 out of 5 stars	★★★ 3 out of 5 stars
<b>Nursing Home Staffing</b>	★★★★ 4 out of 5 stars	★ 1 out of 5 stars
<b>Quality Measures</b>	★★★ 3 out of 5 stars	★★★ 3 out of 5 stars
<b>Fire Safety Inspections</b>	2 Fire Safety Deficiencies	5 Fire Safety Deficiencies
<b>Enforcement</b>	2 Enforcement Actions	0 Enforcement Actions
<b>Complaints</b> What is This?	1 Complaints 0 Incidents with Deficiency Findings	4 Complaints 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds	112 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No	No

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**J-8717-11**

**The Heritage of Raleigh**

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8717-11 - The Heritage of Raleigh**  
*(Brookdale Senior Living, Inc.)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Carriage Club of Charlotte	5804 OLD PROVIDENCE RD CHARLOTTE, NC 28226	Mecklenburg	3	4	N/A	1
<b>Avg Star Rating</b>			<b>3.00</b>	<b>4.00</b>		<b>1.00</b>

Source: www.medicare.gov/nhcompare/  
 \*Accessed on September 22, 2011

**MECKLENBURG COUNTY**

J-8717-11 - Heritage



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You have selected the following criteria for your search:

**County:** MECKLENBURG

**State:** North Carolina

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**Your Selected Nursing Homes**

**THE CARRIAGE CLUB OF CHARLOTTE**

5804 OLD PROVIDENCE RD  
CHARLOTTE, NC 28226  
(704) 365-8551

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**Overall Rating**

☆☆☆  
3 out of 5 stars



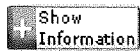
**Health Inspections**

☆☆☆☆  
4 out of 5 stars



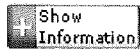
**Nursing Home Staffing**

Star Rating not available<sup>a</sup>



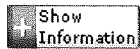
**Quality Measures**

☆  
1 out of 5 stars



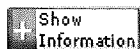
**Fire Safety Inspections**

4 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare
Number of Certified Beds	14 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	Yes
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

<sup>a</sup> Not enough data available to calculate a star rating.

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.**   ★★★★★

**Above Avg.**   ★★★★

**Average**   ★★★

**Below Avg.**   ★★

**Much Below Avg.**   ★

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**J-8719-11**  
UPAC-Raleigh

**J-8720-11**  
UPAC-Cary

**J-8722-11**  
UPAC-North Raleigh

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8719-11- UPAC-Raleigh**  
**J-8720-11- UPAC-Cary**  
**J-8722-11- UPAC-North Raleigh**  
*(United Health Services, Inc. -Pruitt)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
The Oaks at Town Center	6300 ROBERTA ROAD HARRISBURG, NC 28075	Cabarrus	5	4	3	5
Two Rivers Health Care, Neuse Campus	1303 HEALTH DRIVE NEW BERN, NC 28560	Craven	4	4	1	5
Two Rivers Health Care, Trent Campus	836 HOSPITAL DRIVE NEW BERN, NC 28560	Craven	1	2	1	4
UniHealth Post-Acute Care - Durham	3100 ERWIN ROAD DURHAM, NC 27705	Durham	4	2	4	5
UniHealth Post-Acute Care - Carolina Point	5935 MOUNT SINAI ROAD DURHAM, NC 27705	Durham	-	-	-	-
Heritage Healthcare of High Point	3830 N MAIN STREET HIGH POINT, NC 27265	Forsyth	2	1	4	4
Heritage Healthcare of Farmville	4351 SOUTH MAIN STREET FARMVILLE, NC 27828	Pitt	4	3	3	5
Heritage Healthcare of Elkin	560 JOHNSON RIDGE RD ELKIN, NC 28621	Surry	5	5	2	4
The Oaks of Brevard	300 MORRIS ROAD BREVARD, NC 28712	Transylvania	3	2	3	5
UniHealth Post-Acute Care - Raleigh	2420 LAKE WHEELER ROAD RALEIGH, NC 27603	Wake	4	3	3	5
The Oaks at Mayview	513 EAST WHITAKER MILL ROAD	Wake	5	3	5	5
<b>Avg Star Rating</b>			<b>3.70</b>	<b>2.90</b>	<b>2.90</b>	<b>4.70</b>

Source: www.medicare.gov/nhcompare/  
 \*Accessed on September 22, 2011

**CABARRUS COUNTY**

J-8719-11 - UniHealth Post-Acute Care - Raleigh  
 J-8720-11 - UniHealth Post-Acute Care - Cary  
 J-8722-11 - UniHealth Post-Acute Care - North Raleigh



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**Your Selected Nursing Homes**

**THE OAKS AT TOWN CENTER**  
 6300 ROBERTA ROAD  
 HARRISBURG, NC 28075  
 (704) 455-5553

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**Your Search Criteria**

You have selected the following criteria for your search:

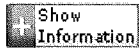
**County:** CABARRUS  
**State:** North Carolina

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**Overall Rating**

★★★★★  
 5 out of 5 stars



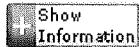
**Health Inspections**

★★★★★  
 4 out of 5 stars



**Nursing Home Staffing**

★★★☆☆  
 3 out of 5 stars



**Quality Measures**

★★★★★  
 5 out of 5 stars



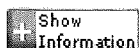
**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

[What is This?](#)

1 Complaints  
 0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	70 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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**CRAVEN COUNTY**

J-8719-11 - UniHealth Post-Acute Care - Raleigh  
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**Your Selected Nursing Homes**

	<b>TWO RIVERS HEALTHCARE - NEUSE CAMPUS</b> 1303 HEALTH DRIVE NEW BERN, NC 28560 (252) 634-2560	<b>TWO RIVERS HEALTHCARE - TRENT CAMPUS</b> 836 HOSPITAL DRIVE NEW BERN, NC 28560 (252) 638-6001
<b>Overall Rating</b>	★★★★★ 4 out of 5 stars	★ 1 out of 5 stars
<b>Health Inspections</b>	★★★★★ 4 out of 5 stars	★★ 2 out of 5 stars
<b>Nursing Home Staffing</b>	★ 1 out of 5 stars	★ 1 out of 5 stars
<b>Quality Measures</b>	★★★★★ 5 out of 5 stars	★★★★ 4 out of 5 stars
<b>Fire Safety Inspections</b>	6 Fire Safety Deficiencies	4 Fire Safety Deficiencies
<b>Enforcement</b>	3 Enforcement Actions	0 Enforcement Actions
<b>Complaints</b> <a href="#">What is This?</a>	2 Complaints 0 Incidents with Deficiency Findings	5 Complaints 0 Incidents with Deficiency Findings
<b>Nursing Home Characteristics</b>		
Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	<b>110</b> Certified Beds	<b>116</b> Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	No	Yes
Resident & Family Councils	Resident Council Only	Resident Council Only
Located in a Hospital	No	No

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** CRAVEN  
**State:** North Carolina

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**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★  
**Above Avg.** ★★★★  
**Average** ★★★  
**Below Avg.** ★★  
**Much Below Avg.** ★

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DURHAM COUNTY

J-8719-11 - UniHealth Post-Acute Care - Raleigh  
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 J-8722-11 - UniHealth Post-Acute Care - North Raleigh

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Show All | Hide All

Your Selected Nursing Homes

	<b>UNIHEALTH POST - ACUTE CARE OF DURHAM</b> 3100 ERWIN ROAD DURHAM, NC 27705 (919) 383-1546  <b>Mapping &amp; Directions</b>	<b>UNIHEALTH POST-ACUTE CARE - CAROLINA POINT</b> 5935 MOUNT SINAI ROAD DURHAM, NC 27705 (919) 402-2450  <b>Mapping &amp; Directions</b>
--	--	---

Your Search Criteria

You have selected the following criteria for your search:

County: DURHAM  
 State: North Carolina

New Search  
 Modify Search

<b>Overall Rating</b>	★★★★★ 4 out of 5 stars	Star Rating not available <sup>a</sup>
Show Information <b>Health Inspections</b>	★★ 2 out of 5 stars	Star Rating not available <sup>a</sup>
Show Information <b>Nursing Home Staffing</b>	★★★★★ 4 out of 5 stars	Star Rating not available <sup>a</sup>
Show Information <b>Quality Measures</b>	★★★★★ 5 out of 5 stars	Star Rating not available <sup>a</sup>
Show Information <b>Fire Safety Inspections</b>	3 Fire Safety Deficiencies	0 Fire Safety Deficiencies
Show Information <b>Enforcement</b>	2 Enforcement Actions	0 Enforcement Actions
Show Information <b>Complaints What is This?</b>	8 Complaints 0 Incidents with Deficiency Findings	0 Complaints 0 Incidents with Deficiency Findings

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★  
 Above Avg. ★★★★★  
 Average ★★★  
 Below Avg. ★★  
 Much Below Avg. ★

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	125 Certified Beds	138 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident Council Only
Located in a Hospital	No	No

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**FORSYTH COUNTY**

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**Your Selected Nursing Homes**

**HERITAGE HEALTHCARE OF HIGH POINT**  
 3830 N MAIN STREET  
 HIGH POINT, NC 27265  
 (336) 869-3524

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** FORSYTH  
**State:** North Carolina

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**Overall Rating**

★★★  
2 out of 5 stars

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**Health Inspections**

★  
1 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★★★  
4 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★★★  
4 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

5 Fire Safety Deficiencies

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**Enforcement**

2 Enforcement Actions

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**Complaints**

10 Complaints  
0 Incidents with Deficiency Findings

[What is This?](#)

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	100 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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PITT COUNTY

J-8719-11 - UniHealth Post-Acute Care - Raleigh  
 J-8720-11 - UniHealth Post-Acute Care - Cary  
 J-8722-11 - UniHealth Post-Acute Care - North Raleigh



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Step 3: Compare Nursing Homes



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Your Selected Nursing Homes

**HERITAGE HEALTHCARE OF FARMVILLE**  
 4351 SOUTH MAIN STREET  
 FARMVILLE, NC 27828  
 (252) 753-5547

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Your Search Criteria

You have selected the following criteria for your search:

**County:** PITT  
**State:** North Carolina

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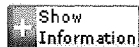
Overall Rating

★★★★☆  
 4 out of 5 stars



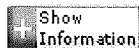
[Health Inspections](#)

★★★☆☆  
 3 out of 5 stars



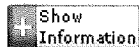
[Nursing Home Staffing](#)

★★★☆☆  
 3 out of 5 stars



[Quality Measures](#)

★★★★★  
 5 out of 5 stars



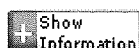
[Fire Safety Inspections](#)

2 Fire Safety Deficiencies



[Enforcement](#)

0 Enforcement Actions



[Complaints](#)  
[What is This?](#)

0 Complaints  
 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	56 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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**SURRY COUNTY**

J-8719-11 - UniHealth Post-Acute Care - Raleigh  
 J-8720-11 - UniHealth Post-Acute Care - Cary  
 J-8722-11 - UniHealth Post-Acute Care - North Raleigh



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**Your Selected Nursing Homes**

**HERITAGE HEALTHCARE OF ELKIN**

560 JOHNSON RIDGE RD  
 ELKIN, NC 28621  
 (336) 835-7802

[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

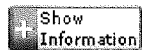
**County:** SURRY  
**State:** North Carolina

[New Search](#)

[Modify Search](#)

**Overall Rating**

★★★★★  
 5 out of 5 stars



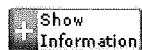
**Health Inspections**

★★★★★  
 5 out of 5 stars



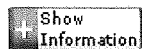
**Nursing Home Staffing**

★★  
 2 out of 5 stars



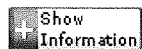
**Quality Measures**

★★★★  
 4 out of 5 stars



**Fire Safety Inspections**

4 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	100 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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TRANSYLVANIA COUNTY

J-8719-11 - UniHealth Post-Acute Care - Raleigh  
 J-8720-11 - UniHealth Post-Acute Care - Cary  
 J-8722-11 - UniHealth Post-Acute Care - North Raleigh



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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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Your Selected Nursing Homes

**THE OAKS OF BREVARD**  
 300 MORRIS ROAD  
 BREVARD, NC 28712  
 (828) 877-4020

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Your Search Criteria

You have selected the following criteria for your search:

**County:** TRANSYLVANIA

**State:** North Carolina

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Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

Overall Rating

★★★  
3 out of 5 stars



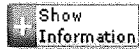
**Health Inspections**

★★  
2 out of 5 stars



**Nursing Home Staffing**

★★★  
3 out of 5 stars



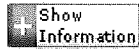
**Quality Measures**

★★★★★  
5 out of 5 stars



**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

3 Complaints  
0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	120 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

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WAKE COUNTY

J-8719-11 - UniHealth Post-Acute Care - Raleigh  
 J-8720-11 - UniHealth Post-Acute Care - Cary  
 J-8722-11 - UniHealth Post-Acute Care - North Raleigh

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Step 3: Compare Nursing Homes

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Your Selected Nursing Homes

	THE OAKS AT MAYVIEW 513 EAST WHITAKER MILL ROAD RALEIGH, NC 27608 (919) 828-2348	UNIHEALTH POST-ACUTE CARE-RALEIGH 2420 LAKE WHEELER ROAD RALEIGH, NC 27603 (919) 755-0226
<b>Overall Rating</b>	★★★★★ 5 out of 5 stars	★★★★☆ 4 out of 5 stars
<b>Health Inspections</b>	★★★☆☆ 3 out of 5 stars	★★★☆☆ 3 out of 5 stars
<b>Nursing Home Staffing</b>	★★★★★ 5 out of 5 stars	★★★☆☆ 3 out of 5 stars
<b>Quality Measures</b>	★★★★★ 5 out of 5 stars	★★★★★ 5 out of 5 stars
<b>Fire Safety Inspections</b>	5 Fire Safety Deficiencies	2 Fire Safety Deficiencies
<b>Enforcement</b>	0 Enforcement Actions	0 Enforcement Actions
<b>Complaints</b> <u>What is This?</u>	1 Complaints 0 Incidents with Deficiency Findings	7 Complaints 0 Incidents with Deficiency Findings
<b>Nursing Home Characteristics</b>		
Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	51 Certified Beds	150 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	Yes	No
Resident & Family Councils	Resident Council Only	Resident Council Only
Located in a Hospital	No	No

Your Search Criteria

You have selected the following criteria for your search:

County: WAKE  
 State: North Carolina

New Search

Modify Search

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★☆

Average ★★★☆☆

Below Avg. ★★☆☆☆

Much Below Avg. ★☆☆☆☆

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**J-8723-11**  
Liberty-St. Mary's

**J-8726-11**  
Liberty-Cedar Fork

**J-8727-11**  
Liberty-House Creek



**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8723-11- Liberty-St. Mary's**  
**J-8726-11- Liberty-Cedar Fork**  
**J-8727-11- Liberty-House Creek**  
*(Liberty Real Properties, LLC)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Liberty Commons Nursing & Rehab Center of Alamance County	791 Boone Station Drive Burlington, NC 2721	Alamance	4	4	2	4
Three Rivers Health & Rehabilitation Center	1403 Conner Avenue Windsor, NC 27983	Bertie	3	2	4	4
Liberty Commons Nursing & Rehab Center of Columbus County	1402 Pinckney Street Whiteville, NC 28472	Columbus	3	3	3	4
Shoreland Health Care & Retirement Center	200 Flowers-Pridgen Drive Whiteville, NC 28472	Columbus	4	4	1	5
Golden Years Nursing Home	7348 North West Street Falcon, NC 28342	Cumberland	1	2	1	4
Bermuda Commons Nursing & Rehab Center	316 NC Highway 801 South Advance, NC	Davie	3	2	2	5
Liberty Commons Nursing & Rehab Center of Halifax County	101 Caroline Avenue Weldon, NC 27890	Halifax	1	2	1	3
Cross Creek Health Care	1719 Quarter Road Swan Quarter, NC 27885	Hyde	4	4	2	3
Liberty Commons Nursing & Rehab Center of Johnston County	2315 Highway 242 North Benson, NC 27504	Johnston	2	2	1	5
Liberty Commons Nursing & Rehab Center of Lee County	310 Commerce Drive Sanford, NC 27330	Lee	3	2	2	5
Lee County Nursing & Rehabilitation Center	714 Westover Drive Sanford, NC 27330	Lee	1	1	2	2

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Liberty Nursing & Rehabilitation Center of Mecklenburg County	3700 Shamrock Drive Charlotte, NC 28215	Mecklenburg	3	3	2	4
Liberty Commons Nursing & Rehab Center	121 Racine Drive Wilmington, NC 28403	New Hanover	2	3	1	4
Liberty Commons Nursing & Rehabilitation Center of Rowan County	4412 South Main Street Salisbury, NC 28147	Rowan	2	1	4	4
Mary Gran Nursing Center	120 Southwood Drive Clinton, NC 28329	Sampson	1	1	3	4
Southwood Nursing & Retirement Center	180 Southwood Drive Clinton, NC 28329	Sampson	4	5	1	3
Capital Nursing & Rehabilitation Center	3000 Holston Lane Raleigh, NC 27610	Wake	2	1	2	5
<b>Avg Star Rating</b>			<b>2.53</b>	<b>2.47</b>	<b>2.00</b>	<b>4.00</b>

Source: www.medicare.gov/nhcompare/  
 \*Accessed on September 22, 2011

ALAMANCE COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
 J-8726-11 - Wake County Rehabilitation Center-Cedar Fork  
 J-8727-11 - Wake County Rehabilitation Center-House Creek

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Your Selected Nursing Homes

**LIBERTY COMMONS N&R  
 ALAMANCE**  
 791 BOONE STATION DRIVE  
 BURLINGTON, NC 27215  
 (336) 586-9850

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Your Search Criteria

You have selected the following criteria for your search:

**County:** ALAMANCE

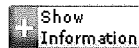
**State:** North Carolina

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[Modify Search](#)

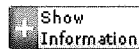
Overall Rating

★★★★★  
4 out of 5 stars



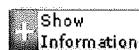
[Health Inspections](#)

★★★★★  
4 out of 5 stars



[Nursing Home Staffing](#)

★★  
2 out of 5 stars



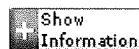
[Quality Measures](#)

★★★★★  
4 out of 5 stars



[Fire Safety Inspections](#)

1 Fire Safety Deficiencies



[Enforcement](#)

1 Enforcement Actions



[Complaints](#)

[What is This?](#)

0 Complaints  
0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	90 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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**BERTIE COUNTY**

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
 J-8726-11 - Wake County Rehabilitation Center-Cedar Fork  
 J-8727-11 - Wake County Rehabilitation Center-House Creek



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**Your Selected Nursing Homes**

**THREE RIVERS HEALTH AND REHAB**

1403 CONNER DR  
 WINDSOR, NC 27983  
 (252) 794-4441

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** BERTIE

**State:** North Carolina

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**Overall Rating**

☆☆☆  
3 out of 5 stars

Show Information

**Health Inspections**

☆☆  
2 out of 5 stars

Show Information

**Nursing Home Staffing**

☆☆☆☆  
4 out of 5 stars

Show Information

**Quality Measures**

☆☆☆☆  
4 out of 5 stars

Show Information

**Fire Safety Inspections**

2 Fire Safety Deficiencies

Show Information

**Enforcement**

2 Enforcement Actions

Show Information

**Complaints**

3 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	60 Certified Beds <sup>1</sup>
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.**

☆☆☆☆☆

**Above Avg.**

☆☆☆☆

**Average**

☆☆☆

**Below Avg.**

☆☆

**Much Below Avg.**

☆

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**COLUMBUS COUNTY**

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
 J-8726-11 - Wake County Rehabilitation Center-Cedar Fork  
 J-8727-11 - Wake County Rehabilitation Center-House Creek



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The 2 nursing homes you selected to compare are displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

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**Your Selected Nursing Homes**

**LIBERTY COMMONS  
 N&R CTR OF  
 COLUMBUS CTY**  
 1402 PINCKNEY STREET  
 WHITEVILLE, NC 28472  
 (910) 642-4245

**SHORELAND HLTH  
 CARE & RETIREME**  
 200 FLOWER-PRIDGEN DR  
 WHITEVILLE, NC 28472  
 (910) 642-4300

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[Mapping & Directions](#)

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** COLUMBUS

**State:** North Carolina

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**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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**Overall Rating**

★★★☆☆  
3 out of 5 stars

★★★★☆  
4 out of 5 stars

[Show Information](#)

**Health Inspections**

★★★☆☆  
3 out of 5 stars

★★★★☆  
4 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★☆☆  
3 out of 5 stars

★☆☆☆☆  
1 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★★☆  
4 out of 5 stars

★★★★★  
5 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

3 Fire Safety Deficiencies

8 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

0 Enforcement Actions

0 Enforcement Actions

[Show Information](#)

**Complaints What is This?**

2 Complaints  
0 Incidents with Deficiency Findings

0 Complaints  
0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	107 Certified Beds	89 Certified Beds
Type of Ownership	For profit - Individual	For profit - Corporation
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident Council Only
Located in a Hospital	No	No

**CUMBERLAND COUNTY**

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
 J-8726-11 - Wake County Rehabilitation Center-Cedar Fork  
 J-8727-11 - Wake County Rehabilitation Center-House Creek

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**Your Selected Nursing Homes**

**GOLDEN YEARS NURSING HOME**

P O BOX 40  
 FALCON, NC 28342  
 (910) 980-1271

**Mapping & Directions**

**Your Search Criteria**

You have selected the following criteria for your search:

**County:** CUMBERLAND

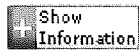
**State:** North Carolina

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**Overall Rating**

★  
1 out of 5 stars



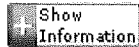
**Health Inspections**

★★  
2 out of 5 stars



**Nursing Home Staffing**

★  
1 out of 5 stars



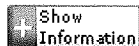
**Quality Measures**

★★★★  
4 out of 5 stars



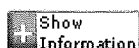
**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**  
What is This?

3 Complaints  
0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	58 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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DAVIE COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
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 J-8727-11 - Wake County Rehabilitation Center-House Creek



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Your Selected Nursing Homes

**BERMUDA COMMONS NURSING AND REHABILITATION CENTER**

316 NC HWY 801 SOUTH  
 ADVANCE, NC 27006  
 (336) 998-0240

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** DAVIE

**State:** North Carolina

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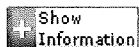
Overall Rating

★★★  
3 out of 5 stars



**Health Inspections**

★★  
2 out of 5 stars



**Nursing Home Staffing**

★★  
2 out of 5 stars



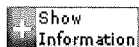
**Quality Measures**

★★★★★  
5 out of 5 stars



**Fire Safety Inspections**

2 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

4 Complaints  
0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	117 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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HALIFAX COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
 J-8726-11 - Wake County Rehabilitation Center-Cedar Fork  
 J-8727-11 - Wake County Rehabilitation Center-House Creek

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Your Selected Nursing Homes

**LIBERTY COMMONS NSG AND REHAB CTR OF HALIFAX CTY**  
 101 CAROLINE AVENUE  
 WELDON, NC 27890  
 (252) 536-4817

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: HALIFAX  
 State: North Carolina

New Search  
 Modify Search

Overall Rating

★  
 1 out of 5 stars

Show Information

Health Inspections

★★  
 2 out of 5 stars

Show Information

Nursing Home Staffing

★  
 1 out of 5 stars

Show Information

Quality Measures

★★★  
 3 out of 5 stars

Show Information

Fire Safety Inspections

2 Fire Safety Deficiencies

Show Information

Enforcement

1 Enforcement Actions

Show Information

Complaints

1 Complaints  
 0 Incidents with Deficiency Findings

What is This?

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	50 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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HYDE COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
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Your Selected Nursing Homes

**CROSS CREEK HEALTH CARE**  
 1719 SWAN QUARTER ROAD  
 SWANQUARTER, NC 27885  
 (252) 926-2143

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Your Search Criteria

You have selected the following criteria for your search:

**County:** HYDE  
**State:** North Carolina

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Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★  
**Above Avg.** ★★★★  
**Average** ★★★  
**Below Avg.** ★★  
**Much Below Avg.** ★

Overall Rating

★★★★★  
 4 out of 5 stars

[Show Information](#)

**Health Inspections**

★★★★★  
 4 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★  
 2 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★  
 3 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

2 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

1 Enforcement Actions

[Show Information](#)

**Complaints**

0 Complaints  
 0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	80 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

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JOHNSTON COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
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Your Selected Nursing Homes

**LIBERTY COMMONS NSG & REH JOHN**  
 2315 HIGHWAY 242 NORTH  
 BENSON, NC 27504  
 (919) 207-1717

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Your Search Criteria

You have selected the following criteria for your search:

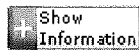
County: JOHNSTON  
 State: North Carolina

[New Search](#)

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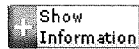
Overall Rating

★★★  
 2 out of 5 stars



Health Inspections

★★  
 2 out of 5 stars



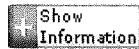
Nursing Home Staffing

★  
 1 out of 5 stars



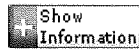
Quality Measures

★★★★★  
 5 out of 5 stars



Fire Safety Inspections

5 Fire Safety Deficiencies



Enforcement

0 Enforcement Actions



Complaints  
 What is This?

5 Complaints  
 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	100 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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LEE COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
 J-8726-11 - Wake County Rehabilitation Center-Cedar Fork  
 J-8727-11 - Wake County Rehabilitation Center-House Creek



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Your Selected Nursing Homes

	<b>LEE COUNTY NURSING AND REHABILITATION CENTER</b> 714 WESTOVER DRIVE SANFORD, NC 27330 (919) 775-5404  <b>Mapping &amp; Directions</b>	<b>LIBERTY COMMONS NSG AND REHAB CTR OF LEE COUNTY</b> 310 COMMERCE DRIVE SANFORD, NC 27330 (919) 499-2206  <b>Mapping &amp; Directions</b>
--	---	--

Your Search Criteria

You have selected the following criteria for your search:

County: LEE  
 State: North Carolina

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Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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<b>Overall Rating</b>	★ 1 out of 5 stars	★★★ 3 out of 5 stars
<b>Health Inspections</b>	★ 1 out of 5 stars	★★ 2 out of 5 stars
<b>Nursing Home Staffing</b>	★★ 2 out of 5 stars	★★ 2 out of 5 stars
<b>Quality Measures</b>	★★ 2 out of 5 stars	★★★★★ 5 out of 5 stars
<b>Fire Safety Inspections</b>	6 Fire Safety Deficiencies	1 Fire Safety Deficiencies
<b>Enforcement</b>	0 Enforcement Actions	0 Enforcement Actions
<b>Complaints What is This?</b>	9 Complaints 0 Incidents with Deficiency Findings	4 Complaints 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	83 Certified Beds	80 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Partnership
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident Council Only	Resident & Family Councils
Located in a Hospital	No	No

**MECKLENBURG COUNTY**

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 J-8727-11 - Wake County Rehabilitation Center-House Creek

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**Your Selected Nursing Homes**

**LIBERTY NURSING AND REHAB  
 CTR OF MECKLENBURG CTY**  
 3700 SHAMROCK DR  
 CHARLOTTE, NC 28215  
 (704) 940-8300

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** MECKLENBURG

**State:** North Carolina

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**Overall Rating**

★★★★★  
4 out of 5 stars

[Show Information](#)

**Health Inspections**

★★★★★  
4 out of 5 stars

[Show Information](#)

**Nursing Home Staffing**

★★★☆☆  
3 out of 5 stars

[Show Information](#)

**Quality Measures**

★★★★★  
4 out of 5 stars

[Show Information](#)

**Fire Safety Inspections**

2 Fire Safety Deficiencies

[Show Information](#)

**Enforcement**

1 Enforcement Actions

[Show Information](#)

**Complaints**

5 Complaints  
0 Incidents with Deficiency Findings

[What is This?](#)

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	289 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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**NEW HANOVER COUNTY**

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
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 J-8727-11 - Wake County Rehabilitation Center-House Creek



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**Your Selected Nursing Homes**

**LIBERTY COMMONS  
 REHABILITATION CENTER**  
 121 RACINE DRIVE  
 WILMINGTON, NC 28403  
 (910) 452-4070

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**Your Search Criteria**

You have selected the following criteria for your search:

**County:** NEW HANOVER

**State:** North Carolina

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**Overall Rating**

★★★  
2 out of 5 stars

[+ Show Information](#)

**Health Inspections**

★★★★  
3 out of 5 stars

[+ Show Information](#)

**Nursing Home Staffing**

★  
1 out of 5 stars

[+ Show Information](#)

**Quality Measures**

★★★★★  
4 out of 5 stars

[+ Show Information](#)

**Fire Safety Inspections**

6 Fire Safety Deficiencies

[+ Show Information](#)

**Enforcement**

2 Enforcement Actions

[+ Show Information](#)

**Complaints**

6 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

**Nursing Home Characteristics**

Program Participation	Medicare and Medicaid
Number of Certified Beds	100 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

**Five Star Quality Rating**

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much**

**Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

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ROWAN COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
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 J-8727-11 - Wake County Rehabilitation Center-House Creek



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Your Selected Nursing Homes

**LIBERTY COMMONS NSG & REH  
 ROWA**  
 4412 SOUTH MAIN ST  
 SALISBURY, NC 28147  
 (704) 637-3040

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Your Search Criteria

You have selected the following criteria for your search:

**County:** ROWAN  
**State:** North Carolina

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Overall Rating

☆☆☆  
 2 out of 5 stars

Show Information

Health Inspections

☆☆☆  
 1 out of 5 stars

Show Information

Nursing Home Staffing

☆☆☆☆  
 4 out of 5 stars

Show Information

Quality Measures

☆☆☆☆  
 4 out of 5 stars

Show Information

Fire Safety Inspections

0 Fire Safety Deficiencies

Show Information

Enforcement

2 Enforcement Actions

Show Information

Complaints

3 Complaints  
 0 Incidents with Deficiency Findings

[What is This?](#)

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	85 Certified Beds
Type of Ownership	For profit - Individual
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ☆☆☆☆☆

**Above Avg.** ☆☆☆☆

**Average** ☆☆☆

**Below Avg.** ☆☆

**Much Below Avg.** ☆

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SAMPSON COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
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Your Selected Nursing Homes

	<b>MARY GRAN NURSING CENTER</b> 120 SOUTHWOOD DR BOX 379 CLINTON, NC 28328 (910) 592-7981  <b>Mapping &amp; Directions</b>	<b>SOUTHWOOD NURSING AND RETIREME</b> 180 SOUTHWOOD DRIVE BOX 708 CLINTON, NC 28328 (910) 592-8165  <b>Mapping &amp; Directions</b>
--	---	--

Your Search Criteria

You have selected the following criteria for your search:

County: SAMPSON  
 State: North Carolina

New Search

Modify Search

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

<b>Overall Rating</b>	1 out of 5 stars	4 out of 5 stars
<b>Health Inspections</b>	1 out of 5 stars	5 out of 5 stars
<b>Nursing Home Staffing</b>	3 out of 5 stars	1 out of 5 stars
<b>Quality Measures</b>	4 out of 5 stars	3 out of 5 stars
<b>Fire Safety Inspections</b>	7 Fire Safety Deficiencies	2 Fire Safety Deficiencies
<b>Enforcement</b>	4 Enforcement Actions	0 Enforcement Actions
<b>Complaints</b>	10 Complaints	0 Complaints
<b>What is This?</b>	0 Incidents with Deficiency Findings	0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid	Medicare and Medicaid
Number of Certified Beds	242 Certified Beds	100 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	No	No
Resident & Family Councils	Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No	No

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WAKE COUNTY

J-8723-11 - Wake County Rehabilitation Center-St. Mary  
 J-8726-11 - Wake County Rehabilitation Center-Cedar Fork  
 J-8727-11 - Wake County Rehabilitation Center-House Creek

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The 1 nursing home you selected to compare is displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Show All | Hide All

Your Selected Nursing Homes

**CAPITAL NURSING AND REHABILITATION CENTER**  
 3000 HOLSTON LANE  
 RALEIGH, NC 27610  
 (919) 231-6045

Mapping & Directions

Your Search Criteria

You have selected the following criteria for your search:

County: WAKE  
 State: North Carolina

New Search  
 Modify Search

Overall Rating

★★  
 2 out of 5 stars



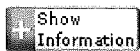
Health Inspections

★  
 1 out of 5 stars



Nursing Home Staffing

★★  
 2 out of 5 stars



Quality Measures

★★★★★  
 5 out of 5 stars



Fire Safety Inspections

2 Fire Safety Deficiencies



Enforcement

3 Enforcement Actions



Complaints  
 What is This?

4 Complaints  
 0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	125 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

Much Above Avg. ★★★★★

Above Avg. ★★★★

Average ★★★

Below Avg. ★★

Much Below Avg. ★

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**J-8729-11**

Bella Rose

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8729-11 - BellaRose**  
*(E.N.W., LLC and BellaRose Nursing and Rehab Center, Inc.)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Brunswick Cove	1478 RIVER ROAD WINNABOW, NC 28479	Brunswick	2	3	2	1
Hillside Nursing Center of Wake Forest	968 EAST WAIT AVENUE WAKE FOREST, NC 27587	Wake	3	2	4	2
Windsor Point CCRC	1221 BROAD STREET FUQUAY VARINA, NC 27526	Wake	3	2	5	4
<b>Avg Star Rating</b>			<b>2.67</b>	<b>2.33</b>	<b>3.67</b>	<b>2.33</b>

Source: www.medicare.gov/hhcompare/  
 \*Accessed on September 22, 2011

BRUNSWICK COUNTY

J-8729-11 - BellaRose



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The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

[Show All](#) | [Hide All](#)

Your Selected Nursing Homes

**BRUNSWICK COVE NURSING CENTER**  
 1478 RIVER ROAD  
 WINNABOW, NC 28479  
 (910) 371-9894

[Mapping & Directions](#)

Your Search Criteria

You have selected the following criteria for your search:

**County:** BRUNSWICK  
**State:** North Carolina

[New Search](#)  
[Modify Search](#)

Overall Rating

☆☆☆  
2 out of 5 stars



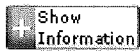
[Health Inspections](#)

☆☆☆☆  
3 out of 5 stars



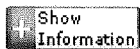
[Nursing Home Staffing](#)

☆☆☆  
2 out of 5 stars



[Quality Measures](#)

☆  
1 out of 5 stars



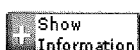
[Fire Safety Inspections](#)

3 Fire Safety Deficiencies



[Enforcement](#)

0 Enforcement Actions



[Complaints](#)

0 Complaints

[What is This?](#)

0 Incidents with Deficiency Findings

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	175 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident & Family Councils
Located in a Hospital	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★☆

**Average** ★★★☆☆

**Below Avg.** ★★☆☆☆

**Much Below Avg.** ★☆☆☆☆

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The 2 nursing homes you selected to compare are displayed in the table below. To view more detailed information about a specific nursing home, click on the name of the nursing home.

Your Search Criteria

You have selected the following criteria for your search:

County: WAKE  
State: North Carolina

New Search  
Modify Search

Show All | Hide All

Your Selected Nursing Homes

	HILLSIDE NURSING CENTER OF WAK 968 EAST WAIT AVENUE WAKE FOREST, NC 27587 (919) 556-4082	WINDSOR POINT CONTINUING CARE 1221 BROAD STREET FUQUAY VARINA, NC 27526 (919) 552-4580
	<a href="#">Mapping &amp; Directions</a>	<a href="#">Mapping &amp; Directions</a>
<b>Overall Rating</b>	☆☆☆ 3 out of 5 stars	☆☆☆ 3 out of 5 stars
<a href="#">Show Information</a> <b>Health Inspections</b>	☆☆ 2 out of 5 stars	☆☆ 2 out of 5 stars
<a href="#">Show Information</a> <b>Nursing Home Staffing</b>	☆☆☆☆ 4 out of 5 stars	☆☆☆☆ 5 out of 5 stars
<a href="#">Show Information</a> <b>Quality Measures</b>	☆☆ 2 out of 5 stars	☆☆☆☆ 4 out of 5 stars
<a href="#">Show Information</a> <b>Fire Safety Inspections</b>	2 Fire Safety Deficiencies	3 Fire Safety Deficiencies
<a href="#">Show Information</a> <b>Enforcement</b>	0 Enforcement Actions	0 Enforcement Actions
<a href="#">Show Information</a> <b>Complaints</b> <a href="#">What is This?</a>	0 Complaints 0 Incidents with Deficiency Findings	0 Complaints 0 Incidents with Deficiency Findings
<b>Nursing Home Characteristics</b>		
Program Participation	Medicare and Medicaid	Medicare
Number of Certified Beds	130 Certified Beds	45 Certified Beds
Type of Ownership	For profit - Corporation	For profit - Corporation
Continuing Care Retirement Community	No	Yes
Resident & Family Councils	Resident Council Only	Resident Council Only
Located in a Hospital	No	No

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

\*Note: The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★  
**Above Avg.** ★★★★  
**Average** ★★★  
**Below Avg.** ★★  
**Much Below Avg.** ★

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**J-8730-11**  
Rehab and Nursing-Cary

**J-8731-11**  
Rehab and Nursing-Raleigh

**NURSING HOME COMPARE**  
**CMS Five Star Rating**

Medicare.gov

**J-8730-11- Rehab and Nursing-Cary**  
**J-8731-11- Rehab and Nursing-Raleigh**  
*(DES Senior Care Holdings, LLC)*

Facility Name	Facility Address	County	Overall Star Rating	Health Inspections Star Rating	Nursing Home Star Rating	Quality Measures Star Rating
Blue Ridge Health Care Center	3830 BLUE RIDGE ROAD RALEIGH, NC 27612	Wake	3	2	4	4
<b>Avg Star Rating</b>			<b>3.00</b>	<b>2.00</b>	<b>4.00</b>	<b>4.00</b>

Source: [www.medicare.gov/nhcompare/](http://www.medicare.gov/nhcompare/)  
 \*Accessed on September 22, 2011

WAKE COUNTY

J-8730-11 - The Rehab & Nursing Center of Cary  
 J-8731-11 - The Rehab & Nursing Center at Raleigh



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Step 3: Compare Nursing Homes



The 1 nursing home you selected to compare is displayed in the table below. **To view more detailed information about a specific nursing home, click on the name of the nursing home.**

Your Search Criteria

You have selected the following criteria for your search:

**County:** WAKE  
**State:** North Carolina

[New Search](#)  
[Modify Search](#)

[Show All](#) | [Hide All](#)

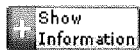
Your Selected Nursing Homes

**BLUE RIDGE HEALTH CARE CENTER**  
 3830 BLUE RIDGE ROAD  
 RALEIGH, NC 27612  
 (919) 781-4900

[Mapping & Directions](#)

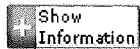
Overall Rating

☆☆☆  
 3 out of 5 stars



**Health Inspections**

☆☆  
 2 out of 5 stars



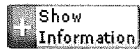
**Nursing Home Staffing**

☆☆☆☆  
 4 out of 5 stars



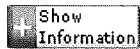
**Quality Measures**

☆☆☆☆  
 4 out of 5 stars



**Fire Safety Inspections**

3 Fire Safety Deficiencies



**Enforcement**

0 Enforcement Actions



**Complaints**

6 Complaints

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0 Incidents with Deficiency Findings

Five Star Quality Rating

Nursing homes are rated overall and on health inspections, nursing home staffing and quality measures. More stars are better.

**\*Note:** The Quality Measure ratings are taken from data submitted by the nursing home between January 1, 2010 and September 30, 2010.

**Much Above Avg.** ★★★★★

**Above Avg.** ★★★★

**Average** ★★★

**Below Avg.** ★★

**Much Below Avg.** ★

Nursing Home Characteristics

Program Participation	Medicare and Medicaid
Number of Certified Beds	134 Certified Beds
Type of Ownership	For profit - Corporation
Continuing Care Retirement Community	No
Resident & Family Councils	Resident Council Only
Located in a Hospital	No

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**[Long Term Care Ombudsman](#)**  
1-919-733-8395

**[State Survey Agency](#)**  
Division of Health Service Regulation-Nursing Home Licensure and Certification  
1-800-624-3004

**[State Quality Improvement Organization](#)**  
Medical Review of North Carolina, Inc.  
1-800-682-2650

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Preventive Services

Welcome to Medicare Preventive Visit

Flu Shots

Preventive Service Checklist

**Medicare Basics**

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Part A

Part B

Part C

Part D

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# **Attachment 2 -**

## **Payor Mix Comparison**

### PAYOR MIX COMPARISON

**Universal-North Raleigh  
J-8714-11**

Payor	Current (Table VI.2, P.67)	Projected (Table VI.3, P.68)	New Beds Only (Line D below)
Pvt Pay	15.80	15.75	15.47
Commercial Insurance	2.65	0.79	(9.63)
Medicare	20.22	22.83	37.45
Medicaid	56.59	55.12	46.89
Hospice	4.74	5.51	9.82
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

<b>Beds</b>	<b>112.00</b>	<b>132.00</b>	<b>20.00</b>
-------------	---------------	---------------	--------------

132(x)=112(y)+z(20); solve for Z

	Medicare	Medicaid	Hospice	PP	CI
a	3,013.56	7,275.84	727.32	2,079.00	104.28
b	2,264.64	6,338.08	530.88	1,769.60	296.80
c	748.92	937.76	196.44	309.40	(192.52)
d	<b>37.45</b>	<b>46.89</b>	<b>9.82</b>	<b>15.47</b>	<b>(9.63)</b>

**Notes:**

a 132(x); x=payor percentage for total projected beds

b 112(y); y=payor percentage for current beds

c a-b

d c/20; Line D is the estimated payor mix of the new beds, if the current beds stayed the same.

In this instance, the existing beds did not stay the same because commercial insurance is negative.

It is impossible to estimate how the existing bed mix was changed.

### PAYOR MIX COMPARISON

**Universal-Fuquay-Varina  
J-8721-11**

Payor	On Sept 30, 2013 (J-8449-09; Table VI.2)	Projected (Table VI.3, P.75)	New Beds Only (Line D below)
Pvt Pay	13.44	9.52	6.32
Commercial Insurance	2.59	2.86	3.08
Medicare	16.91	17.14	17.33
Medicaid	63.18	66.67	69.52
Hospice	3.88	3.81	3.75
Total	100.00	100.00	100.00

Beds	49.00	109.00	60.00
------	-------	--------	-------

$109(x)=49(y)+z(60)$ ; solve for z

	Medicare	Medicaid	Hospice	PP	CI
a	1,868.26	7,267.03	415.29	1,037.68	311.74
b	828.59	3,095.82	190.12	658.56	126.91
c	1,039.67	4,171.21	225.17	379.12	184.83
d	17.33	69.52	3.75	6.32	3.08

**Notes:**

a  $109(x)$ ; x=payor percentage for total projected beds

b  $49(y)$ ; y=payor percentage for current beds

c a-b

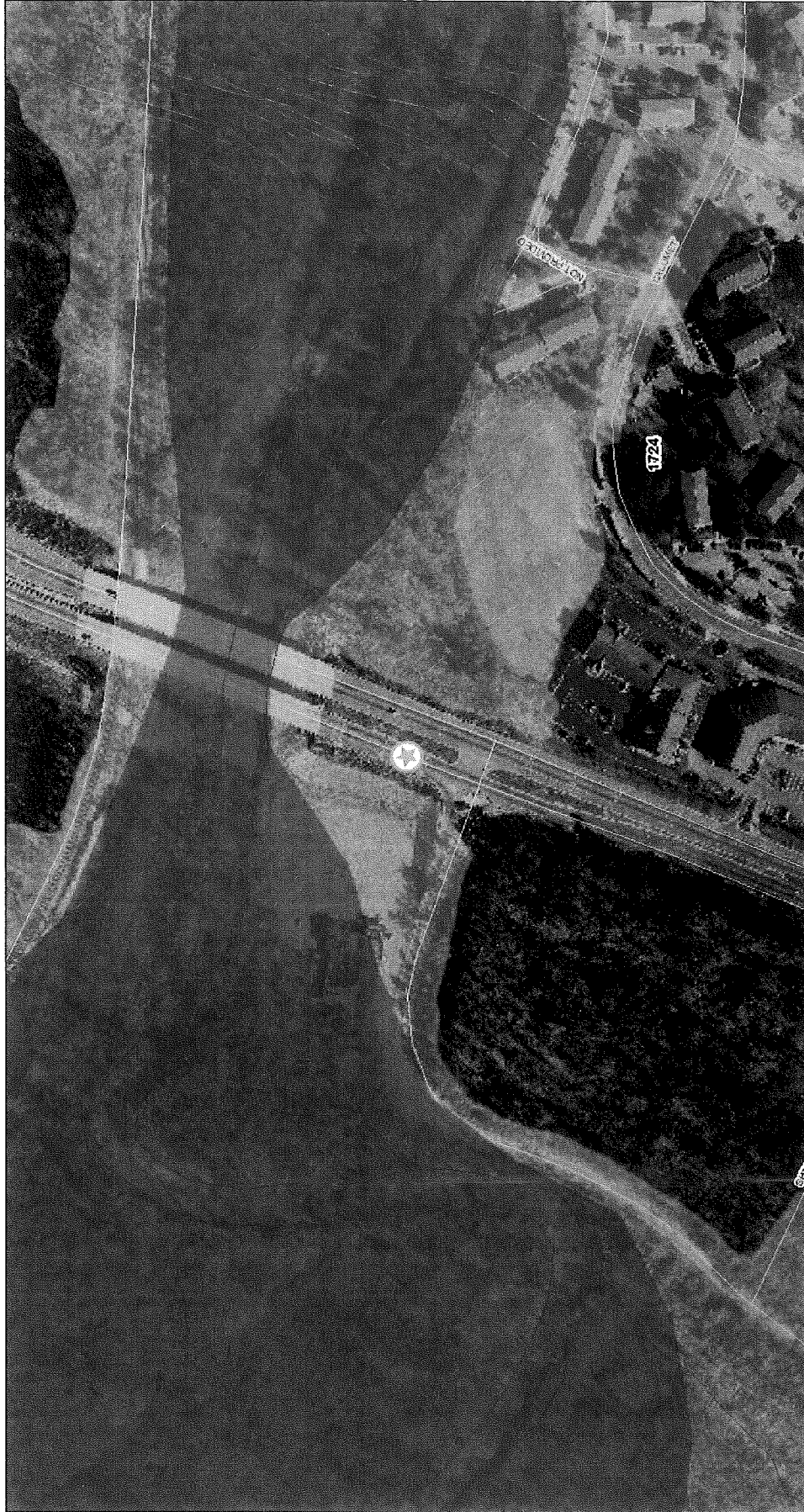
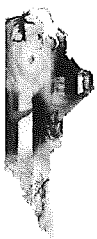
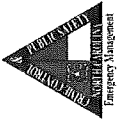
d c/60; Line D is the estimated payor mix of the new beds, if the current beds stayed the same



# **Attachment 3 -**

## **Flood Map**

# Rehab and Nursing-Raleigh



- ★ Major Cities
- + Benchmarks
- DDFIRM Grid
- Rivers and Streams
- Transsects (Coastal)
- County Boundaries
- Coastal Barrier Resource Systems
- Roads
- NC Highway
- US Highway
- Interstate Highway
- Political Areas
- Extraterritorial Jurisdictions
- Coastal Sounds
- 100yr Flooding - Floodway (AE)
- 100yr Flooding - Has BFE's (AE)
- 100yr Flooding - No BFE's (A)
- 100yr Flooding - Velocity Zone
- 500yr Flooding (Shaded X)
- Base Flood Elevation (Symbol)
- Cross Sections

North Carolina  
Floodplain Mapping Program





# **Attachment 4 -**

## **Private Rooms vs. Shared Rooms Article**

# Exploring the Cost and Value of Private Versus Shared Bedrooms in Nursing Homes

Margaret Calkins, PhD,<sup>1</sup> and Christine Cassella<sup>2</sup>

**Purpose:** There is debate about the relative merits and costs of private versus shared bedrooms in nursing homes, particularly in light of the current efforts at creating both cost-efficient and person-centered care facilities. The purpose of this project was to explore the extent to which there is evidence-based information that supports the merits of three different bedroom configurations: traditional shared, enhanced shared, and private. **Design and Methods:** We developed a framework of four broad domains that were related to the different bedroom configurations: psychosocial, clinical, operational, and construction or building factors. Within each dimension, we identified individual factors through the literature, interviews, and focus groups, with the goal of determining the breadth, depth, and quality of evidence supporting the benefits of one configuration over another. **Results:** The vast majority of factors identified in this study, regardless of whether there was solid empirical data, information from the focus groups, or other anecdotal evidence, indicated better outcomes associated with private rooms over shared rooms in nursing homes. Cost estimates suggest that construction cost (plus debt service) differences range from roughly \$20,506 per bed for a traditional shared room to \$36,515 for a private one, and that such differences are recouped in less than 2 years if beds are occupied, and in less than 3 months if a shared bed remains unoccupied at average private-pay room costs. **Implications:** Despite limited empirical evidence in some areas, this project provides the foundation for an evidence-based life-cycle costing perspective regarding the relative merits of different bedroom configurations.

*Key Words:* Construction, Design, Nosocomial Infection, Operational costs, Privacy

Nursing homes are under tremendous pressure to change. The traditional staff-centric or medical models are no longer considered appropriate, and a new emphasis on person-centered or self-directed care is emerging (Capitman, Leutz, Bishop, & Casler, 2004; Sloane & Zimmerman, 2005; Weiner, 2003). One central aspect of the change movement is greater emphasis on autonomy, dignity, and privacy. The value of private over shared bedrooms is central to this debate, with some researchers and providers arguing that the benefits of private rooms are either self-evident or well supported in the literature, and others suggesting that private rooms are too expensive to build and operate. Designers have added to the complexity of the issue by creating "enhanced shared" rooms, which either give each resident a well-defined and generally exclusive territory within the room or provide essentially private bedrooms with a shared bathroom. Although privacy and the benefits or detriments associated with it are central to this discussion, there are a host of other factors that are important. Nevertheless, there has been no systematic examination of the broad range of factors that are related to different bedroom configurations, and there is no cohesive body of evidence supporting either private or shared rooms in long-term-care settings. This is a timely issue, given that the average age of nursing homes is 29 years or more and many are being replaced now or in the near future (Lewis, 2005).

Our purpose in this exploratory project was to define as broad a range as possible of potential factors associated with different bedroom configurations, and to determine the extent of existing evidence, both empirical and anecdotal, that supports one bedroom configuration over another. In particular, our goal was to move beyond the relatively well-documented satisfaction-related outcomes to explore other factors that impact the life-cycle costs of private versus shared bedrooms.

This study was funded by The Commonwealth Fund, Grant # 20050096.

Address correspondence to Margaret Calkins, PhD, IDEAS Institute, 8055 Chardon, Kirtland, OH 44094-9580. E-mail: mcalkins@IDEASInstitute.org

<sup>1</sup>IDEAS Institute, Kirtland, OH.

<sup>2</sup>Department of Psychology, College of Wooster, OH.

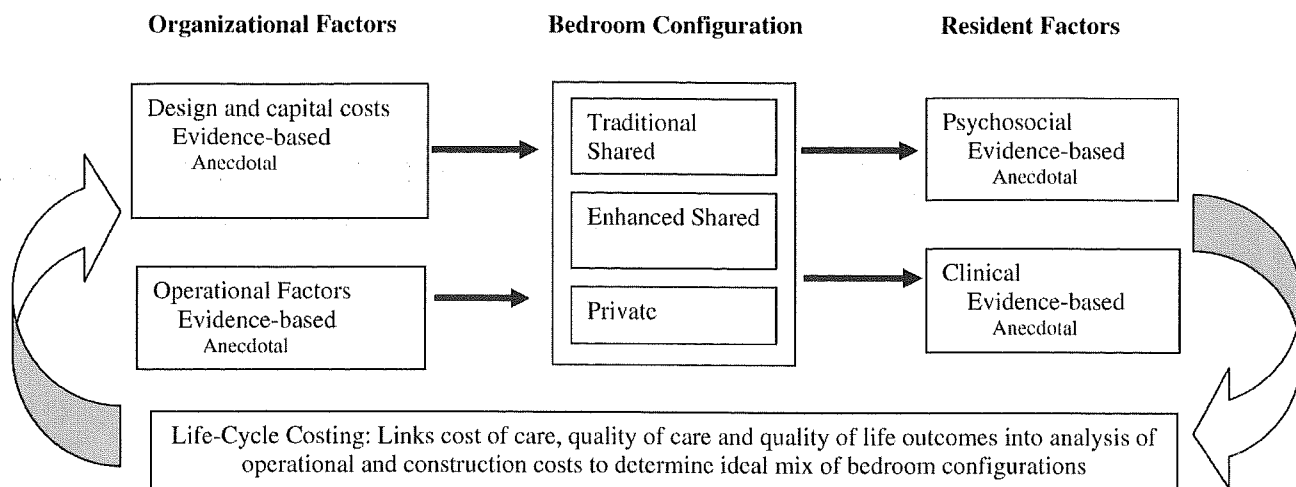


Figure 1. Conceptual framework.

The vast majority of research in nursing homes on this topic relates to psychosocial outcomes (preference and satisfaction). There is some, albeit more limited, research on clinical factors, although this is well studied in hospitals. Despite a growing interest in staffing issues, there is relatively little research that explores operational correlates of different room configurations on operational factors. Because of the lack of any previous comprehensive examination of the broad range of factors related to private rooms in nursing homes, for this project we drew on a framework developed by Chaudhury, Mahmood, and Valente (2005) to explore single- versus multiple-occupancy rooms in hospitals. Chaudhury and colleagues identified three clusters of factors: organizational costs (initial construction and ongoing operating costs), hospital management and patient care issues (infection control, patient transfer, and patient monitoring), and therapeutic impacts (privacy, stress, and family accommodation). We modified their framework slightly for this project, separating organizational factors from resident factors. Organizational factors can be further broken down into building-related issues (design and capital costs for construction and building operation) and operational issues (staffing issues, marketing or maintaining census, and time spent managing residents). Resident factors include psychosocial outcomes (well-being, satisfaction) and clinical issues (sleep, falls, nosocomial infections, etc.). This framework, shown in Figure 1, suggests that evidence (with greater weight on evidence-based outcomes than empirical outcomes) about resident factors should be fed into the decision-making process about design and operational issues (which also uses evidence-based and empirical information) to determine the ideal mix of bedroom configurations for a given project. Ideally, more research is then conducted on resident outcomes, which is fed back into the cycle again.

The issue of private rooms is of primacy in institutional settings—hospitals and nursing homes—

where people often have little or no choice about where they live or with whom they may share a room. Different factors are more or less salient across these two settings. In hospitals, patients typically stay a few days or weeks at most. There may be multiple visitors every day, and there is a heavy focus on treatment and getting well enough to go home. Nursing homes provide support for chronic care; the length of stay is months to years, so issues of well-being and quality of life, as well as cost considerations, take primacy. This is generally reflected in the literature, with more research on clinical factors and accommodating family and visitors conducted in hospital settings, and an emphasis on well-being and quality of life in the nursing home literature. We explored the literature from both of these settings in order to identify the broadest range of potential factors.

## Methods

We used an iterative process, alternating literature review with interviews and focus groups. We conducted a preliminary review of the literature by using the IDEAS Institute's in-office library (which has over 3,500 articles and books on long-term care catalogued) to explore factors and outcomes that may be associated with different bedroom designs (private vs shared). We grouped the factors topically into the aforementioned framework.

Before conducting a more thorough literature search, we conducted interviews with four nursing home administrators and four architects specializing in long-term care to flush out additional factors within each dimension that might not surface readily in the literature review. We then used these terms (from the initial search and the interviews) to conduct a systematic review of the literature. We conducted initial searches on Ageline and PubMed, and we included articles from 1970 to the present in our

search. As we identified and abstracted articles, we also culled their references for related articles. We included only those articles that specifically addressed bedroom design or configuration, both empirical and anecdotal. We categorized articles by setting and type (empirical or descriptive). Because some of the topics identified in the interviews were not found in the literature, we held focus groups in three nursing homes, with staff, family members, and residents in attendance, to further probe the importance of these other factors. We selected a focus group format because it allows for discussion among different departments (nursing, social work, housekeeping, maintenance, and dietary), and this setup can encourage fertile discussions about topics that are sometimes infrequently thought about. We used a semistructured discussion guideline to allow for open-ended discussion and to ensure that all topics were systematically covered; this also allowed us to identify additional factors. Focus groups were run by two individuals, with one serving as facilitator and one as recorder. We identified several additional factors through the focus groups, and we conducted a second literature search (following the same parameters already described) for references on these factors.

We identified a total of 112 articles. Although we made efforts to focus on references specifically related to nursing homes ( $n = 55$ ), some topics were only addressed in articles related to other settings (hospitals,  $n = 37$ ; independent or assistant living,  $n = 7$ ; multiple settings, such as articles on transfers,  $n = 7$ ; and other or nonsetting specific,  $n = 6$ ). It is worth noting that none of the published references differentiated a traditional shared bedroom, in which beds are side by side and occupants share one window and one bathroom, from what we refer to in this article as an enhanced shared bedroom, which is a relatively newer configuration in which each person has his or her own distinct territory and window and does not have to cross into the roommate's space to reach his or her own (see Figure 2).

Because of an almost complete lack of information in the literature, we undertook a detailed analysis of bedroom design and construction costs for this project. We collected and analyzed 189 bedroom plans. We drew our sample from design firms that had nursing home projects published in any of the DESIGN issues of *Nursing Homes: Long-Term Care Management* magazine, plus 58 plans from another study (Kaup & Norris-Baker, 2004). DESIGN is a review of elder-related facilities that is judged annually by SAGE, the Society for the Advancement of Gerontological Environments. We contacted every design firm ( $n = 36$ ) with a nursing home project; we described the purpose of our study, and we invited the firm to submit detailed bedroom plans for the project(s) that had been in DESIGN, as well as any other nursing home projects the firm had designed over the past 10 years. Twenty-four firms

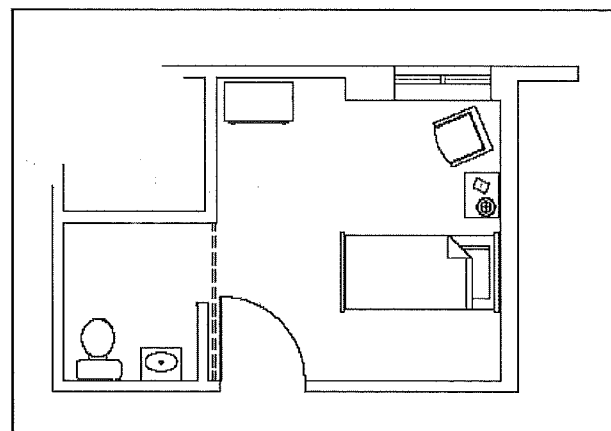
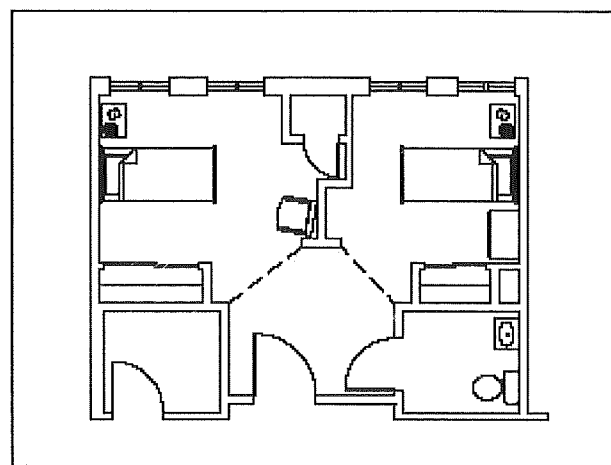
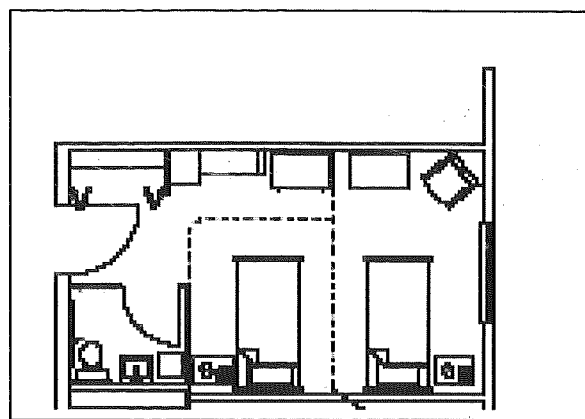


Figure 2. Different bedroom configurations: traditional shared, enhanced shared, and private.

agreed and submitted plans. Twelve firms either refused ( $n = 2$ ) or agreed ( $n = 10$ ) but, despite repeated requests for plans over a 3-month period, never submitted. We acknowledge that this sampling method likely resulted in a slightly biased sample, in that these projects were, on the whole, considered worthy of being accepted for publication in a premiere design review publication. However, as our purpose in this study was not to estimate the percentage of rooms built in different configurations

but simply to estimate the costs of constructing different room configurations, we did not consider this bias to be a serious flaw.

### *Results of the Literature Review*

We identified a total of 38 different factors within the four dimensions of the model. We identified most of the factors in at least one published reference, although there were several factors that we identified in focus groups that we did not find in the literature on either nursing homes or acute care settings (we discuss this issue separately). The vast majority of references related to the resident side of the model (psychosocial and clinical) as opposed to operational and building factors. The appendix lists the references, the setting (hospital, nursing home, etc.), and which factors we identified in each article. Because the purpose of this project was not a meta-analysis of extant research but rather an exploration of the broadest range of possible factors, we provide no other analysis of the articles.

**Psychosocial Factors.**—There is strong evidence that, as a general cohort, older adults overwhelmingly prefer private rooms over shared rooms in residential settings, potentially even among people who thought they would prefer a shared room. A study by the American Association of Retired Persons found that individuals over the age of 50 preferred a private room by a ratio of 20:1 (82% vs 4%; see Baugh, 1996). These results replicate early research on the preference for private rooms conducted by Lawton and Bader (1970). The primary factors that influence this preference appear to be privacy (for self and when conversing with others), lack of control (over lifestyle and environment), and feeling uncomfortable being forced to be an “unwilling observer” to others, though several of these come from anecdotal resources and not empirical studies.

There is also evidence that seniors tend to express satisfaction with their current living situation, regardless of the objective quality of that housing (Pinquart & Burmedi, 2004). However, in a small-scale study conducted in Japan, Terakawa (2004) studied residents who moved from an older nursing home where all bedrooms were traditional shared bedrooms to a new nursing home where all residents had private rooms. The results indicated that even people who initially did not want a private room and expected not to like having a private room were completely satisfied with their private room by 8 months after the move. These results suggest that expressed opinion about satisfaction with or preference for a shared room may be based on being reasonably satisfied with a current situation (in a shared room) and may not be based on experience in both a private and shared bedroom. Other researchers have found that having a private bed-

room is among the most desired changes of nursing home residents (Mosher-Ashley & Lemay, 2001). Residents who desired more privacy had lower life satisfaction than did residents who felt they had sufficient privacy.

There is a related concept of privacy with visitors, though the vast majority of research on this topic comes from acute care settings, where visiting, often with multiple people, occurs on a more frequent basis. Patients feel they have better visits with families in a private room, and they express higher satisfaction with this configuration (Chaudhury et al., 2005; Ulrich & Zimring, 2004).

Lack of control is another commonly cited factor that impacts preference for a private room in nursing homes. Common issues that cause conflicts between roommates include the television and radio (on or off, volume, and program selection); the time to get up and go to bed; having curtains open or closed; having the door to the hallway open or closed; heating, ventilation, and air conditioning levels; and the personalization or decoration of one's room (Foltz-Gray, 1995; Harris, McBride, Ross, & Curtis, 2002; Kaldenberg, 1999; Kane, Baker, Salmon, & Veazie, 1998; Ulrich & Zimring, 2004).

There is also some limited, mostly anecdotal, evidence about the positive benefits of sharing a room. Bitzan (1998) studied 31 nursing home residents who lived in shared rooms and found that 22% indicated an overall strong or positive emotional bond with their roommate, whereas 78% had a moderate or weak emotional bond with their roommate. Interestingly, even among those who indicated a positive emotional bond with their roommate, the majority did not enjoy spending time with their roommate, did not perceive their roommate to be sensitive to their feelings, and agreed they got along best when they kept their feelings and activities to themselves.

**Clinical Factors.**—In clinical terms, the evidence is strong on iatrogenic outcomes, especially related to nosocomial infections. Pneumonia, the leading cause of death among nursing home residents, with overall mortality rates reported between 20% and 50% and as high as 80% in some studies (Zimmerman, Gruber-Baldini, Hebel, Sloane, & Magaziner, 2002), is the second most frequent nosocomial infection in nursing homes (Harkness, Bentley, & Roghmann, 1990). The vast majority of research suggests that there is a reduced risk of developing a nosocomial infection in a private room than in a shared bedroom (Fune, Shua-Haim, Ross, & Frank, 1999; Pegues & Woernle, 1993; Sharbaugh, 2003; Zimmerman et al.), although much of the research was conducted in acute care settings (Ben-Abraham et al., 2002; Berry, 2004; Boyce, Potter-Bynoe, Chenevert, & King, 1997; Chang & Nelson, 2000; Chaudhury, Mahmood, & Valente, 2004; Coleman, 2004; Drinka, Krause, Nest, Goodman, &

Gravenstein, 2003; Ulrich & Zimring, 2004). Research conducted in nursing homes found that roommates of individuals infected with Influenza A had a 3.07 relative higher risk of acquiring the illness than did individuals in a private room (Drinka et al.). This statistic, combined with the 3.5% excess mortality rate associated with acquiring Influenza A, has serious life-threatening implications. Similarly, Pegues and Woernle found that 84% of nursing home residents who developed acute nonbacterial gastroenteritis during an outbreak lived in a room with a roommate, whereas only 16% of residents who became ill lived in private rooms. Beyond the potentially life-threatening consequences, there are also significant cost implications of nosocomial infections in nursing homes, which are estimated in one study to be in the range of \$1 billion (Kayser-Jones, Wiener, & Barbaccia, 1989).

The empirical evidence of the negative impact on sleep in shared rooms in hospitals is fairly strong (Duffin, 2002; Ulrich & Zimring, 2004), although in nursing homes the evidence is weaker (Schnelle, Alessi, Al-Samarrai, Fricker, & Ouslander, 1999).

Falls prevalence was also hypothesized to be related to private rooms. However, we found no research that specifically linked the prevalence of falls to being in a private versus shared room in nursing homes. There were some suggestions, though no empirical evidence, that placing people who are at a high risk of falls in multibed rooms in hospitals might reduce the occurrence of falls, as roommates could remind individuals not to rise without assistance (Chaudhury et al., 2005; Tutuarima, van der Meulen, de Haan, van Straten, & Limburg, 1997).

*Operational Factors.*—We identified two issues in the literature that relate to operational efficiency: the marketing of shared rooms, and the quality of staff-resident communications. However, empirical studies on both these topics are practically nonexistent, and virtually all of the evidence on this topic comes from interviews, focus groups, and a few descriptive articles. Duffin (2002) and Fisher (1995) both suggest that it is harder to market shared rooms, in part because of gender-matching issues and in part because of a preference for private rooms. However, we found no empirical studies to support these anecdotal descriptions.

Information on the quality of resident-staff communications comes primarily from hospital studies (Berry, 2004; Ulrich & Zimring, 2004). The Healthcare Insurance Portability and Accountability Act regulations, known as HIPAA, mandate the implementation of certain confidentiality procedures. Having a conversation with a resident about private medical matters is much more difficult when there is a roommate in the room, though this issue is certainly more relevant in a hospital setting than a nursing home, where HIPAA concerns are often

focused on communication at the nursing station, not in the bedroom.

There were also some references that discussed the positive consequences of shared rooms in terms of staff efficiency, although again this literature was mostly conducted in hospital settings. Chaudhury and colleagues (2004) found that the only dimension that nurses in four hospitals rated private rooms worse than shared rooms was on walking distance from the nursing station. However, this may have as much to do with unit configuration as it does with the percentage of private rooms. Several studies have shown that radial units are much more efficient, from the perspective of walking distance and time spent walking, than corridor designs (Shepley & Davies, 2003; Trites, Galbraith, Sturdavant, & Leckwart, 1970), regardless of bedroom configuration, and these results may be translatable to a nursing home setting.

*Building Factors.*—There are very few empirical studies exploring construction or ongoing building-related costs of nursing homes. The only relevant construction cost analysis that we identified was conducted by Chaudhury and colleagues (2005) of private versus shared rooms in hospitals. They calculated gross floor area per bed (for the whole unit, which includes all shared social spaces and staff support areas), and they estimated construction at \$285/ft<sup>2</sup> (\$285/0.09m<sup>2</sup>). Using this format, they estimated the cost per patient room at \$182,400 per patient in all private room configurations and \$122,550 per patient in mixed (some private and some shared room) configurations, suggesting that all private rooms would cost substantially more to construct.

### *Results of Interviews and Focus Groups*

In general, the interviews and focus groups reinforced the information we gleaned from the literature review, and we identified a number of additional topics. In addition, two of the focus group facilities had enhanced shared rooms, which staff felt impacted many of the topics of discussion. We found no mention in the published literature on this room configuration.

*Psychosocial Factors.*—Staff and residents echoed the strong preference for private bedrooms found in the literature. In one facility that had a number of enhanced shared rooms, staff and residents alike said these rooms were perceived more like a “private room with a shared bathroom” than a shared room, with all the benefits thereof. Issues related to visiting appeared to be most critical during the death and dying process. Most family members want to be close to the dying relative but are sensitive to the fact that they are also in someone else’s room. Families feel bad for the other

resident and the encroachment of their family, and the resident who is not dying is also uncomfortable, having to intrude on what should be a private time for the family. Staff in the focus groups felt that being in a shared room sometimes kept as many family members from gathering or staying as long as they would have preferred.

*Clinical Factors.*—Discussion of clinical factors in the interviews and focus groups related primarily to sleep and falls. Both residents and staff indicated that an individual is more likely to wake up when a staff member enters the room and provides care to a roommate than when the individual lives alone, although this may be mitigated in some enhanced shared rooms, depending on the level of acoustic separation between the residents. This can be a serious disruptor of sleep, because some individuals are checked every two hours. Staff members were uncertain how much of an impact frequently interrupted sleep had on residents the next day. In addition, several staff at different facilities indicated they were sure that there are more falls in shared rooms, though they had no hard data to support this. We identified several other factors as potential clinical outcomes related to private versus shared rooms in the focus groups that were not apparent in the literature, including the use of as-needed (known as PRN) and psychotropic medications, the rate of distressed behaviors by residents (particularly residents with dementia), and medical error rates. However, information on these topics from the focus groups was mixed.

*Operational Factors.*—Not surprisingly, much of the discussion in the interviews and focus groups revolved around operational issues, as these are of primary concern to staff and administrators. Topics included increased time and effort for marketing and admissions, time spent dealing with families, time spent managing conflict, and time spent managing transfers, all of which appear to be greater with shared rooms than private rooms.

Focus group participants agreed with the limited literature about the increased difficulty of marketing shared rooms (which translates into greater costs). None of the focus group facilities had an open bed available in a private room, though there were several openings in shared rooms. When a private room becomes available, staff indicated that it is always filled immediately, often from someone in house who has been waiting. One focus group was held in the nursing home of a retirement community, and staff indicated that residents were leaving the campus to go to a different nursing home rather than move into a shared room, which represents lost income for the facility.

The management of roommate conflict had even greater cost implications. We found no empirical

evidence related to the time spent managing roommate conflict in the literature, but the staff in the focus groups indicated that it could be substantial. Estimates of the average time spent (recognizing that on any given week it could be considerably higher) ranged from 2 to 25 hours per week. Apparently, it is not just the social workers and nursing staff who spend time on roommate issues. One housekeeper indicated she spends more time with residents in shared rooms who are upset by something than she spends with residents in private rooms, who seem to be upset less often.

If resolution of differences between residents is not possible, and the decision is made to relocate a resident, there are additional operational costs. Room-cleaning time and maintenance issues are greater at the time of relocation than routine room care is. All furniture must be removed and disinfected, and any maintenance issues (patching walls where personal belongings hung, repainting, and stripping and refinishing the floor) must be addressed. This also causes disruption to the remaining resident, who cannot access his or her room while it is being cleaned. In one facility, this process was estimated to add an additional 90 min of cleaning time over routine cleaning.

All these costs may be further compounded by the fact that, when a building is close to full, there may not be an appropriate empty room available into which the individual who is relocating can move. All facilities indicated that unanticipated resident relocation because of roommate problems can cause a domino effect, requiring one, two, or sometimes up to three other residents to also relocate. Each of these relocations also takes a substantial amount of staff time, as staff members explain to residents and families why it is best for someone, who may be relatively happy in her or his current location, to move. Often people do not want to move, forcing nursing staff to use their authority that it "is in everyone's best interest." This directly contradicts the principles of person-centered or self-directed care, as residents are given little or no choice or control in these situations. The time-management consequences, especially for nursing and social workers, can be substantial, though this remains undocumented. Finally, depending on where the individual(s) are relocated to (i.e., a different unit or household), staff may have to spend additional time getting to know the resident and his or her clinical needs and daily routines and helping the resident adjust to a new roommate. Thus, there are not only operational costs but also negative clinical correlates of this type of move.

We identified a few additional operational correlates in the focus groups. Several housekeepers indicated that private rooms take less time to clean than shared rooms, not just because there are two people in a shared room. In several facilities, housekeepers and direct care staff said that people



in private rooms seem to “keep their spaces better.” They speculated that there is a greater sense of ownership of the whole room as personal territory in a private room, whereas in a shared room, everything feels like common space, and people don’t take as much care of it. There were also some cost factors related to lost income from rehabilitation residents who wanted to be discharged sooner because they were uncomfortable in shared bedrooms. Medicare Part A reimbursement rates are substantially higher, so an early discharge may mean both lost revenue and increased risk for people returning home before they are ready.

### Results of the Bedroom Plan Analysis

In this project we conducted an analysis of 189 bedrooms to compare the construction costs of three bedroom configurations: traditional shared, enhanced shared, and private. Table 1 shows the average and range of the size of the three bedroom configurations.

To estimate the cost of construction, we made detailed measurements of wall length (differentiating exterior, interior room to room and interior to corridor, and plumbing wall), and we noted windows, presence of a closet, size of room, plus associated bathroom, shower and other fixtures, and more. We based cost estimates on exact dimensions of each element of the bedroom and adjoining bathroom, using standard commercial-grade-construction assumptions (e.g., slab on grade, 2 × 4 framing, vinyl exterior, 0.5-in. or 1.27-cm drywall, painted walls, vinyl flooring, wood truss roof system, 20-year shingle) for the Cleveland, Ohio area. The average per-person cost of a private room is more expensive at \$14,906 per person than that of an enhanced shared room at \$10,301 per person, which itself is more expensive than a traditional shared room at \$8,252 per person. (Additional information about cost analyses including additional specifics of cost breakouts, analyses including associated hallway spaces, and low-end vs high-end construction assumptions are available at [www.IDEASInstitute.org](http://www.IDEASInstitute.org)). When the cost of debt service is added (7% for 30 years), these costs per bed increase to \$36,515, \$25,121, and \$20,506 for private, enhanced, and traditional rooms, respectively.

Although the costs themselves are clearly higher for a private room, the significance of this difference remains unclear. In a private pay market, there is typically a difference in the cost of a shared bedroom and that of a private room. A large national study found that difference to be \$23 (\$167 for shared, and \$190 for private; see Genworth Financial, 2005). Because there is no revenue data on enhanced shared rooms, we combined the data from the two shared configurations, for an average cost of \$22,814 per person for shared rooms. Thus the difference in

Table 1. Room Size of Three Bedroom Configurations

Configuration	Room Size	
	ft <sup>2</sup> /room	ft <sup>2</sup> /person
Traditional shared	270 (182–380)	135 (91.0–190)
Enhanced shared	326 (155–562)	163 (77.5–281)
Private	214 (101–450)	214 (101.0–450)

Note: Room size range is shown in parentheses.

construction costs between a private and a shared room, per person, is \$13,702. If a facility charges \$23 more for a private room, the difference in costs (including debt) to construct a private room as opposed to a shared room can be recouped in less than 2 years (596 days). This assumes the shared room has two occupants. If, in fact, a bed remains unoccupied (possibly because potential residents choose to go to a facility that offers private rooms), then the revenue difference is not \$23 per day, but \$167 (if we assume there is one empty bed). In that case, the time it would take to recoup the cost of constructing a private room drops to 82 days, or less than 3 months. Stated another way, for every 82 resident days below full census, the facility could have built a private room with the lost revenue. After the 82 days, the facility is actually making more money on the private room than it would make on the shared room.

This analysis, of course, is based on the assumption of a cost differential of \$23 between a private and a shared bedroom. If a facility is housing people who are on Medicaid, then the cost analysis changes. Generally speaking, Medicaid will not pay extra for a private room, unless it is medically necessary. The state of Michigan, however, has recognized the tremendous benefits of private rooms, and it now includes in their capital cost formula an additional \$5 per patient per day for private rooms (up to 100 beds). Even with this minor increase, it would only take a facility 7.5 years to recoup the construction cost differential. If we assume that there is a 30-year mortgage, it means the facility is ahead, financially, for 22 years of the mortgage. This analysis is summarized in Table 2.

### Discussion

The vast majority of factors identified in this study indicated better outcomes associated with private rooms over shared rooms in nursing homes. The evidence is strongest for psychosocial issues, particularly related to preference and satisfaction for families and staff as well as residents. In clinical terms, the evidence is strong on iatrogenic outcomes, especially related to nosocomial infections. Evidence of impact of room configuration on falls and sleep hygiene is weaker. There are numerous operational factors that suggest that staff members spend more

Table 2. Breakdown of Construction Costs Plus Debt and Time to Recoup the Cost Differential

Room Type	Construction and Debt Cost (\$)	Cost Differential (\$)	Time to Recoup			
			Occupied @ \$23	Unoccupied @ \$167	Unoccupied @ \$5	Unoccupied @ \$1.25
Shared	22,814					
Private	36,515	13,702	596 days	82 days	7.5 years	30.0 years

Note: Construction and debt cost is shown per person.

time managing difficult situations when people have roommates than when they do not, and possibly more resources cleaning and maintaining shared rooms, though these findings are from the focus group and are not found in the research literature. Finally, the construction cost analysis suggests that although private rooms cost more to construct, the difference in costs may not be as significant as some people have argued. Even with a modest \$5 a day differential room rate, the cost of construction and debt of a private room versus a shared room can be recouped in less than 8 years.

One weakness to this analysis is that it was not possible to estimate the associated unit size differences caused by having more private rooms. It is argued that unit or household size and configuration (radial, open plan, hallway plan, or other variation) has a more significant impact on overall unit or household size than the number of private versus shared rooms. A study that expanded the plan analysis to include the whole unit configuration would shed light on this.

There is clearly a need for much more research in this area. Two or three potential topics for each domain of the framework are suggested here. In terms of psychosocial issues, researchers must analyze whether individuals who indicate they are satisfied with a shared room would be more satisfied with a private room if they had the opportunity to experience one. Consideration should also be given to what characteristics (of the individual or the situation) differentiate people who prefer a shared room from a private room. Surprisingly, there was very little information specific to the needs or preferences of people with dementia. In terms of clinical outcomes, the relationship of bedroom configuration to incidence of increased disruptiveness, distress, agitation, or aggression, particularly in individuals with dementia, requires more study. This area, in particular, should focus on the three different bedroom configurations (i.e., it should differentiate between traditional and enhanced shared rooms). There is also a need for greater understanding of the impact of the presence of a roommate on falls, because of the serious morbidity issues associated with falls.

Operational correlates of private versus shared bedrooms are not well addressed in the extant

literature, although the focus groups indicated a number of issues worthy of further exploration. The issue with the largest financial impact relates to lost revenue from being unable to fill a shared room when an individual would have agreed to move into a private room. A related topic would be an exploration of the differential costs of marketing a shared room versus a private room versus an enhanced shared room. There is clear, albeit anecdotal, evidence that roommate conflict can occupy a substantial portion of staff time. Although having all private rooms might free up staff time, it will not necessarily reduce costs. The question is what staff members do with this time—whether this translates into better care. The focus groups suggested that maintenance and housekeeping costs are higher per person for shared rooms than for private rooms, but there is no concrete evidence to support this.

On the cost of construction side, an analysis of how unit layout relates to bedroom configuration and therefore costs would be of great benefit to the industry. This might also be tied to staff efficiency studies, such as tracking how much time is spent walking to destinations in units with different layouts.

Across all topics, attention should be given to differentiating between bedroom configurations. The vast majority of studies that we reviewed do not include bedroom configuration as a variable, and none have explored differential impacts of the enhanced shared bedrooms. A more detailed study of this should consider differentiating territory-enhanced rooms, where each person has her or his own territory but spaces are separated by a curtain (and thus lack auditory and olfactory privacy), from privacy-enhanced bedrooms, where each person has, in essence, a private bedroom with a solid door but shares the bathroom.

Currently, the Medicaid program serves as a disincentive to construct private rooms. Private rooms do cost more to construct, and there is, with few exceptions, no additional reimbursement to cover these additional costs. Given the need to control costs, it would not be inappropriate to suggest that additional reimbursement should equal (not exceed) the additional cost of construction plus debt service. An increase of \$1.25 a day would cover the costs as assumed in this model in 30 years (the assumed length of the mortgage).

The evidence on preferences, satisfaction, and quality of life for residents living in private rooms in nursing homes is substantial. Virtually all other factors that impact life-cycle costs also trend toward better indicators for private rooms, although there is a need for better evidence to support this. Even the cost analysis suggests that, with a relatively minor increase in reimbursement, the differential construction and capital costs can be recovered. Unfortunately, some providers and designers, and well as the regulators and legislators who control Medicaid budgets, are not yet swayed by this evidence, and they are still building shared rooms. Over the next decade many nursing home buildings will be significantly renovated or replaced. There is a clear need for more evidence-based information, with widespread dissemination efforts, to support making more informed, evidence-based decisions.

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# **Attachment 5 -**

## **Therapy Pool Study**

# HydroWorx Benefits in Active Aging Study

## Health Benefits of Underwater Treadmill Exercise for Active Adults



Amanda Desmond, Ashley Bayliss, Heather Jacobson, Hillary Hardy,  
Kristen Jarvey, and Don Bredle PhD

Department of Kinesiology, University of Wisconsin

### Purpose:

This study was conducted in order to assess the health benefits of hydrotherapy in active adults.

### Method:

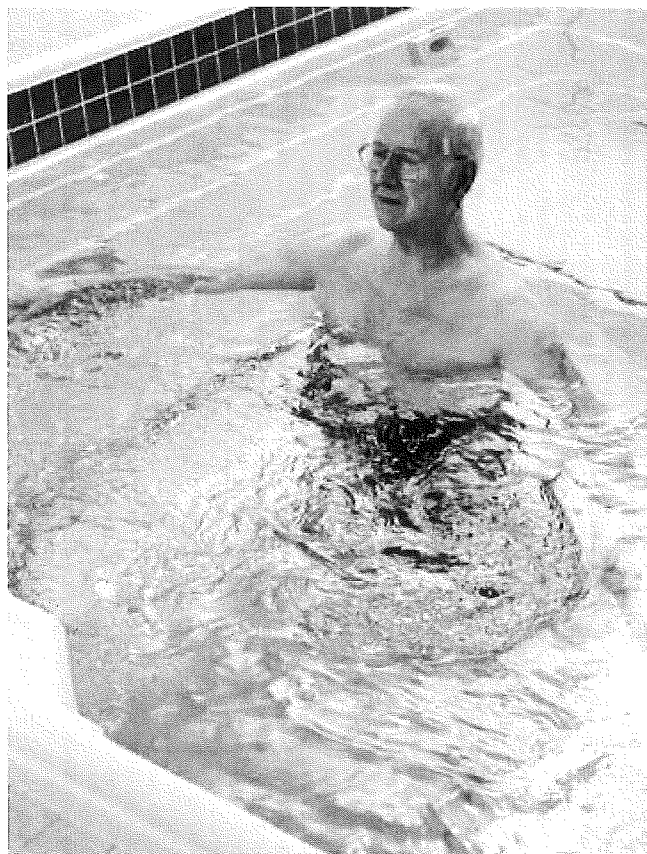
Fourteen adults, who already exercised three days a week, participated in the five week study. Each participant had a history of physical ailments. Participants exercised on a HydroWorx underwater treadmill two days a week for forty minutes performing both aerobic exercise and aquatic resistance training. Participants also took a quality of life survey that measured changes in flexibility, the ability to perform daily activities, energy levels, and overall sleep patterns.

### Results:

Subjects expressed feeling better both physically and psychologically during the exercise period. Eleven reported decreased joint pain while seven reported better quality of sleep. The group average for flexibility improved about twenty percent after the test period.

### Conclusion:

Hydrotherapy is a positive way to improve flexibility, sleep patterns, and reduce muscle and joint pain in middle-aged and older adults with a history of orthopedic limitations and discomfort.

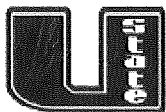


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# HydroWorx Used to Treat Osteoarthritis Study

## Underwater Treadmill Exercise as a Potential Treatment for Adults with Osteoarthritis



William M. Denning, Eadric Bressel, and Dennis G. Doiny

Utah State University Health, PE, and Recreation Department

### Purpose:

This study examined the levels of perceived pain and mobility in osteoarthritis patients after using underwater and land treadmills.

### Method:

Nineteen patients, diagnosed with osteoarthritis in the knee, hip or ankle participated in the study. All participants were over thirty five years old and had a clinical history of the disease. Each participant performed three consecutive exercise sessions on a HydroWorx treadmill and a land treadmill, separating exercise periods by twenty four hours and exercise mode by one week. Each exercise period was twenty minutes and consisted of four, five minute stages. Joint pain was measured immediately before and after each exercise session. "Timed Up and Go" assessed basic mobility and balance before each exercise method and after the third exercise session.

### Results:

Results of this study indicated that patients diagnosed with OA may walk on an underwater treadmill at a moderate intensity with less pain and equivalent energy expenditures, compared with walking on a land based treadmill at a similar moderate intensity. Patients revealed that pain was 140% greater during land treadmill exercise sessions than during underwater treadmill exercise sessions. The "Timed Up and Go" \_ which measured the ability for patients to arise from a chair and walk a set distance was 240% greater after land treadmill exercise sessions.



### Conclusion:

Patients diagnosed with osteoarthritis may receive the same aerobic conditioning with less joint pain and greater improvements in mobility by utilizing underwater treadmills opposed to land treadmills.

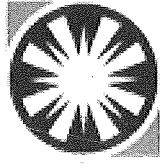
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# **Attachment 6 -**

## **Staff Turnover Article**



# Leadership Council of Aging Organizations

## THE DIRECT CARE WORKFORCE: A REPORT ON PRACTICES TO PROMOTE QUALITY LONG TERM CARE

### Introduction

A quality long-term care system requires a well-trained, respected, and adequately compensated direct care workforce.<sup>1</sup> But providing quality care is threatened by the current high turnover and vacancy rates -- a condition caused by the poor public perception of long-term care and the reality of low wages and difficult working conditions. The result is a chronic shortage of qualified direct care workers in nursing facilities, assisted living facilities and home health agencies.<sup>2</sup>

Current workforce conditions and the difficulty of recruiting direct care workers will grow worse as the number of individuals needing long-term care increases. A recent report estimates that between 2000 and 2040, the number of older people needing home care will increase from 2.2 million to 5.3 million and the number residing in nursing homes will increase from 1.2 million to 2.7 million.<sup>3</sup> To meet this increased need, the number of direct care workers would need to increase by two percent a year, yet during this time period the working-age population is expected to increase by only 0.3% per year.<sup>4</sup>

### LCAO Workforce Principles

Addressing the chronic shortage of direct care workers is an important element of creating a better long-term care system. We recognize the complexity of the issue and the need for specific workforce policies to vary depending on the model of care and the characteristics of a particular labor market. However, we believe that a coherent set of core principles that can be applied across the board is indispensable to promoting and shaping a much-needed national debate on a sustainable workforce. These principles fall into three categories and are as follows:

### Staffing, Recruitment and Training

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<sup>1</sup> According to Paraprofessional Health Institute, direct-care workers include certified nursing assistants (CNA), nursing assistants, home health aides, home care aides, personal assistants, personal care attendants, and direct support professionals. These workers provide an estimated 70% to 80% of the paid hands-on long-term care and personal assistance received by Americans who are elderly, chronically ill, or living with disabilities. Although there is little doubt that the quality and quantity of care available to our nation's elderly and disabled will be effected by an impending shortage of geriatric and health care professionals broadly defined, this paper focuses primarily on policy issues surrounding the direct care workforce. For more information on direct care workers, see [http://www.directcareclearinghouse.org/i\\_jobs\\_o.jsp](http://www.directcareclearinghouse.org/i_jobs_o.jsp)

<sup>2</sup> Institute for the Future of Aging Services, *The Long-Term Care Workforce: Can the Crisis be Fixed?* paper prepared for the National Commission for Quality Long-Term Care, 2007, 9 (hereinafter "IFAS Report").

<sup>3</sup> Johnson, R.W., Toohey, D., and Wiener, J.M., *Meeting the Long-Term Care Needs of the Baby Boomers: How Changing Families Will Affect Paid Helpers and Institutions*, The Urban Institute, May 2007, v.

<sup>4</sup> Friedland, R., *Caregivers and Long-Term Care Needs in the 21<sup>st</sup> Century: Will Public Policy Meet the Challenge?* Georgetown University Long Term Care Financing Project, 2004, 8.



- Nursing homes and other institutional settings should employ sufficient nursing staff (nurses and nurse aides) to provide quality of care and life to residents, create manageable workloads for staff, and increase staff satisfaction and retention. The precise level of nursing staff required to do so may vary depending on the population of the facility and the acuity levels of residents. However, there are identified minimum staffing thresholds below which residents are at significantly greater risk of harm.<sup>5</sup>
- Employers seeking to reduce turnover and increase retention should adopt practices that enhance worker satisfaction, starting with recruitment efforts that better identify the most promising candidates for work in long-term care and continuing with intensive support systems in the early days of employment.
- Direct care workers need stronger initial training standards that include caring for residents and clients with special needs such as developmental disabilities, behavioral health conditions and dementia.
- Employers should provide continuing education that offers opportunities for career advancement and skill development. Meaningful opportunities for advanced learning will improve the quality care and position direct care work as a stepping stone to a career in the caring professions.

### **Compensation**

- Employers should provide family-sustaining wages, affordable health insurance and other benefits sufficient to attract needed long-term care workers. Federal and state efforts to expand health care coverage should include policies specifically designed to provide affordable coverage for long-term care workers.
- Federal and state payment systems for long-term care services should include incentives for providers to increase wages, improve the benefits paid to their workers and staff at appropriate levels as determined by government and academic experts.
- Long-term care employers should follow the lead of employers in other industries that provide additional benefits to help employees meet their financial and family obligations.

### **Work Environment**

- Long-term care workers should be safe on their jobs. Employers have an obligation to minimize their risk of illness or injury, and the federal and state governments have the responsibility to adopt and enforce regulations that protect long-term care workers. These protections should include mandatory ergonomic standards, drafted by the Occupational Safety and Health Administration (OSHA) with input from stakeholders. Workers should also be able to report hazardous conditions without fear of reprisal and should know that they will receive a timely and appropriate response from management. When accidents or near-accidents are reported, management should conduct a thorough investigation. Causes should be identified and programs for prevention created or improved.

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<sup>5</sup> Similar concerns exist surrounding the serious shortage of geriatric physicians and social workers who provide essential support and direct care interventions to ensure uncompromised quality of care.

- Culture change, the movement to transform institutional care through client-centered practices, should be encouraged across long-term care settings as a way to improve quality of care and quality of life for the consumer, empower the long-term care workforce, enhance job satisfaction, and reduce staff turnover.
- Direct care workers deserve respect at work, whether in a private home or an institutional setting. Supervisors – generally nurses – tend to set the tone for the treatment of direct care workers and should receive enhanced training to enhance their ability to better manage a diverse workforce.

These are principles that members of LCAO support. Some of these principles and the related examples apply to direct care workers in one setting (either home care or nursing homes), but others are broader (for example, job safety and injury prevention). What unites them is the underlying belief that creating and sustaining a quality direct care workforce can improve the quality of care and quality of life for individuals receiving long-term care.

Long-term care systems are changing. States are seeking ways to rebalance the allocation of resources in state Medicaid programs to expand their home- and community-based services. These are positive developments since they not only expand the workforce but also provide consumers with more autonomy and choice over how and by whom their needs are met. LCAO also supports appropriate safeguards to ensure continued access to needed care, including preservation of basic entitlement and the establishment of standards for quality and safety.

We are also mindful of the serious shortage of health and behavioral health care professionals, such as nurses, geriatricians, social workers, physical and occupational therapists, and dentists. Although these principles and the accompanying report was prepared with direct care workers in mind, we recognize that more attention needs to be given both to the causes of this broader shortage and effective strategies for attracting, retaining and retraining health and behavioral health professionals in the geriatric field in general and in long-term care in particular. Finally, although there has been little study or discussion of the workforce in assisted living, a fast growing segment of long-term care, it is likely that many of the policies and recommendations in this section of the report would also apply to the assisted living workforce.

## **STAFFING, RECRUITMENT AND TRAINING**

### **A. The Need for Adequate Staffing Levels in Nursing Homes**

It is by now well-established that there is a direct relationship between nurse staffing levels and the quality of care in nursing homes. A congressionally authorized study of the appropriateness of nurse staffing ratios in nursing homes, released by the Department of Health and Human Services in 2001 found that the minimum number of hours per day of care below which adverse consequences begin to happen is 4.1 hours a day (nurse staff hours are defined as the combined hours of care provided by RNs, LPN/LVNs and nurse aides).<sup>6</sup> These minimum staffing levels

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<sup>6</sup> Abt Associates, *Appropriateness of Minimum Nurse Staffing Ratios in Nursing Homes*, Phase II Final Report, Winter 2001.

have been confirmed by academic studies and a panel of long-term care professionals assembled by the Hartford Institute for Geriatric Nursing,<sup>7</sup> but few nursing homes meet them. The national average for hours of nursing home care in 2004 was only 3.6 hours per resident per day, based on information nursing homes report to the federal government about their staffing levels. Current federal staffing requirements are minimal: (1) a registered nurse at least 8 consecutive hours a day, 7 days a week; (2) 24-hour licensed (RN or LPN/LVN) nursing as necessary to meet the licensed nursing needs of residents; and (3) enough total nursing staff to meet the overall nursing needs of residents. Most states and the District of Columbia have adopted minimum staffing standards that may be stricter than federal standards, but only three states (Florida, Oklahoma and Maine) require staffing levels comparable to the recommended minimum.

Decreasing the workload on nursing staff has other benefits: higher job satisfaction, stronger personal relationships with residents (often cited by residents and staff as the most important aspect of caregiving), higher quality care in all the services necessary to make residents comfortable, and the prevention of otherwise avoidable medical problems. This in turn should reduce turnover, encourage retention and reduces the use of temporary staff services that can compromise quality and harm the morale among permanent staff.

#### Principle

Nursing homes and other institutional settings should employ sufficient nursing staff (nurses and nurse aides) to provide quality of care and life to its residents, create manageable workloads for staff, and increase staff satisfaction and retention. The precise staffing levels required to do so may vary depending on the population of the facility and the acuity levels of residents. However, there are identified minimum staffing thresholds below which residents are at significantly greater risk of harm.

#### Examples

##### *Requiring Minimum Staffing Levels and Increasing Medicaid Reimbursement to Achieve Increased Staff.*

In 1999, Florida appropriated additional funding “for reimbursing nursing facilities for the cost of hiring additional certified nursing assistants and licensed nurses or for the cost of salary or benefit enhancements to retain such staff in these specific classes” (H.R. 1971). In 2001, Florida enacted a second bill that contained multiple reforms aimed at quality improvement, including a one time increase in RN/LPN staffing and a three step, 70% increase in CNA staffing over a three year period. The state funded the second increase in CNA staffing in 2003, and the final increase was funded in 2006. The Commonwealth Fund is sponsoring a study of the impact of this legislation.

##### *Providing the Public, Policymakers and Regulators Accurate Information about Staffing Levels in Nursing Homes.*

In its 2007 Action Plan for Further Improvement of Nursing Home Quality, CMS said it would initiate a process for electronic collection and reporting of nurse staffing data and quality measures by the fall of 2007.

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<sup>7</sup> Harrington, C., et al., “Experts Recommend Minimum Nurse Staffing Standards for Nursing Facilities in the United States,” *The Gerontologist*, Vol. 40, Issue 15-16, 2000.

*Better Compensation and Benefits, Enhanced Training and Promotional Opportunities, and an Improved Work Environment.*

In some facilities, staffing levels are low because of the difficulty of recruiting and retaining workers. The improvements in training, compensation and the work environment that are recommended in this report can all contribute to making work in long-term care more attractive.

**B. Reducing Staff Turnover**

High turnover rates plague long-term care occupations. According to 2006 data, annual nursing staff turnover in the United States is approximately 50-75%, with a majority of workers leaving within the first month of employment.<sup>8</sup> Without a stable long-term care workforce, continuity of care is lost and staff-client relationships eroded. In short, there can be no quality care if the workplace has a revolving door.<sup>9</sup>

Principle

Employers seeking to reduce turnover and increase retention should adopt practices that enhance worker satisfaction, starting with recruitment efforts that better identify the most promising candidates for work in long-term care and continuing with intensive support systems in the early days of employment.

Examples

*Mercy Health Partners (2000).*

A model program was instituted at four facilities in the network of Mercy Health Partners in southwest Ohio to reduce staff turnover and improve quality. Early data showed Mercy that its staff orientation failures were a big contributor to high turnover and that most CNAs decided to leave within three days. Mercy prepared new recruitment materials that provide a more realistic picture of the job. During staff orientation, a drill on rules and policies was replaced with Mercy's six core values – serve, love, care, be compassionate, be with people, and help others – which put the emphasis on quality care. Mercy also required supervisors to contact new CNAs at least three times during their first three days on the job, and it created a buddy system that paired a new employee with an experienced CNA. In the first year of the program, the four Mercy facilities were able to *eliminate* use of temporary staff and saw an average decline in turnover from 32% to 25%.

*Cooperative Home Care Associates.*

CHCA is a worker-owned cooperative of over 500 home care workers in the South Bronx, New York, that believes in “quality care through quality jobs.” In addition to higher than average wages and benefits, CHCA has adopted numerous other practices to reduce turnover. First, the co-op carefully screens applicants. Second, new hires receive twice the entry-level training of most CNAs and are immediately swept up in the “community” atmosphere of the agency, which emphasizes mutual respect and support for employees at all levels. CHCA's philosophy has paid

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<sup>8</sup> Campaign for Advancing Excellence in America's Nursing Homes, 2006, [www.nhqualitycampaign.org/files/Goals%20QA9.18.06%20FINAL.%20%20LH.pdf](http://www.nhqualitycampaign.org/files/Goals%20QA9.18.06%20FINAL.%20%20LH.pdf).

<sup>9</sup> Eaton, S.E., *Frontline Caregivers in Nursing Facilities*, Public Policy and Aging Report, 2003 (hereinafter “Eaton Report”).

off by limiting its worker turnover to less than 20% a year, compared with an industry average of 40 to 60 percent.<sup>10</sup>

*Cornell Institute for Translational Research on Aging.*

The institute conducted a study under Better Jobs Better Care that trained “retention specialists” at 16 nursing homes in New York and Connecticut. Over a year, the study compared staff-turnover rates between these facilities and 16 others that did not employ retention specialists. In the first six months, the average turnover rate for the first group declined from 21% to 17%, while the control group saw no change at all. After 12 months, the first group saw an even more dramatic turnover decline to 11%, with no change for the control group. Interviews with CNAs showed that those who worked in facilities with retention specialists perceived a better quality of care than CNAs at other worksites and felt more appreciated by their employers.<sup>11</sup>

### **C. Raising the Bar for Training Standards Without Closing the Door on Recruitment**

Direct care workers typically receive little, and in some cases no, basic training. Federal law requires certified nurse aides in nursing homes to complete 75 hours of basic training and obtain certification. With the exception of Medicare home health aides, there is no federal training requirement for direct care workers in home and community based settings. Some states have passed laws mandating higher standards for nursing assistants and setting training standards for home and community based workers. National and state research and policy analyses consistently suggest that inadequate basic training contributes to high turnover among direct care workers.<sup>12</sup> Turnover usually occurs within the first few months of employment – an indication that the job did not meet the worker’s expectations, or that the worker was inadequately prepared to meet job expectations, or both.

Nearly every research and policy report prepared on this workforce recommends strengthening training as a way to improve recruitment and retention, especially for home care and community based workers who typically receive less than half the training required for nursing home workers, even though they increasingly care for people who are eligible for nursing home care.<sup>13</sup> A study by the Margaret Blenker Research Institute under a Better Jobs Better Care grant found that while more training for workers was important, the type of training provided was just as important. Direct care workers wanted more hands-on care, peer mentoring, and a greater emphasis on communications and care of residents or clients with special needs. The research also found that 52% of workers cited lack of staff coverage on their unit as a barrier to attending in-service training.<sup>14</sup>

There is a fundamental need, and public policy imperative, to set basic training standards at the level needed to prepare workers for the realities they will face on the job, thus ensuring quality care and access to care.

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<sup>10</sup> Additional information is available at CHCA’s website, [www.chcany.org](http://www.chcany.org).

<sup>11</sup> Van Ryzin, J., “Workplace Interventions for Retention, Quality and Performance,” *futureAge*, March/April 2007.

<sup>12</sup> *IFAS Report; Who Will Care for Us; Federal Workforce Development; Future Supply of LTC Workers; and Out of the Shadows.*

<sup>13</sup> *Ibid.*

<sup>14</sup> Ejaz, F., and Noelker, L., *Tailored and Ongoing Training Can Improve Job Satisfaction*, Better Jobs, Better Care, Institute for the Future of Aging Services, 2006.

### Principle

Direct care workers need stronger initial training standards that include caring for residents and clients with special needs such as developmental disabilities, behavioral health conditions and dementia.

### Examples

#### *Creating Programs that Support Quality Training Standards.*

- Cooperative Care Home Associates in the Bronx is widely recognized for its success in using pedagogical approaches that are adult-learner centered and culturally and linguistically appropriate. Too often, training is disconnected from the experience workers will have on the job, particularly in the areas of dementia, communication, and hands-on skills such as transferring. In addition, most direct care workers are adult learners and they are increasingly foreign born.
- Some states, such as Washington, have addressed the situation of workers who have informal caregiving experience and believe they already have the skills, knowledge, and abilities needed for direct care work, by offering a challenge test which if passed waives basic training requirements.
- Distance learning technologies, peer mentoring programs, partnerships with community colleges, and other approaches that are being experimented with in states such as South Dakota offer promise, particularly in rural areas which present real challenges to any training delivery system.
- The peer mentoring program developed by the Iowa Caregivers Association has been successful in reducing direct care turnover in long-term care organizations. Support for the mentors goes beyond the initial orientation and training, with mentors generally attending weekly meetings, reinforcing their learning and building teamwork.<sup>15</sup>
- To ensure that long-term care staff can better respond to residents' needs, the Alzheimer's Association joined with leaders in dementia care to develop evidence-based dementia care practice recommendations. Phase 1 of these recommendations focuses on the basics of good dementia care, food and fluid consumption, pain management and social engagement. Phase 2 covers wandering, falls and physical restraints. Phase 3 covers end-of-life care practices and issues. To date, more than 30 leading health and senior care organizations have expressed their support and acceptance of one or more phases of the Dementia Care Practice Recommendations. Training programs are available to implement the recommendations.

### **D. Creating Career Advancement Opportunities and Career Lattices for Direct Care Workers**

Direct care jobs in long-term care are often viewed as “dead end” jobs – offering little if any opportunity for significant skill or wage advancement. Research and policy experts consistently cite this as a problem of both recruitment and retention.<sup>16</sup> Job seekers, including youth, may not

<sup>15</sup> Hayunga, M., “Training That Really Works,” *futureAge*, pp 34-39 (March/April 2007).

<sup>16</sup> *IFAS Report*; Stone, R.L., and Wiener J.M, *Who Will Care for Us? Addressing the Long-Term Care Workforce Crisis*, Institute for the Future of Aging Services and the Urban Institute, 2001 (hereinafter “*Who Will Care for Us*”); Raynor, C.R., *Federal Workforce Development: A New Opportunity for Long-Term Care Workers*, Institute on the Future of Aging Services, 2003 (hereinafter “*Federal Workforce Development*”); *The Future Supply of Long-Term Care Workers in Relation to the Aging Baby Boom Generation*, Report to Congress by the Department of Health and

consider direct care jobs absent a better articulated career pathway, and many incumbent workers leave their jobs for the same reason.

By repositioning direct care jobs as a stepping stone to a career in the “caring professions,” industry can appeal to untapped labor pools and broaden the universe of job seekers who consider this work. Further, incumbent workers are likely to be retained longer as they complete training and advance up the career ladder. More broadly, the career ladder model can alleviate shortages in nursing, social work, and other high demand professions in long-term care and other health care sectors. Career lattices should be available for direct care workers who want to continue providing direct care and can increase their skill and possible pay.<sup>17</sup>

It is important to note that many direct care workers are committed to their jobs as a career and are not interested in a career ladder. For these workers, developing a career lattice would be more appropriate, along with providing a respectful work environment with better pay for all workers.

#### Principle

Employers should provide continuing education that offers opportunities for career advancement and skill development. Meaningful opportunities for advanced learning will improve the quality care and position direct care work as a stepping stone to a career in the caring professions.

#### Examples

##### *Promoting Meaningful Career Ladder Design and Development.*

While there are many different ways to design career ladder programs, in the most successful, each “step” in the career ladder builds on previous training and the program provides significant wage and skill progression that prepares workers for jobs that are in high demand. Most career ladder programs either pay directly for participants’ training or leverage external resources to support the cost of training. In addition, some career ladder programs provide paid training and wrap-around services such as transportation and day care for participants – important benefits for workers who would otherwise not be able to afford the opportunity costs of participating.

##### *Building Partnerships to Finance Career Ladders and Lattices.*

The resources needed to fund a career ladder can be significant. However, investment in training is an effective tool in lowering vacancy and turnover rates and may pay for itself by considerably reducing the direct and indirect costs associated with workforce instability. For this reason, employers may choose to fund all or a portion of the career ladder. Training funds that are

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Human Services and the Department of Labor, 2003 (hereinafter “Future Supply of LTC Workers”); and Miller, E.A., and Mor, V., *Out of the Shadows: Envisioning a Brighter Future for Long-Term Care in America*, report for the National Commission for Quality Long-Term Care, 2006 (hereinafter “*Out of the Shadows*”).

<sup>17</sup> We use the word career “lattice” rather than career “ladder,” because we recognize that careers do not always follow straight lines. Workers make lateral career moves in and out of occupations, as well as vertical moves. They enter the career lattice at the point that best reflects their background and skills. The lattice design also reinforces the option of drawing candidates to nursing from other branches of healthcare as well as from other fields overlooked as sources of staff. See *How Career Lattices Help Solve the Nursing and Other Workforce Shortages in Health Care – A Guide for Workforce Investment Boards, One-Stop Career Centers, Healthcare Employers, Industry Alliances, and Higher Education Providers*, Council for Adult and Experiential Learning, June 2005.

jointly financed with unions can be designed as single employer or multi-employer partnerships that spread costs and provide a way to leverage local, state, and federal resources (for example, the Local SEIU1199 Employment, Training and Job Security Program and AFSCME's District 1199C Training and Upgrading Fund).<sup>18</sup> In addition, both state workforce development board funding (for example, the Tacoma/Pierce County Workforce Development Council in Washington State) and national and state resources that support worker education and advancement can be leveraged as part of a career ladder. One important example of a state-funded effort is the Extended Care Career Ladder Initiative, a program that was created by the Massachusetts state legislature that supports career ladder and lattice programs in nursing homes and home care agencies across the state. Through strong advocacy by a statewide multi-stakeholder coalition, this program is now a line item in the state budget. Finally, because career ladders often prepare participants to work not only in long-term care but also in hospitals and other health care settings, partnerships across sectors of the health care industry make sense from both a financing and delivery standpoint.<sup>19</sup>

#### *Establishing Certification for Home and Community Based Workers.*

Direct care workers in nursing homes (certified nursing assistants or CNAs) have an industry recognized certification, making it easy to build career pathways that articulate this certification into community college and other programs. In contrast, home and community based workers generally have no similar certification requirement. Without industry recognized certification, it is nearly impossible for workers to get any credit for frontline training. In fact, most home care workers cannot even get a job as a nursing assistant without "starting all over." Recognizing these needs and the need for uniform basic training, there are efforts at the state level to develop an industry wide certification for home and community based workers that will allow for career ladder development and improve workforce mobility. Establishing industry certification would be a first step toward building career ladders for this workforce.

#### Examples

##### *Promoting Meaningful Career Ladder Design and Development.*

While there are many different ways to design career ladder programs, in the most successful, each "step" in the career ladder builds on previous training and the program provides significant wage and skill progression that prepares workers for jobs that are in high demand. Most career ladder programs either pay directly for participants' training or leverage external resources to support the cost of training. In addition, some career ladder programs provide paid training and wrap-around services such as transportation and day care for participants – important benefits for workers who would otherwise not be able to afford the opportunity costs of participating.

##### *Building Partnerships to Finance Career Ladders and Lattices.*

The resources needed to fund a career ladder can be significant. However, investment in training is an effective tool in lowering vacancy and turnover rates and may pay for itself by considerably reducing the direct and indirect costs associated with workforce instability. For this reason, employers may choose to fund all or a portion of the career ladder. Training funds that are jointly financed with unions can be designed as single employer or multi-employer partnerships that spread costs and provide a way to leverage local, state, and federal resources (for example,

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<sup>18</sup> Information about the Local 1199SEIU program is available at [www.1199etjisp.org](http://www.1199etjisp.org).

<sup>19</sup> Office of the Inspector General, Department of Health and Human Services, *Nurse Aide Training*, 2002.



the Local SEIU1199 Employment, Training and Job Security Program and AFSCME's District 1199C Training and Upgrading Fund).<sup>20</sup> In addition, both state workforce development board funding (for example, the Tacoma/Pierce County Workforce Development Council in Washington State) and national and state resources that support worker education and advancement can be leveraged as part of a career ladder. One important example of a state-funded effort is the Extended Care Career Ladder Initiative, a program that was created by the Massachusetts state legislature that supports career ladder and lattice programs in nursing homes and home care agencies across the state. Through strong advocacy by a statewide multi-stakeholder coalition, this program is now a line item in the state budget. Finally, because career ladders often prepare participants to work not only in long-term care but also in hospitals and other health care settings, partnerships across sectors of the health care industry make sense from both a financing and delivery standpoint.<sup>21</sup>

*Establishing Certification for Home and Community Based Workers.*

Direct care workers in nursing homes (certified nursing assistants or CNAs) have an industry recognized certification, making it easy to build career pathways that articulate this certification into community college and other programs. In contrast, home and community based workers generally have no similar certification requirement. Without industry recognized certification, it is nearly impossible for workers to get any credit for frontline training. In fact, most home care workers cannot even get a job as a nursing assistant without "starting all over." Recognizing these needs and the need for uniform basic training, there are efforts at the state level to develop an industry wide certification for home and community based workers that will allow for career ladder development and improve workforce mobility. Establishing industry certification would be a first step toward building career ladders for this workforce.

## COMPENSATION

### A. Wages and Health Insurance

The degree to which the current shortage of long-term care workers is caused by low compensation rates cannot be overemphasized. The decision to leave the field is a rational economic response to the current market for long-term care workers: the median hourly wage for direct care workers in 2003 was \$9.20, and because many work only part-time, in 2002 the median annual income for nursing home aides was only \$13,287 and for home care aides was only \$11,060 (both below the poverty line for a family of four).<sup>22</sup> Improving the economic circumstances of direct care workers is crucial to developing a better long-term care system.

It is ironic that many of the workers who provide hands-on care for some of the frailest and most vulnerable members of our society do not themselves have adequate access to health care. A GAO report in 2001 found that 25 percent of nurse aides in nursing homes had no health care coverage, and of those who did, 10 percent received it through Medicaid.<sup>23</sup> The importance of

<sup>20</sup> Information about the Local 1199SEIU program is available at [www.1199etjisp.org](http://www.1199etjisp.org).

<sup>21</sup> Office of the Inspector General, Department of Health and Human Services, *Nurse Aide Training*, 2002.

<sup>22</sup> *Out of the Shadows*, 61-62.

<sup>23</sup> *Nursing Workforce: Recruitment and Retention of Nurses and Nurse Aides Is a Growing Concern*, U.S. General Accounting Office, May 2001.

health insurance in attracting and retaining direct care workers is demonstrated by survey data showing that the availability of health insurance benefits for part-time workers is the single most important factor, after their commitment to the consumer, in attracting and maintaining workers.<sup>24</sup>

There is also a strong business case for investing in enhanced wages and benefits and other job retention strategies. The high rate of turnover and the difficulty of retaining direct care workers result in substantial direct and indirect costs to providers. For example, the direct cost of replacing a nurse aide has been estimated at \$2,500.<sup>25</sup> Many facilities have annual turnover rates for aides as high as 100%, which means that reducing turnover by as little as 20% can result in substantial savings. Providers who invest in wage and benefit increases are likely to find that these improvements pay for themselves through reduced turnover costs.<sup>26</sup>

### Principle

Employers should provide family-sustaining wages, affordable health insurance and other benefits sufficient to attract needed long-term care workers. Federal and state efforts to expand health care coverage should include policies specifically designed to provide affordable coverage for long-term care workers.

### Examples

#### *Union Representation As An Effective Way To Increase Wages And Improve Benefits.*

The use of collective bargaining can be an effective way to improve wages and benefits for direct care workers in a variety of settings. For example, in home care, the introduction of collective bargaining to California's In-Home Supportive Services (IHSS) program had a dramatic effect on wages and health benefits – more than doubling the wages of home care workers, from \$5.00 an hour in 1996 to \$10.00 per hour in 2002.<sup>27</sup> Similar though less dramatic results have occurred with home care workers in Oregon and Washington State.<sup>28</sup>

#### *Healthcare for Montanans Who Provide Healthcare.*

This year Montana enacted legislation that will provide increased Medicaid reimbursements to home care agencies that purchase health insurance for a significant number of their direct care employees. To be eligible for reimbursement, the health insurance coverage must meet a set of quality criteria established by the state. The state has appropriated \$2.6 million dollars to pay for the increased reimbursements; when combined with federal matching funds, this funding is expected to provide coverage for 1,000 currently uninsured home care workers. The

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<sup>24</sup> Howes, C., *For Love, Money or Flexibility: Why People Choose to Work in Consumer-Directed Home Care*, presentation at the Academy Health meetings, June 26, 2006.

<sup>25</sup> Seavey, D., *The Cost of Frontline Turnover in Long-Term Care*, Better Jobs Better Care, Institute for the Future of Aging Services (2004) (hereinafter "The Cost of Frontline Turnover").

<sup>26</sup> Farrell, D., and Dawson, S., "The Business Case for Investing in Staff Retention: Can You Afford Not To?" *futureAge*, March/April 2007, 8-11.

<sup>27</sup> *IFAS Report*, 7, citing Howes, C., *The Impact of a Large Wage Increase on the Workforce Stability of IHSS Home Care Workers in San Francisco*, Better Jobs Better Care, 2002. See the description of the public authority model in Examples, below.

<sup>28</sup> For additional information on the use of collective bargaining to increase direct care wages and/or benefits, see Seavey, D. and Salter, V., *Paying for Quality Care: State and Local Strategies for Improving Wages and Benefits for Personal Care Assistants*, AARP Public Policy Institute, October 2006.

Paraprofessional Healthcare Institute's Health Care for Health Care Workers Initiative hopes to replicate this model in other states.<sup>29</sup>

### **B. Incentives for Providers to Increase Wages and Improve Benefits**

Reimbursement systems, whether by design or omission, can affect compensation for caregivers as well as staffing levels. Facility specific reimbursement systems that fail to distinguish direct or indirect care costs from other facility costs and that reimburse all cost centers up to the same ceiling can create a strong disincentive for higher wages or higher staffing. From a workforce point of view, it is certainly more desirable to have a reimbursement system that devotes a higher proportion of funding to wages and staffing.

By contrast, poorly designed reimbursement systems can create financial barriers for improvements in staffing by capping or otherwise limiting payments for direct care costs at comparatively low levels. It is important that government regulation and reimbursement systems provide incentives to increase wages, raise staffing levels and improve benefits for long-term care workers.

#### Principle

Federal and state payment systems for long-term care services should include incentives for providers to increase wages, improve the benefits paid to their workers and staff at appropriate levels as determined by government and academic experts.

#### Examples

##### *Pay For Performance Systems that Incentivize Improvements in Working Conditions.*

In theory, pay for performance systems can be designed to provide both direct and indirect incentives for improved working conditions. A direct incentive would use the amount of compensation as a quality measure and an indirect incentive would use retention rates as one of the quality measures that determine the pay for performance reward. Even a pay for performance system that does not explicitly include these factors may provide an incentive for workforce improvements because high quality providers are likely to have more staff, increased compensation and/or a better work environment. However, it is important that the system not penalize residents and workers and worsen conditions at poor performing facilities (for example, pay for performance rewards should be *in addition to* the established reimbursement rate and facilities can be rewarded both for excellence and for significant improvement, as in the Medicare skilled nursing facility demonstration project).

##### *Wage Pass-Through Legislation.*

To date, 26 states have experimented with increased Medicaid reimbursements directed to wage and benefit improvements for direct care workers. Wage pass-throughs are generally not a sustainable or effective way of increasing the compensation of direct care workers, since wage increases are not built into the rate structure and most legislation lacks effective accountability and enforcement procedures to ensure that the increased funding is used for its intended purpose.<sup>30</sup> However, with appropriate reforms, this may be an effective way to increase wages and improve benefits.

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<sup>29</sup> Email newsletter from the National Clearinghouse on the Direct Care Workforce dated June 11, 2007.

<sup>30</sup> *Out of the Shadows*, 63; and *IFAS Report*, 14.

### **C. Other Elements of the Compensation Package**

While adequate wages and health care coverage are clearly the most important employee benefits for most direct care workers, there are other benefits that can enhance job satisfaction and improve recruiting and retention rates. Direct care workers are no different from other workers in the benefits they want and the support they need to help balance their work and personal lives. In the best workplaces, an employer recognizes these needs and finds ways to respond, thereby improving the odds of maintaining a satisfied staff that will remain on the job. Providing additional benefits makes employees feel valued and rewarded for good work.

#### Principle

Long-term care employers should follow the lead of employers in other industries that provide additional benefits to help employees meet their financial and family obligations.

#### Examples

*Employers in Many Industries Supplement Wages and Health Insurance with these Valuable Benefits:*

- Signing, retention and referral bonuses.
- Subsidized child care and transportation.
- Paid sick days and vacation days.
- Retirement benefits (pensions, 401(k) plans, etc.).
- Tuition assistance.
- Paid registration fees for work-related conferences and stress-reduction classes.
- Workplace savings plans.
- Classes in English as a second language.

## **WORK ENVIRONMENT**

Recent research has pointed to the importance of work environment in recruiting and retaining direct care workers.<sup>31</sup> Surveys show that most workers want a workplace atmosphere of respect, where responsibilities are clear and their skills and efforts are appreciated. Manageable workloads and enlightened supervisory practices contribute greatly to workers' job satisfaction and residents' quality of life, whether they are in an institution or in home and community-based settings.

Long-term care organizations can develop a respectful workplace environment by doing the following:

- Take an inventory of the organization's management style and its relationship with its staff.
- Listen to what workers say about "respect" and provide skills training to supervisors that will enhance their understanding.
- Review existing policies and practices and make changes as needed to ensure that workers feel more respected, valued and heard.

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<sup>31</sup> *Respectful Relationships: The Heart of Better Jobs Better Care*, Issue Brief No. 7, Better Jobs, Better Care, Institute for the Future of Aging Services, April 2007 (hereinafter "Issue Brief No. 7").

- See “maximizing human potential” as an important part of the organization’s mission.
- Try to understand the needs of non-English speakers and adopt policies to address those needs
- Management should never see this job as complete. The organization must constantly re-assess the workplace environment and try to improve it, for the benefit of the entire staff and the people they serve.<sup>32</sup>

#### **A. Job Safety and Injury Prevention**

As a group, nurse aides have consistently ranked among the top job categories for work-related injuries and illnesses. Over the ten year period from 1995 to 2004, the Bureau of Labor Statistics cited nearly 800,000 incidents in which nursing, psychiatric and home health aides became sick or injured on the job and had to take days away from work. One in ten nursing home workers is injured annually – making the work more difficult and demanding than many positions in manufacturing and construction.<sup>33</sup>

Work in nursing homes and in home care, particularly the work of aides, involves constant transferring, lifting, moving and repositioning of patients. Not surprisingly, this places enormous strain on the back, neck and shoulders. As a result, nurse aides suffer more musculoskeletal injuries resulting in lost workdays than any other occupation. High employee turnover and absenteeism due to musculoskeletal injuries significantly compromises the quality of, and continuity of care.

Long-term care workers also lead all occupations as victims of on-the-job assaults, with a rate of 38 per 10,000 nonfatal assaults among nursing and personal care facility workers, compared with a rate of 3 per 10,000 for all private sector workers. Nursing aides and orderlies also suffered the highest proportion (27 percent) of nonfatal workplace assaults resulting in lost workdays, compared to 7 percent for police and corrections officers.

Of course it is important to ensure a safe care environment for those receiving long-term care. It is the moral and financial responsibility of long-term care employers to check appropriate registries and to conduct criminal background checks on potential employees before hiring them to help ensure that individuals with criminal convictions for relevant crimes or histories of abuse are not hired. Worker screening must include appropriate opportunities for workers to appeal any such findings.

Finally, long-term care workers are at risk of a host of blood borne and airborne infectious diseases from hepatitis to HIV to tuberculosis and pandemic flu. The OSHA blood borne pathogens standard requires that workers with potential exposure to blood and bodily fluids receive annual training and equipment to protect them from blood borne disease exposure. As a result of the OSHA requirement that workers be offered free provision of the hepatitis B vaccine, hepatitis B infection rates among healthcare workers have plummeted from more than 17,000 to less than 400 per year. Still, protections against other contagious diseases are largely lacking.

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<sup>32</sup> Issue Brief No. 7, 12-13.

<sup>33</sup> U.S. Department of Labor, Bureau of Labor Statistics, Occupational injury and illness industry data for 2004. Actual rate of injuries per 100 workers in nursing and personal care facilities is 9.7.

### Principle

Long-term care workers should be safe on their jobs. Employers have an obligation to minimize their risk of illness or injury, and the federal and state governments have the responsibility to adopt and enforce regulations that protect long-term care workers. These protections should include mandatory ergonomic standards, drafted by OSHA with input from stakeholders. Workers should also be able to report hazardous conditions without fear of reprisal and should know that they will receive a timely and appropriate response from management. When accidents or near-accidents are reported, management should conduct a thorough investigation. Causes should be identified and programs for prevention created or improved.

### Examples

#### *Workplace Safety Committees.*

Safety and health committees tasked with identifying and analyzing hazards in the workforce can play an important role in reducing injuries and work-acquired illnesses. Committees should include representatives of all segments of the workforce, including rank and file employees (aides, housekeeping workers, food service workers, etc.), who are often in the best position to identify problems and hazards, as well as long-term care consumers. Committees are effective ways to allow workers to report hazardous conditions without fear of reprisal and with the knowledge that their information will receive a timely and appropriate response from management.

#### *Injury Prevention Programs.*

Lifting equipment can prevent many back injuries, as can proper training in transferring and repositioning patients. Providers have found that ergonomic programs that incorporate training and equipment can generate substantial savings by reducing injuries and lowering workers compensation premiums. These programs also can make residents and clients feel more secure and result in fewer skin tears, a potentially life threatening condition, but it is important that consumer concerns are addressed when programs are implemented.

#### *Illness Reduction Programs.*

While state laws and regulations are spotty, all long-term care workers should be provided education about the benefits of free seasonal flu vaccines, which should be offered every year. If workers are at risk of encountering tuberculosis or other airborne biological threats, the OSHA respirator standard requires initial and annual fit testing of the appropriate respirators for protection, along with training in their use. Planning and training for a potential outbreak of pandemic flu is also important.

#### *Violence and Assault Reduction Programs.*

Assault against workers can be prevented by adequate staffing and by training in how to de-escalate potentially violent encounters. OSHA has issued guidelines on establishing a comprehensive violence prevention program that includes the following elements: (1) a visible, high level management commitment to violence prevention; (2) meaningful employee involvement in policy development, such as through joint management and worker committees involved in the overall program implementation; (3) worksite analysis, including regular walk through surveys of all patient care areas and the collection and review of all reports of worker assault; (4) hazard prevention and control including alarm systems and other security measures;

and (5) training and education.<sup>34</sup> Workers need training in understanding and dealing with behaviors of residents who have dementia that may include aggressive actions and inappropriate language.

#### *Reasonable Schedules.*

Direct care workers should not be required to consistently work overtime hours – a situation that increases a worker’s chance for injury. Overtime should be optional. This may mean changes in staffing so that unreasonable demands are not placed on individual workers.

### **B. Culture Change**

Culture change, often referred to as resident-centered care, clearly has enormous benefits for nursing home residents. But it can also result in a profound transformation in the work environment. Innovative programs, such as the Eden Alternative and Wellspring, humanize facilities by making them more home-like. These programs encourage residents to make their own decisions and see nurse aides as the link between client and management. They believe that if the workforce does not function adequately, the facility cannot function as designed. Nurse aides are considered essential to maintaining quality care and to making the nursing home a better place to live.

Low CNA retention rates are often the result of management practices that seem to devalue direct care work and create a sense of powerlessness. Brandeis University, under a grant from Better Jobs Better Care, found that the management philosophy of 18 nursing facilities was of critical importance to the job satisfaction of direct care workers and that that philosophy was translated to the workers through frontline supervisors. Workers who felt their supervisors trusted their knowledge of resident care and who felt they had control over their work were more likely to express a sense of responsibility toward the residents they cared for and experienced more job satisfaction.<sup>35</sup>

Proponents of the culture change movement recognize that culture change will not produce the desired results unless management finds ways to empower the workforce, for example, by setting up non-hierarchical work teams and adopting self-scheduling. Culture change should not be just another management model imposed from the top down. A key feature of culture change is working with staff and their elected representatives to adopt practices like consistent assignment, where CNAs work with the same residents on a regular basis. This enables CNAs to develop close relationships with residents and become experts in the residents’ needs, desires and preferences. Consistent assignment has been shown to significantly increase job satisfaction and create personal relationships between direct care workers and residents that improve the quality of life and care for residents.

Consumer-directed (CD) care – also called self-direction – represents an attempt to take many of same principles found in culture change and apply them to home and community based care. It

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<sup>34</sup> OSHA’s *Guidelines for Preventing Workplace Violence for Health Care and Social Service Workers* are available at [www.osha.gov/Publications/OSHA3148/osha3148.html](http://www.osha.gov/Publications/OSHA3148/osha3148.html).

<sup>35</sup> Bishop, C., *Improving Institutional Long Term Care for Residents and Workers: The Effect of Leadership, Relationships and Work Design*, Better Jobs Better Care, Institute for the Future of Aging Services, 2006.

is a model of care that allows individuals to identify their own needs and control the process of recruiting, hiring, training, and – when necessary – dismissing the worker they have chosen. The objective of consumer-directed care is to give the person being cared for more control over their community care than they have with agency programs. But consumer-directed care is not one model of care. It is rather a spectrum of options that extends from agency services and care management at one end to cash and vouchers at the other.<sup>36</sup>

Consumer-direction can also help address the shortage of direct care workers, the need for culturally appropriate workers, and the availability of services in rural or other hard-to-reach areas by expanding the pool of available workers.<sup>37</sup> But this only happens if consumers can connect with individuals willing to work and offer wages that will attract workers.

### Principle

Culture change, the movement to transform institutional care through client-centered practices, should be encouraged across long-term care settings as a way to improve quality of care and quality of life for the consumer, empower the long-term care workforce, enhance job satisfaction, and reduce staff turnover.

### Examples

#### *Leelanau Memorial Health Center.*

This non-profit facility in Northport, Michigan, follows the Eden Alternative model and illustrates the benefits of working in a culture change facility. In the late 1990s, it began to minimize or eliminate most traditional management practices and adopted participatory techniques. Today, residents are cared for by self-directing teams. CNAs are trained and encouraged by team coaches and coordinators to make frontline decisions and to contribute ideas on how to make Leelanau a better place to work. To emphasize the importance of frontline care, all staff are cross-trained as CNAs. By employing these practices, Leelanau has reduced annual turnover from 78% to below 20%.

#### *The Greenhouse Project.*

Greenhouses take culture change to the next level by altering the facility size, interior design, staffing patterns, and methods of delivering professional services. Each building houses 8 to 10 residents in private bedrooms with private baths that surround a common area that includes an open kitchen, a dining area with one large table, and a sitting area with fireplace. The residents determine their own schedule, and meals are prepared in the house kitchen and are served at one communal table. The direct care providers are CNAs who have been given advanced training and work across traditional job classifications by cooking, cleaning, and doing all work required to maintain the household. They work as a self-managed team and are responsible for scheduling and completing the work and running the household. Nursing care and other professional services are provided by staff members who rotate among the Greenhouses on a campus and can be paged for emergency care.

#### *Local 1199SEIU Quality Care Committee.*

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<sup>36</sup> Tilly, J. and Rees, G., *Consumer-Directed Care: A Way to Empower Consumers?*, Alzheimer's Australia Paper 11, May 2007.

<sup>37</sup> Kassner, E., *Consumer-Directed Home and Community-Based Services*, AARP Public Policy Institute. May 2006.



The Quality Care Committee, a program developed by Local 1199SEIU in partnership with the Continuing Care Leadership Coalition, the trade association representing approximately 100 voluntary not-for-profit long-term care facilities, is an important addition to the national culture change movement in New York City – an entity committed to the equal recognition and involvement of direct care staff in the design, leadership and implementation of its programs. Although each of the 40 nursing homes that have participated in the QCC is in a different place in its culture change journey, all have experienced profound changes that have improved conditions for residents and workers alike. The program has attracted the attention of the Commonwealth Fund, which is currently supporting a 15-month study of the QCC experience.

#### *Cash and Counseling*

There are many forms of consumer direction that seek to give consumers more control over their home and community services, ranging from having them participate in the development of their own service plans to giving them cash they can use to hire their own attendants. Results from the Cash and Counseling demonstration program show that persons with disabilities and their family caregivers can benefit from having more control over their own services when there are family members available to provide supportive services. However, even with Cash and Counseling, it is still critical to ensure that workforce issues such as wages, benefits and working conditions are addressed.

#### *Agency with Choice*

Many consumers receive home care from workers employed by public and private agencies. Typically, these agencies hire, fire and direct the work of the caregiver, with minimal input from the consumer. However, under an alternative model of agency care, consumers are able to select, manage and dismiss their workers. This model can give consumers the benefits of control and choice, combined with the supportive services of an agency, such as emergency back up care.<sup>38</sup> Agency with choice is one of the Medicaid consumer direction options in Colorado. Under the Colorado program, the consumer chooses both the agency and the worker and has the option either to use a current employee of the agency or to have the agency hire a worker identified and chosen by the consumer.<sup>39</sup>

#### *Public Authority as an Effective Way to Connect Workers and Consumers*

The public authority model can be an effective way to make consumer-directed programs work more efficiently without changing the essential elements of consumer-directed care, such as the ability of consumers to choose their own worker and determine how and when care will be provided. The public authorities in Washington, Oregon, California and elsewhere not only maintain a registry of available workers, including workers who need additional work hours, they are also empowered to provide consumers with caregiver referrals and offer training for both consumers and caregivers. By giving once disparate workers a collective voice on the job, the public authorities have been able to raise wages and improve the quality of the workforce,

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<sup>38</sup> Kafka, B., "Agency with Choice Model. Consumer Choice combined with the advantages of an agency," available at <http://www.cpwd-ilc.org/cpwd/update2005/shell03.asp?Title=Agency+with+Choice+Model%2E>.

<sup>39</sup> Colorado Department of Health Care Policy and Financing, power point presentation on "Medicaid's Consumer Direction Options," June 2006, available at <http://www.chcpf.state.co.us/HCPF/Syschange/Medicaid%20Options.ppt>.

giving consumers confidence in the home care program and workers a renewed interest in the field.

### **C. Nurse Supervision**

Surveys show that direct care workers want supervisors who respect their observations about client status and listen to what they have to say. A direct care worker's relationship with an immediate supervisor – generally an RN or LPN – is often the deciding factor as to whether or not he or she stays on the job. Therefore, to ensure good staff relations, it is important for supervisors to receive skills training in how to manage and mentor a large and diverse workforce.<sup>40</sup>

The long-term care workforce is increasingly diverse. For example, Cedar Sinai Park, a continuing care community in Portland, Oregon, employs staff from 27 cultures. Supervisors, on the other hand, remain overwhelmingly Caucasian and generally have higher levels of education. Culture clashes are common between nurse aides and their supervisors, as well as between residents and staff. Language barriers can exacerbate problems.<sup>41</sup>

Also, nurse supervisors don't always understand the personal problems faced by nurse aides – low-income workers who may have overwhelming family and financial responsibilities. A supervisor may link certain behavior to stereotypes, for example, rather than recognize that a worker may lack a support system if a child is sick or a car breaks down. The supervisor's tone, word choice and body language are critical. If a supervisor appears to harbor prejudices or lack understanding, the aide may see a lack of respect and may no longer trust the person in charge. Workers can have a similar reaction if they sense a lack of supervisory support when residents express racial and ethnic biases.

#### Principle

Direct care workers deserve respect at work, whether in a private home or an institutional setting. Supervisors – generally nurses – tend to set the tone for the treatment of direct care workers and should receive enhanced training to enhance their ability to better manage a diverse workforce.

#### Examples

##### *Including Training in Supervisory Skills in the Nursing School Curriculum*

There is a need for nursing schools to include supervisory and administration training in their curriculums in order to provide nurses with the skills needed for a successful career in long-term care services. The Paraprofessional Healthcare Institute has recently received a grant from the Hartford Foundation to develop a curriculum to teach nurses to be supervisors using coaching skills, a relationship based approach to supervision that builds the worker's own problem solving skills. The first nursing school to use the curriculum, Sharon Regional Health System School of Nursing in Pennsylvania, will begin teaching coaching supervision in the fall of 2007.

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<sup>40</sup> See discussion of "Poor Supervision and Job Quality" on the website of the Direct Care Alliance, [www.directcarealliance.org/sections/key\\_issues.htm](http://www.directcarealliance.org/sections/key_issues.htm).

<sup>41</sup> Issue Brief No. 7.

*The Center for Nursing and Rehabilitation*

The Center for Nursing and Rehabilitation in New York City has developed a peer mentoring program that trains CNAs as “CNA Person Centered Care Mentors.” The program consists of an 18-month course that trains CNAs to counsel fellow workers. It can be used to create career ladder opportunities, but almost always leads to greater job satisfaction, both for the new mentor and the CNA who receives the mentor’s attention.<sup>42</sup>

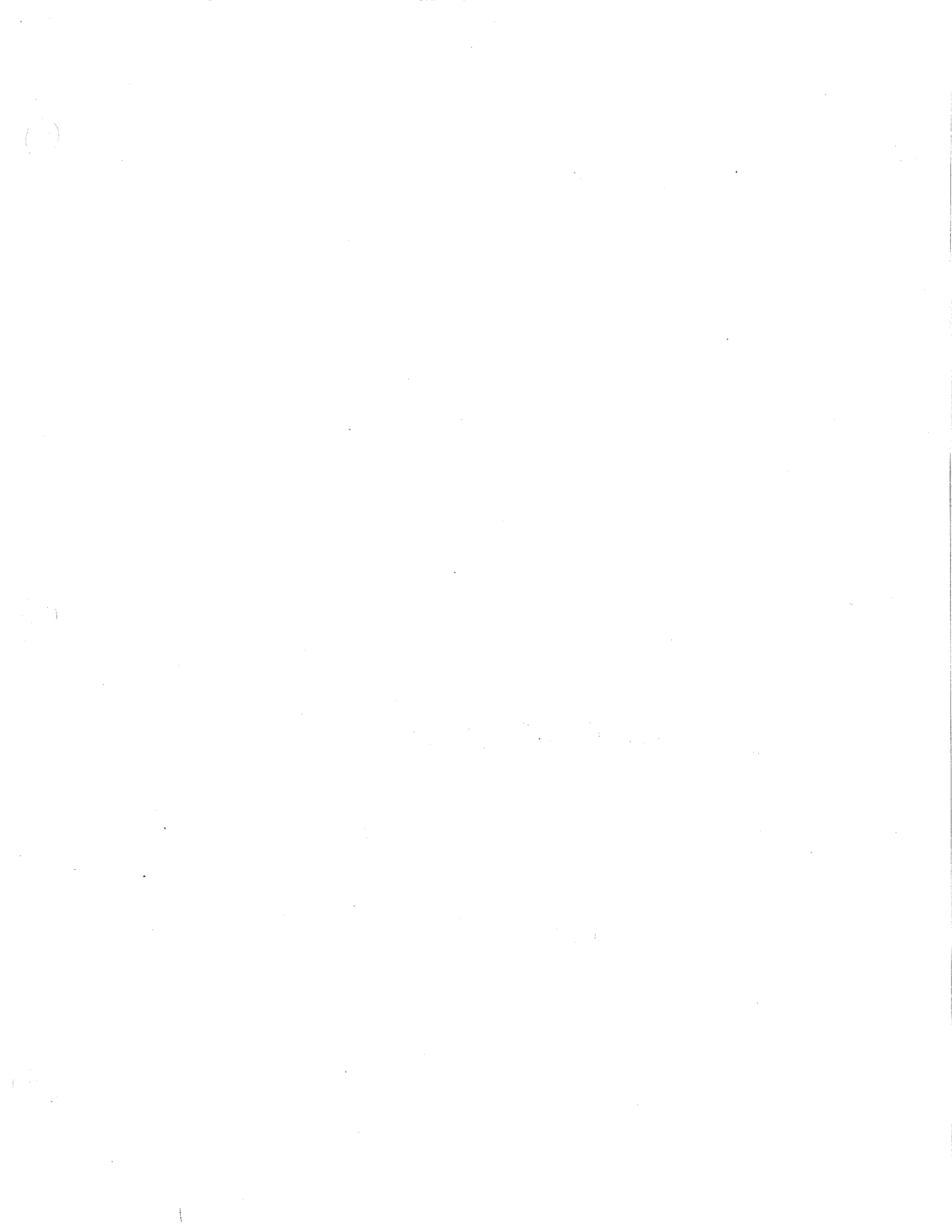
*Northern New England LEADS*

Northern New England LEADS (Leadership, Education and Advocacy for Direct Care and Support) is a program that makes supervisors into staff “coaches” and teaches them better listening skills and ways to help staff become problem solvers. It encourages supervisors to include CNAs in an organization’s “culture change leadership team.” CNAs at LEADS organizations report that being encouraged to state opinions and make decisions has helped them develop more confidence in their own abilities.<sup>43</sup>

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<sup>42</sup> National Clearinghouse on the Direct Care Workforce’s Best Practices, available at [www.directcareclearinghouse.org/practices/r\\_pp\\_det.jsp?res\\_id=218910](http://www.directcareclearinghouse.org/practices/r_pp_det.jsp?res_id=218910).

<sup>43</sup> Issue Brief No. 7, 7.



# **Attachment 7 -**

## **Applicant Comparison Matrix**

ALL APPLICANT COMPARISON-SECOND FULL YEAR

2011 Wake County Nursing Home Competitive Review

CON ID	Applicant	Medicaid	RN+ LPN NHPPD	Total NHPPD	DON Salary	RN Salary	LPN Salary	GNA Salary	Food Spvr. Salary	Cook Salary	Social Svc. Dir. Salary	Activities Dir. Salary	Housek. Aides Salary	Laundry Aides Salary	Maint. Spvr. Salary	Adminr. Room Charges	Pvt Pay Room Charges	Pvt Pay Semi-Pvt Room Charges	Most Pvt Beds	Total Direct Less Ancillary + Indirect Cost	Benefits
J-8711-11	Hillcrest-Wake	49.00%	1.09	3.74	74,891.00	50,462.00	39,808.00	22,196.00	\$ 32,622	\$ 24,701	\$ 48,732	\$ 30,218	\$ 19,610	\$ 22,062	\$ 50,846	\$ 79,515	\$ 311.00	\$ -	104.00	\$ 215.61	12.80%
J-8712-11	Wake County H&R	67.90%	1.16	3.43	81,120.00	56,160.00	49,920.00	25,350.00	\$ 41,600	\$ 23,400	\$ 41,600	\$ 37,440	\$ 16,575	\$ 16,575	\$ 43,680	\$ 85,280	\$ 250.00	\$ 225.00	40.00	\$ 192.80	24.88%
J-8713-11	Britthaven-Cedar Fork	74.00%	1.54	3.84	83,000.00	58,240.00	47,320.00	22,425.00	\$ 43,680	\$ 18,200	\$ 34,320	\$ 31,200	\$ 16,848	\$ 16,848	\$ 33,000	\$ 90,000	\$ 198.00	\$ 188.00	40.00	\$ 179.95	22.00%
J-8714-11	Universal-North Raleigh	55.12%	1.09	3.41	99,009.00	62,400.00	53,498.00	30,654.00	\$ 55,905	\$ 19,843	\$ 49,899	\$ 43,306	\$ 16,516	\$ 16,029	\$ 53,914	\$ 109,025	\$ 180.00	\$ 165.00	36.00	\$ 180.39	23.67%
J-8715-11	Britthaven-St. Mary's	76.00%	1.60	3.89	83,000.00	58,240.00	47,320.00	22,425.00	\$ 43,680	\$ 18,200	\$ 34,320	\$ 31,200	\$ 16,848	\$ 16,848	\$ 33,000	\$ 90,000	\$ 198.00	\$ 188.00	44.00	\$ 182.99	22.00%
J-8717-11	The Heritage of Raleigh	55.40%	1.42	3.65	89,757.00	54,237.00	45,488.00	24,619.00	\$ 42,090	\$ 24,832	\$ 43,291	\$ -	\$ 19,463	\$ 18,843	\$ 43,110	\$ 100,917	\$ 244.33	\$ 221.13	78.00	\$ 226.99	21.73%
J-8719-11	UPAC-Raleigh	46.30%	1.50	4.08	94,483.00	66,253.00	50,453.00	24,716.00	\$ 45,760	\$ 28,433	\$ 44,759	\$ 44,678	\$ 20,912	\$ 19,022	\$ 45,053	\$ 108,783	\$ 253.61	\$ 216.07	30.00	\$ 228.00	31.15%
J-8720-11	UPAC-Cary	64.60%	1.41	3.9	90,311.00	60,342.00	48,138.00	23,054.00	\$ 45,000	\$ 28,000	\$ 45,886	\$ 41,714	\$ 20,297	\$ 23,464	\$ 41,714	\$ 100,439	\$ 188.00	\$ 179.00	60.00	\$ 199.24	27.30%
J-8721-11	Universal-Fuquay Varina	66.67%	1.14	3.57	89,627.00	62,691.00	48,256.00	25,175.00	\$ 41,891	\$ 21,278	\$ 48,755	\$ 38,958	\$ 16,263	\$ 16,477	\$ 28,184	\$ 100,630	\$ 190.00	\$ 180.00	67.00	\$ 162.81	23.79%
J-8722-11	UPAC-North Raleigh	57.30%	1.52	4.12	90,311.00	60,454.00	48,138.00	23,054.00	\$ 45,000	\$ 28,000	\$ 45,886	\$ 45,000	\$ 20,297	\$ 26,464	\$ 41,714	\$ 100,439	\$ 188.00	\$ 179.00	72.00	\$ 202.27	27.53%
J-8723-11	Liberty-St. Mary's	64.35%	1.43	4.47	85,234.00	57,000.00	47,000.00	27,000.00	\$ 42,000	\$ 25,000	\$ 42,000	\$ 37,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ 93,000	\$ 190.00	\$ 170.00	66.00	\$ 188.33	23.50%
J-8726-11	Liberty-Cedar Fork	67.18%	1.43	4.47	85,234.00	57,000.00	47,000.00	27,000.00	\$ 42,000	\$ 25,000	\$ 42,000	\$ 37,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ 93,000	\$ 190.00	\$ 170.00	66.00	\$ 188.33	23.50%
J-8727-11	Liberty-House Creek	67.18%	1.43	4.47	85,234.00	57,000.00	47,000.00	27,000.00	\$ 42,000	\$ 25,000	\$ 42,000	\$ 37,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ 93,000	\$ 190.00	\$ 170.00	66.00	\$ 188.33	23.50%
J-8729-11	BellaRose	72.00%	1.44	4.22	85,000.00	57,000.00	47,000.00	25,000.00	\$ 39,000	\$ 23,500	\$ 44,000	\$ 37,000	\$ 18,000	\$ 19,000	\$ 40,000	\$ 90,000	\$ 196.00	\$ 186.00	46.00	\$ 182.59	18.00%
J-8730-11	Rehab and Nursing-Cary	50.65%	1.30	3.49	89,502.40	61,193.60	54,308.80	26,873.60	\$ 42,640	\$ 23,810	\$ 47,486	\$ 39,416	\$ 20,550	\$ 20,654	\$ 45,760	\$ 104,000	\$ 240.00	\$ 205.00	40.00	\$ 202.07	19.73%
J-8731-11	Rehab and Nursing-Raleigh	50.65%	1.30	3.49	89,502.40	61,193.60	54,308.80	26,873.60	\$ 42,640	\$ 23,810	\$ 47,486	\$ 39,416	\$ 20,550	\$ 20,654	\$ 45,760	\$ 104,000	\$ 240.00	\$ 205.00	40.00	\$ 202.28	19.73%

# ALL APPLICANT COMPARISON-SECOND FULL YEAR

## 2011 Wake County Nursing Home Competitive Review

### Ranking Summary

CON ID	Applicant	Greatest Medicaid Pct.	RN+ LPN NHPPD	Greatest Total NHPPD	Highest DON Salary	Highest RN Salary	Highest LPN Salary	Highest CNA Salary	Highest Food Svr. Salary	Highest Cook Salary	Highest Social Svc. Dir. Salary	Highest Activities Dir. Salary	Highest Housek. Aides Salary	Highest Laundry Aides Salary	Highest Maint. Spvr. Salary	Highest Adminr. Salary	Lowest Pmt Room Charge	Lowest Pmt Semi-Room Charge	Most Pmt Beds	Lowest Total Direct less Ancillary + Indirect	Highest Benefits	Total
J-8711-11	Hilcrest-Wake	15	16	10	16	16	16	16	16	8	3	15	9	3	2	16	16	1	1	14	16	225
J-8712-11	Wake County H&R	4	13	15	15	14	5	7	14	12	14	8	14	14	6	15	14	16	11	9	4	224
J-8713-11	Britthaven-Cedar Fork	2	2	9	13	8	9	14	5	15	15	13	12	12	14	12	9	10	11	2	10	197
J-8714-11	Universal-North Raleigh	12	15	16	1	3	3	1	1	14	1	3	15	16	1	1	1	2	15	3	6	130
J-8715-11	Britthaven-St. Mary's	1	1	8	13	8	9	14	5	15	15	13	12	12	14	12	9	10	10	5	11	197
J-8717-11	The Heritage of Raleigh	11	9	11	5	15	15	11	9	7	10	16	10	11	7	5	13	15	2	15	12	209
J-8719-11	UPAC-Raleigh	16	4	6	2	1	4	10	2	1	8	2	1	9	3	2	15	14	16	16	1	133
J-8720-11	UPAC-Gary	8	10	7	3	7	7	12	3	2	6	4	4	2	8	7	2	6	8	10	3	119
J-8721-11	Universal-Fuquay Varina	7	14	12	6	2	6	8	13	13	2	7	16	15	16	6	4	8	4	1	5	165
J-8722-11	UPAC-North Raleigh	10	3	5	3	6	7	12	3	2	6	1	4	1	8	7	2	6	3	12	2	103
J-8723-11	Liberty-St. Mary's	9	6	1	9	10	11	2	10	4	11	9	6	6	10	9	4	3	5	8	7	140
J-8726-11	Liberty-Cedar Fork	5	6	1	9	10	11	2	10	4	11	9	6	6	10	9	4	3	5	6	7	134
J-8727-11	Liberty-House Creek	5	6	1	9	10	11	2	10	4	11	9	6	6	10	9	4	3	5	7	7	135
J-8729-11	BellaRose	3	5	4	12	10	11	9	15	11	9	9	11	10	10	12	8	9	9	4	15	186
J-8730-11	Rehab and Nursing-Cary	13	11	13	7	4	1	5	7	9	4	5	2	4	4	3	11	12	11	11	13	150
J-8731-11	Rehab and Nursing-Raleigh	13	11	13	7	4	1	5	7	9	4	5	2	4	4	3	11	12	11	13	13	152

All Applicants were ranked from 1-16 in each comparison. Ties were assigned the same number.  
 Highest Md/Mc. NHPPD, Salaries = 1  
 Lowest charge, costs = 1

# ALL APPLICANT COMPARISON-SECOND FULL YEAR

## 2011 Wake County Nursing Home Competitive Review

### Ranking Order by Lowest Total Score

CON ID	Applicant	Greatest Medicaid Pct.	RN+ LPN NHPPD	Greatest Total NHPPD	Highest DON Salary	Highest RN Salary	Highest LPN Salary	Highest CNA Salary	Highest Food Spvr. Salary	Highest Cook Salary	Highest Social Svc. Dir. Salary	Highest Activities Dir. Salary	Highest Housek. Aides Salary	Highest Laundry Aides Salary	Highest Maint. Spvr. Salary	Highest Admin. Salary	Lowest Pvt Pay Room Charge	Lowest Pvt Pay Semi-Room Charge	Most Pvt Beds	Lowest Total Direct less Ancillary + Indirect	Highest Benefits	Total
J-8722-11	UPAC-North Raleigh	10	3	5	3	6	7	12	3	2	6	1	4	1	8	7	2	6	3	12	2	103
J-8720-11	UPAC-Cary	8	10	7	3	7	7	12	3	2	6	4	4	2	8	7	2	6	8	10	3	119
J-8714-11	Universal-North Raleigh	12	15	16	1	3	3	1	1	14	1	3	15	16	1	1	1	2	15	3	6	130
J-8719-11	UPAC-Raleigh	16	4	6	2	1	4	10	2	1	8	2	1	9	3	2	15	14	16	16	1	133
J-8726-11	Liberty-Cedar Fork	5	6	1	9	10	11	2	10	4	11	9	6	6	10	9	4	3	5	6	7	134
J-8727-11	Liberty-House Creek	5	6	1	9	10	11	2	10	4	11	9	6	6	10	9	4	3	5	7	7	135
J-8723-11	Liberty-St. Mary's	9	6	1	9	10	11	2	10	4	11	9	6	6	10	9	4	3	5	8	7	140
J-8730-11	Rehab and Nursing-Cary	13	11	13	7	4	1	5	7	9	4	5	2	4	4	3	11	12	11	11	13	150
J-8731-11	Rehab and Nursing-Raleigh	13	11	13	7	4	1	5	7	9	4	5	2	4	4	3	11	12	11	13	13	152
J-8721-11	Universal-Fuquay Varina	7	14	12	6	2	6	8	13	13	2	7	16	15	16	6	4	8	4	1	5	165
J-8729-11	BellaRose	3	5	4	12	10	11	9	15	11	9	9	11	10	10	12	8	9	9	4	15	186
J-8713-11	Britthaven-Cedar Fork	2	2	9	13	8	9	14	5	15	15	13	12	12	14	12	9	10	11	2	10	197
J-8715-11	Britthaven-St. Mary's	1	1	8	13	8	9	14	5	15	15	13	12	12	14	12	9	10	10	5	11	197
J-8717-11	The Heritage of Raleigh	11	9	11	5	15	15	11	9	7	10	16	10	11	7	5	13	15	2	15	12	209
J-8712-11	Wake County H&R	4	13	15	15	14	5	7	14	12	14	8	14	14	6	15	14	16	11	9	4	224
J-8711-11	Hillcrest-Wake	15	16	10	16	16	16	16	16	8	3	15	9	3	2	16	16	1	1	14	16	225

All Applicants were ranked from 1-16 in each comparison. Ties were assigned the same number.  
 Highest Md/Mc, NHPPD, Salaries = 1  
 Lowest charge, costs = 1





# **Attachment 8 -**

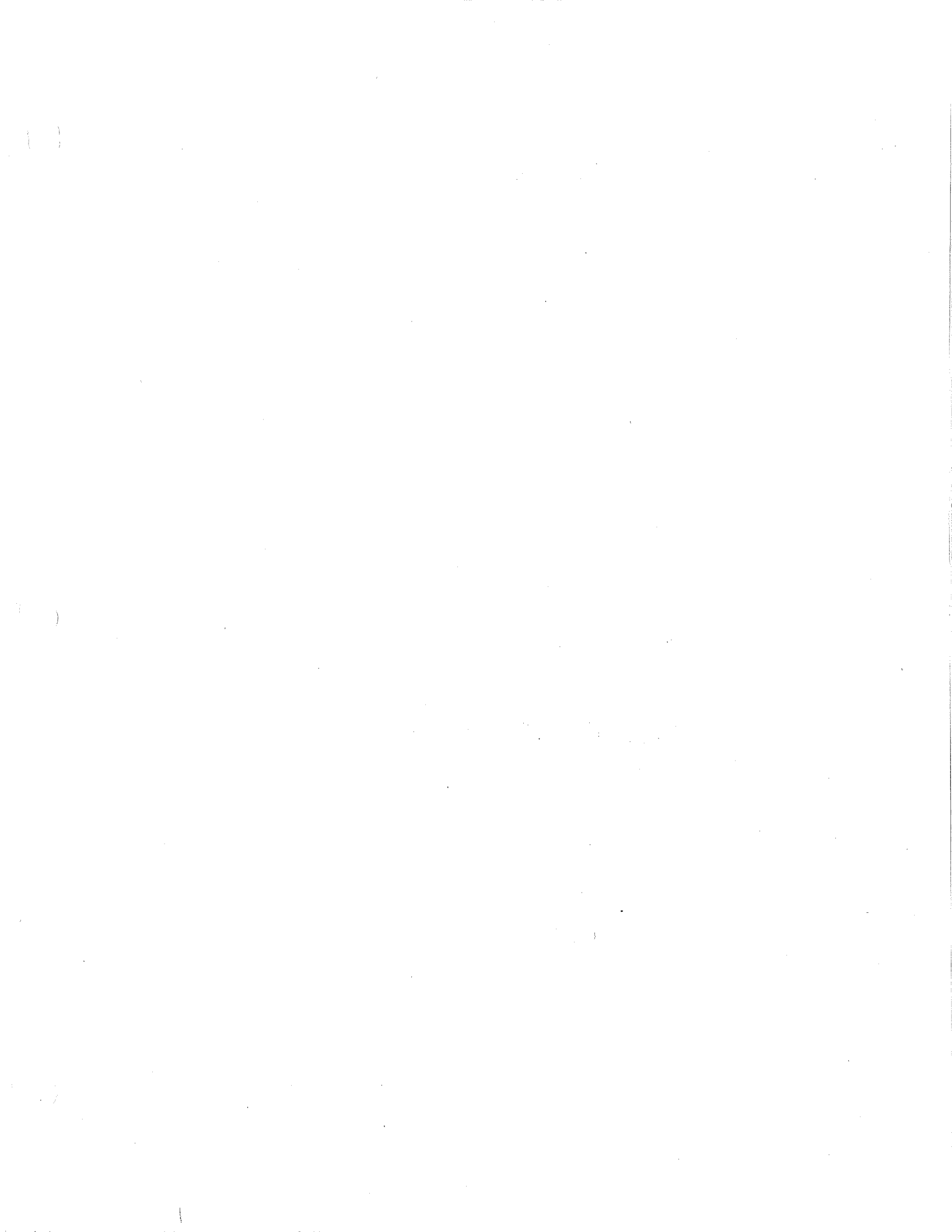
## **2010 Wake County Average Staffing Salaries**

## 2010 Wake County Nursing Care Facility Average Annual Salary

### 2011 Nursing Home Licensure Renewal

Position	Average Annual Salary
<b>Routine Services</b>	
Registered Nurses	53,382
LPNs	44,665
Certified Nurse Aides	23,972
Medical Director	38,125
Director of Nurses	87,290
Assistant Director of Nurses	68,915
Staff Development Coordinator	58,692
Ward Secretary	27,301
Medical Records	29,333
Pharmacy Consultant	10,013
<b>Administration &amp; General</b>	
Administrator	96,006
Assistant Administrator	69,422
Other Office Personnel	36,119
<b>Dietary</b>	
Licensed Dietitian	44,790
Food Service Supervisor	40,964
Cooks	24,680
Dietary Aides	19,046
<b>Social Work Services</b>	
Social Services Director	43,020
Social Services Assistants(s)	35,374
<b>Activity Services</b>	
Activity Director	37,609
Activity Assistant(s)	22,376
<b>Housekeeping/Laundry</b>	
Housekeeping Supervisor	36,417
Laundry Supervisor	27,012
Housekeeping Aides	18,494
Laundry Aides	19,115
<b>Maintenance</b>	
Maintenance Supervisor	40,284
Janitors	23,505
<b>Ancillary Services</b>	
Physical Therapist	69,827
Rehabilitation Aide	27,984
Respiratory Therapist	32,765
Occupational Therapist	69,807
Speech/Hearing Therapist	72,068

*Source: 2011 Nursing Home Licensure Renewals*



# **Attachment 9 -**

## **2010 Wake County Patient Origin**

## 2010 Wake County Nursing Care Facility Patient Origin Summary Table

### 2011 Nursing Home Licensure Renewals

County	Total Patients	Percentage
Wake	6402	87.090%
Nash	66	0.898%
Harnett	53	0.721%
Sampson	12	0.163%
Lenoir	6	0.082%
Johnston	238	3.238%
Randolph	4	0.054%
Wilkes	1	0.014%
Mecklenburg	7	0.095%
Beaufort	2	0.027%
Durham	117	1.592%
Franklin	133	1.809%
Columbus	4	0.054%
Hertford	6	0.082%
Surry	1	0.014%
Pitt	4	0.054%
Alamance	8	0.109%
Davidson	5	0.068%
Georgia	5	0.068%
Guilford	11	0.150%
Vance	15	0.204%
Orange	18	0.245%
South Carolina	7	0.095%
Virginia	11	0.150%
Other Out of	49	0.667%
Duplin	4	0.054%
Forsyth	2	0.027%
Stokes	1	0.014%
Wilson	23	0.313%
Wayne	6	0.082%
Carteret	1	0.014%
Bertie	2	0.027%
Cumberland	9	0.122%
Granville	6	0.082%
Iredell	1	0.014%
Moore	2	0.027%
Onslow	8	0.109%
New Hanover	10	0.136%
Bladen	2	0.027%
Dare	2	0.027%
Edgecombe	1	0.014%
Halifax	4	0.054%
Person	1	0.014%
McDowell	1	0.014%
Robeson	2	0.027%
Scotland	1	0.014%
Chatham	48	0.653%
Greene	1	0.014%
Lee	11	0.150%
Haywood	1	0.014%
Buncombe	1	0.014%
Clay	1	0.014%
Warren	4	0.054%
Pender	2	0.027%
Washington	1	0.014%
Chowan	2	0.027%
Lincoln	1	0.014%
Pitt	3	0.041%
Davie	1	0.014%
<b>Totals</b>	<b>7351</b>	<b>100%</b>

2010 Wake County Nursing Care Facility  
Patient Origin Summary Table

2011 Nursing Home Licensure Renewals

County	The Oaks at Mayview	Raleigh Rehab & Healthcare Cntr	Sunnybrook Healthcare & Rehab Specialist	Universal Health Care - Fuquay Varina	Capital Nursing & Rehab Cntr	Guardian Care of Zebulon	Dan E & Mary Louise Stewart Health Cntr	Blue Ridge Health Care Cntr	The Laurels of Forest Glenn	Cary Health & Rehab Cntr	Hillside Nursing Cntr of Wake Forest	Wellington Rehab & Healthcare	Glennaire
Wake	171	582	410		175	139	199		366	402	178	252	148
Nash	1		6		1	21		3				2	
Harnett	1	3			1	1		2	14	2	1	2	
Sampson	1							1					
Lenoir	1		2										
Johnston	5	10	26		4	15		10	98	2	1	10	
Randolph	1							2			1		
Wilkes	1												
Mecklenburg	1							3					
Beaufort	1							1					
Durham	1	22	7		3			12	45	2		1	
Franklin	1	5			2	14		9			38	2	
Columbus	1	1	1					1			1		
Herford		5											
Surry	1												
Pitt		1	3										
Alamance		3			1			3			1		
Davidson			4										
Georgia		2											
Guilford			5					3		1		1	
Vance			3								2		
Orange			5				1	2		1			
South Carolina			1					1					
Virginia			1					2		1		2	
Other Out of State	4		2				4	2		2			
Duplin					1			2					
Forsyth					1			1					
Stokes					1								
Wilson						8	1				1	3	
Wayne						1			2				
Carteret			1										
Bertie													
Cumberland								3	3	1			
Granville											2	2	
Iredell													
Moore													
Onslow													
New Hanover							1	1	2		2		

2010 Wake County Nursing Care Facility  
Patient Origin Summary Table

2011 Nursing Home Licensure Renewals

County	The Oaks at Mayview	Raleigh Rehab & Healthcare Cntr	Sunnybrook Healthcare & Rehab Specialist	Universal Health Care - Fuquay Varina	Capital Nursing & Rehab Cntr	Guardian Care of Zebulon	Dan E & Mary Louise Stewart Health Cntr	Blue Ridge Health Care Cntr	The Laurels of Forest Glenn	Cary Health & Rehab Cntr	Hillside Nursing Cntr of Wake Forest	Wellington Rehab & Healthcare	Glennaire
Bladen								1					1
Dare								1					
Edgecombe								1					
Halifax								1			1		
Person								1					
McDowell								1					
Robeson								1					
Scotland								1					
Chatham										45			
Greene										1			
Lee										2			
Haywood											1		
Buncombe											1		
Clay											1		
Warren											1		
Pender													
Washington													
Chowan													
Lincoln													
Pitt													
Davie													
<b>Total</b>	<b>190</b>	<b>635</b>	<b>477</b>	<b>0</b>	<b>190</b>	<b>199</b>	<b>206</b>	<b>72</b>	<b>530</b>	<b>462</b>	<b>233</b>	<b>277</b>	<b>149</b>



2010 Wake County Nursing Care Facility  
Patient Origin Summary Table

2011 Nursing Home Licensure Renewals

County	Litchford Falls Healthcare & Rehab Cntr	Windsor Point CCRC	Rex & Rehab Nursing Care Cntr of Apex	Universal Health Care - N. Raleigh	Unihealth Post Acute Care - Raleigh	The Cypress of Raleigh / The Rosewood Health Cntr	Searstone / Samaritan	The Cardinal at North Hills Health Care	City of Oaks Health Tower Nursing and Rehabilitation Center	Rex & Rehab Nursing Care Cntr	WakeMed - Zebulon	WakeMed - Fuquay / Varina	Total
Wake	174	66	709	434	129	67			432	1143	153	73	6402
Nash				3					8		21		66
Harnett		6	9	1	2				3		2	3	53
Sampson									1		9		12
Lenoir				3									6
Johnston				4	5				5	2	25	16	238
Randolph													4
Wilkes													1
Mecklenburg		1		2									7
Beaufort													2
Durham	1			5	2				6	8		2	117
Franklin				83	1				8		17	3	133
Columbus													4
Hertford	1												6
Surry													1
Pitt													4
Alamance													8
Davidson				1									5
Georgia		3											5
Guilford			1										11
Vance									8		2		15
Orange				3						4		2	18
South Carolina			3							2			7
Virginia		2	2							1			11
Other Out of State			10							24	1		49
Duplin	1												4
Forsyth													2
Stokes													1
Wilson		1							5		4		23
Wayne				2							1		6
Carteret													1
Bertie									2				2
Cumberland									2				9
Granville									1			1	6
Iredell									1				1
Moore									2				2
Onslow				1									8
New Hanover		1		3					5		2		10

## 2010 Wake County Nursing Care Facility Patient Origin Summary Table

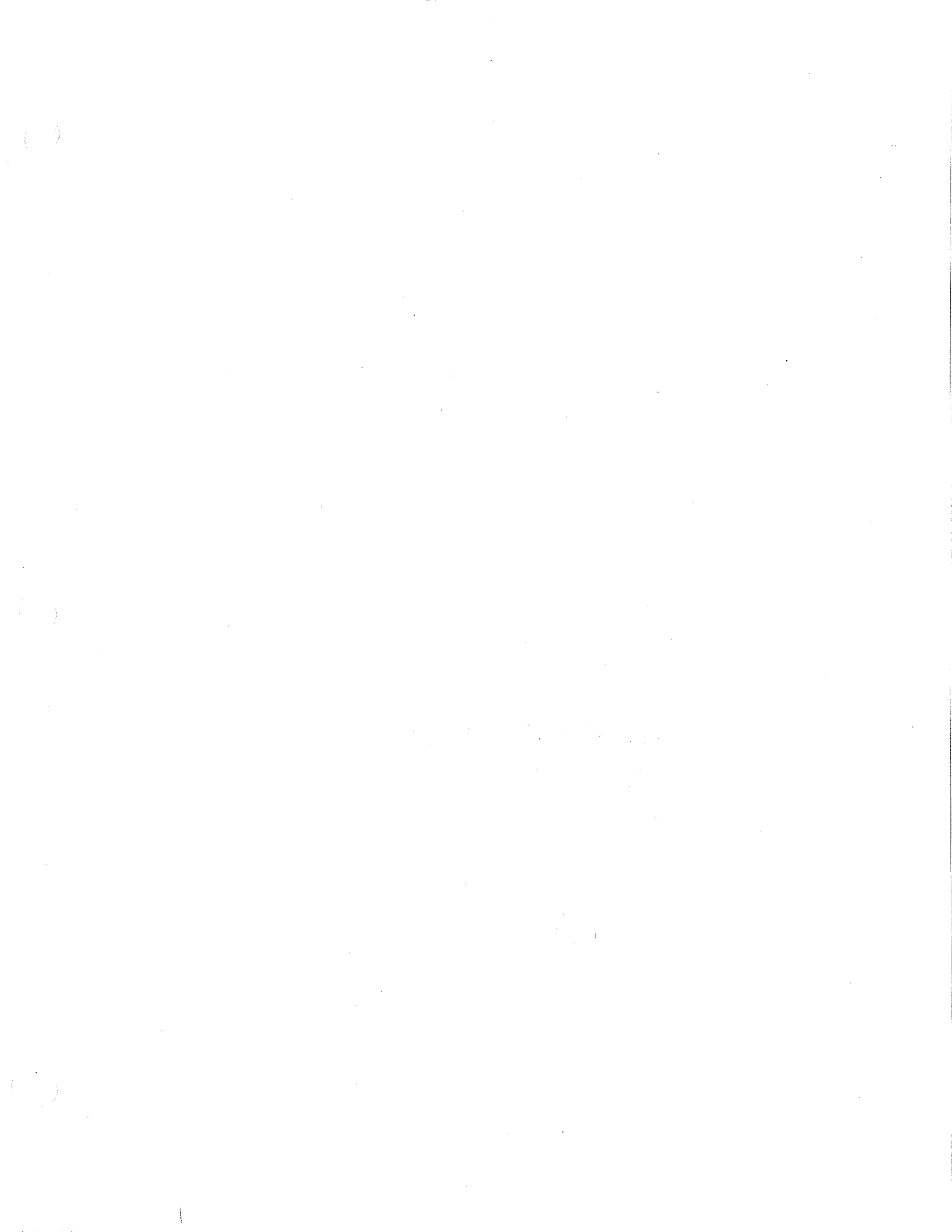
2011 Nursing Home Licensure Renewals

Page 7 of Licensure Renewal - Column C

County	Litchford Falls Healthcare & Rehab Cntr	Windor Point CCRC	Rex & Rehab Nursing Care Cntr of Apex	Universal Health Care - N. Raleigh	Unihealth Post Acute Care - Raleigh	The Cypress of Raleigh / The Rosewood Health Cntr	Searstone / Samaritan	The Cardinal at North Hills Health Care	City of Oaks Health Tower Nursing and Rehabilitation Center	Rex & Rehab Nursing Care Cntr	WakeMed - Zebulon	WakeMed - Fuquay / Varina	Total
Bladen													2
Dare				1									2
Edgecombe													1
Halifax											2		4
Person													1
McDowell													1
Robeson	1												2
Scotland													1
Chatham			3										1
Greene													48
Lee		1	7	1									11
Haywood													1
Buncombe													1
Clay													1
Warren											3		4
Pender	2												2
Washington	1												1
Chowan	2												2
Lincoln			1										1
Pitt			1	2									3
Davie				1									1
<b>Total</b>	<b>183</b>	<b>81</b>	<b>746</b>	<b>500</b>	<b>139</b>	<b>67</b>	<b>0</b>	<b>0</b>	<b>489</b>	<b>1184</b>	<b>242</b>	<b>100</b>	<b>7250</b>

Source: 2011 Nursing Home Licensure Renewals

\*Note: Universal Health Care - Fuquay Varina is closed for renovations  
Searstone / Samaritan is currently under development.  
The Cardinals at North Hills Health Care project is currently on hold.



# **Attachment 10 -**

## **2010 Wake County Payor Mix**

## 2010 Wake County Nursing Care Facility Payor Mix

2011 Nursing Home Licensure Renewal

### Wake County Nursing Facilities

Page 6 - Question 2(a)

Nursing Care Days of Care	The Oaks at Mayview	Raleigh Rehab & Healthcare Cntr	Sunnybrook Healthcare & Rehab Specialist	Universal Health Care - Fuquay Varina	Capital Nrsng & Rehab Cntr	Guardian Care of Zebulon	Dan E & Mary Louise Stewart Health Cntr	Blue Ridge Health Care Cntr	The Laurels of Forest Glenn	Cary Health & Rehab Cntr	Hillside Nursing Cntr of Wake Forest	Wellington Rehab & Healthcare	Glenaire	Litchford Falls Healthcare & Rehab Cntr
NC Days Reimbursed by Medicare	3,389	10,432	9,713	-	3,019	5,012	-	11,254	10,601	7,075	3,659	4,066	991	2,610
NC Days Reimbursed by Medicaid	6,646	36,653	16,165	-	27,390	12,351	-	19,071	29,175	27,663	32,491	18,311	3,660	22,419
NC Days Reimbursed by Private Pay	34,288	3,230	5,473	-	3,649	1,861	41,855	6,712	1,572	2,032	8,175	3,237	17,592	3,547
NC Days Reimbursed by Other	284	5,244	1,674	-	4,384	1,493	-	5,155	480	4,563	-	1,542	-	2,510
<b>Total</b>	<b>44,607</b>	<b>55,559</b>	<b>33,025</b>	<b>-</b>	<b>38,442</b>	<b>20,717</b>	<b>41,855</b>	<b>42,192</b>	<b>41,828</b>	<b>41,333</b>	<b>44,325</b>	<b>27,156</b>	<b>22,243</b>	<b>31,086</b>

\*33,016

Note: Values in red are the correctly calculated. Values below represent the incorrect number included in the licensure report.

Payor Mix 2010	The Oaks at Mayview	Raleigh Rehab & Healthcare Cntr	Sunnybrook Healthcare & Rehab Specialist	Universal Health Care - Fuquay Varina	Capital Nrsng & Rehab Cntr	Guardian Care of Zebulon	Dan E & Mary Louise Stewart Health Cntr	Blue Ridge Health Care Cntr	The Laurels of Forest Glenn	Cary Health & Rehab Cntr	Hillside Nursing Cntr of Wake Forest	Wellington Rehab & Healthcare	Glenaire	Litchford Falls Healthcare & Rehab Cntr
NC Days Reimbursed by Medicare	7.60%	18.78%	29.41%	#DIV/0!	7.85%	24.19%	0.00%	26.67%	25.34%	17.12%	8.25%	14.97%	4.46%	8.40%
NC Days Reimbursed by Medicaid	14.90%	65.97%	48.95%	#DIV/0!	71.25%	59.62%	0.00%	45.20%	69.75%	66.93%	73.30%	67.43%	16.45%	72.12%
NC Days Reimbursed by Private Pay	76.87%	5.81%	16.57%	#DIV/0!	9.49%	8.98%	100.00%	15.91%	3.76%	4.92%	18.44%	11.92%	79.09%	11.41%
NC Days Reimbursed by Other	0.64%	9.44%	5.07%	#DIV/0!	11.40%	7.21%	0.00%	12.22%	1.15%	11.04%	0.00%	5.68%	0.00%	8.07%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>#DIV/0!</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

All

Payor Mix 2010	Total Days	Percent
NC Days Reimbursed by Medicare	131,833	18.1%
NC Days Reimbursed by Medicaid	361,082	49.5%
NC Days Reimbursed by Private Pay	187,995	25.8%
NC Days Reimbursed by Other	48,066	6.6%
<b>Total</b>	<b>728,976</b>	<b>100%</b>

Non-hospital, Non-CCRC

Payor Mix 2010	Total Days	Percent
NC Days Reimbursed by Medicare	105,696	19.4%
NC Days Reimbursed by Medicaid	329,699	60.5%
NC Days Reimbursed by Private Pay	67,098	12.3%
NC Days Reimbursed by Other	42,656	7.8%
<b>Total</b>	<b>545,149</b>	<b>100%</b>

Source: 2011 Nursing Home Licensure Renewals

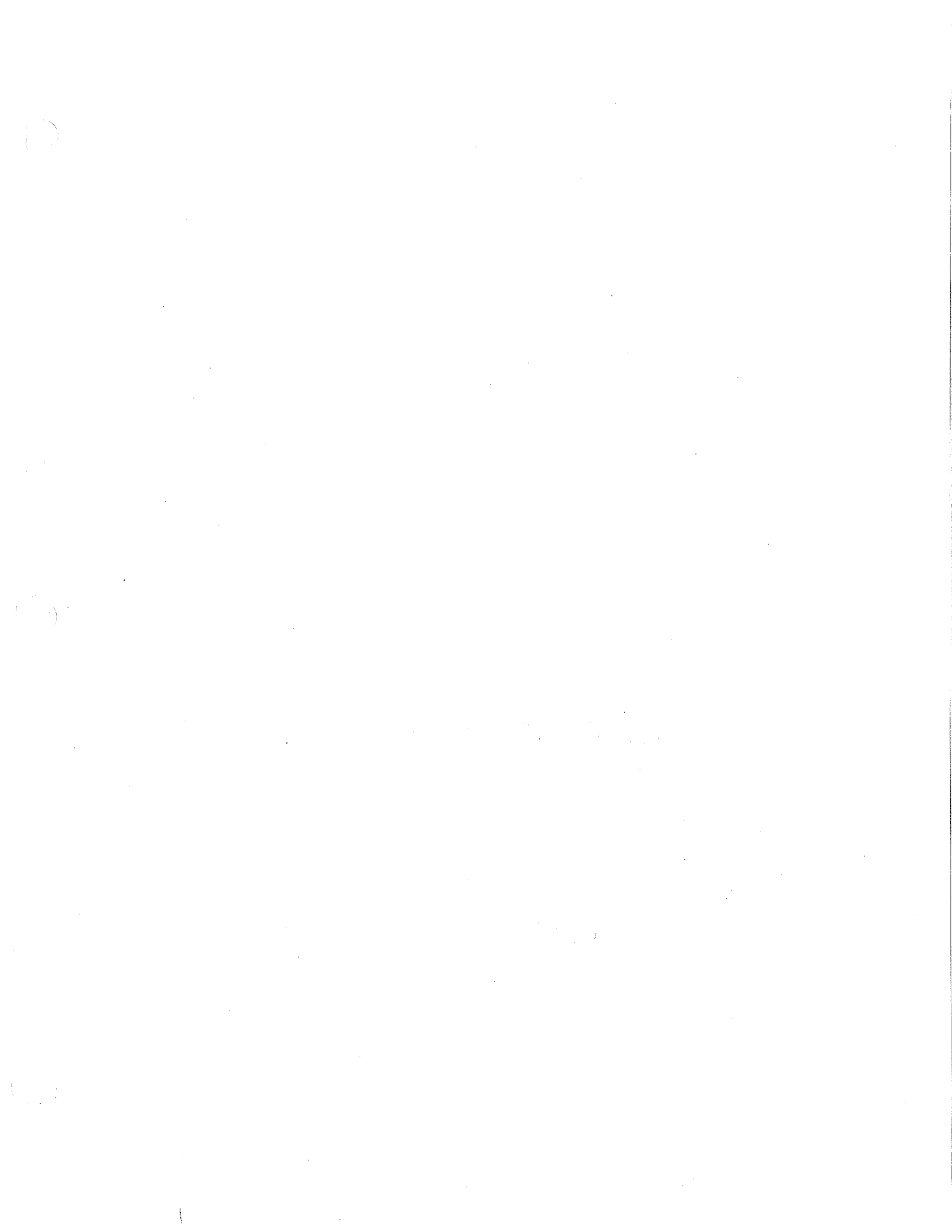
### 2010 Wake County Nursing Care Facility Payor Mix

#### 2011 Nursing Home Licensure Renewal

Nursing Care Days of Care	Windsor Point CCRC	Rex & Rehab Nursing Care Cntr of Apex	Universal Health Care - N. Raleigh	Unihealth Post Acute Care - Raleigh	The Cypress of Raleigh / The Rosewood Health Center	Searstone / Samaritan	The Cardinal at North Hills Health Care	City of Oaks Health Tower Nrsng & Rehab Center	Rex & Rehab Nursing Care Cntr	WakeMed - Zebulon	WakeMed - Fuquay/Varina	Total
NC Days Reimbursed by Medicare	1,089	7,853	7,626	16,185	742			6,591	11,533	2,402	5,991	131,833
NC Days Reimbursed by Medicaid	-	11,951	21,602	20,084	-			34,373	17,829	1,276	1,972	361,082
NC Days Reimbursed by Private Pay	10,857	10,052	5,982	8,677	6,903			2,899	7,832	477	1,093	187,995
NC Days Reimbursed by Other	-	3,309	2,850	7,009	494			2,443	2,579	617	1,436	48,066
<b>Total</b>	<b>11,946</b>	<b>33,165</b>	<b>38,060</b>	<b>51,955</b>	<b>8,139</b>	<b>-</b>	<b>-</b>	<b>46,306</b>	<b>39,773</b>	<b>4,772</b>	<b>10,492</b>	<b>728,976</b>

Payor Mix 2010	Windsor Point CCRC	Rex & Rehab Nursing Care Cntr of Apex	Universal Health Care - N. Raleigh	Unihealth Post Acute Care - Raleigh	The Cypress of Raleigh / The Rosewood Health Center	Searstone / Samaritan	The Cardinal at North Hills Health Care	City of Oaks Health Tower Nrsng & Rehab Center	Rex & Rehab Nursing Care Cntr	WakeMed - Zebulon	WakeMed - Fuquay/Varina	Total
NC Days Reimbursed by Medicare	9.12%	23.68%	20.04%	31.15%	9.12%	#DIV/0!	#DIV/0!	14.23%	29.00%	50.34%	57.10%	18.08%
NC Days Reimbursed by Medicaid	0.00%	36.03%	56.76%	38.66%	0.00%	#DIV/0!	#DIV/0!	74.23%	44.83%	26.74%	18.80%	49.53%
NC Days Reimbursed by Private Pay	90.88%	30.31%	15.72%	16.70%	84.81%	#DIV/0!	#DIV/0!	6.26%	19.69%	10.00%	10.42%	25.79%
NC Days Reimbursed by Other	0.00%	9.98%	7.49%	13.49%	6.07%	#DIV/0!	#DIV/0!	5.28%	6.48%	12.93%	13.69%	6.59%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Note: Universal Health Care - Fuquay Varina is closed for renovations  
 Searstone / Samaritan is currently under development.  
 The Cardinals at North Hills Health Care project is currently on hold.

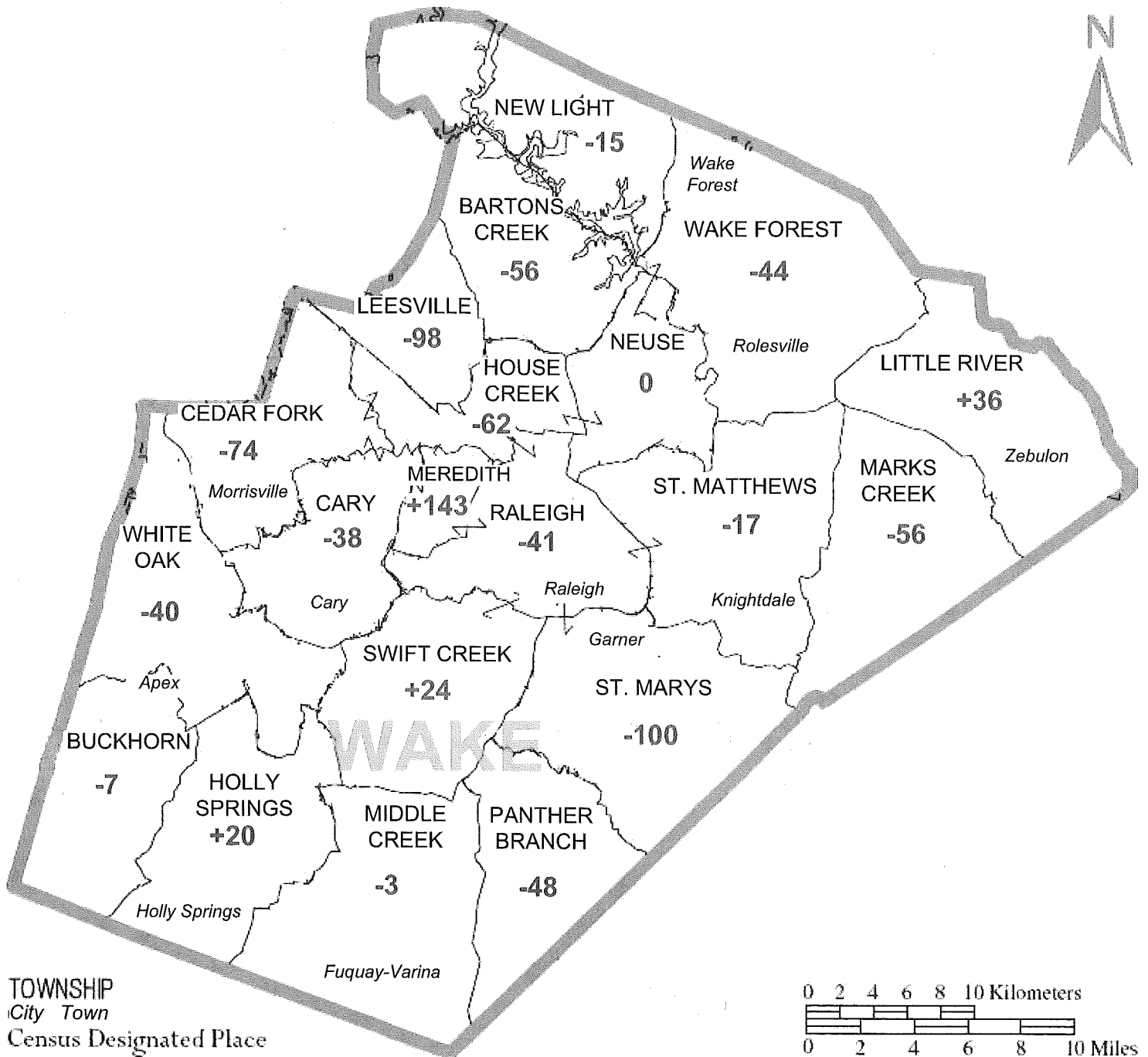


# **Attachment 11 -**

## **Wake County Bed Need Map**



# 2015 Projected Nursing Home Bed Surplus or Deficit (-)

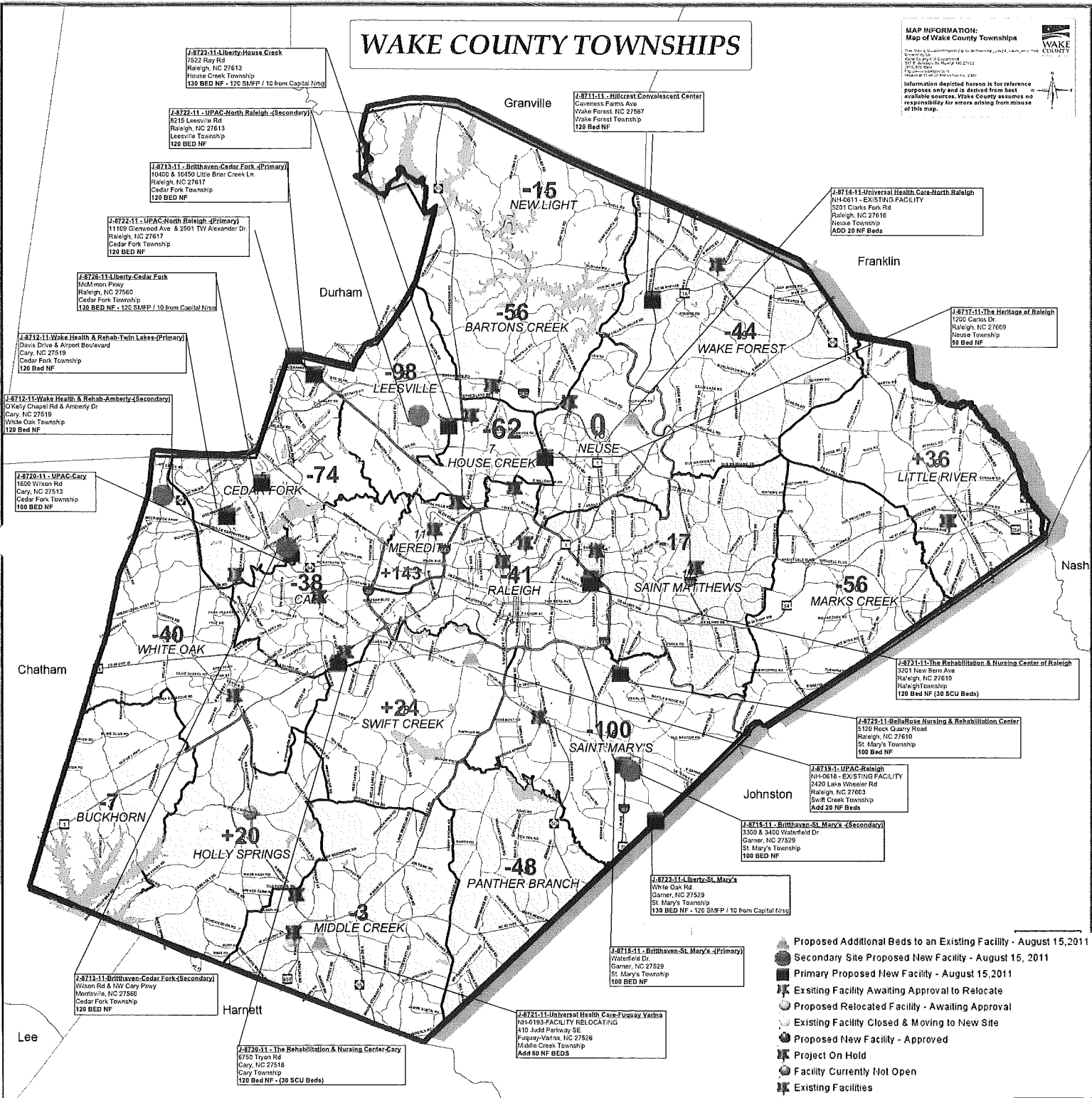


# WAKE COUNTY TOWNSHIPS

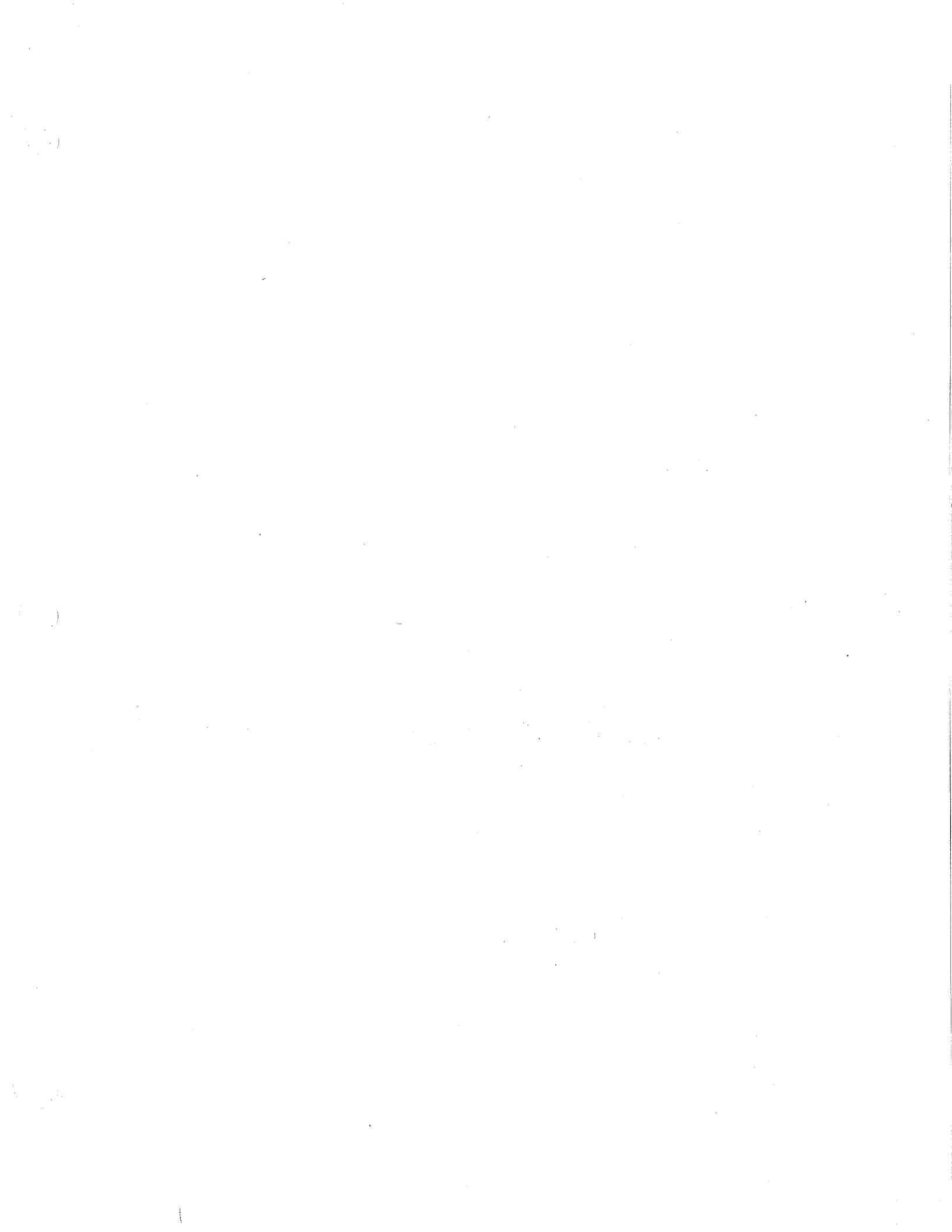
MAP INFORMATION:  
Map of Wake County Townships



Information depicted herein is for reference purposes only and is derived from best available sources. Wake County assumes no responsibility for errors arising from misuse of this map.



- Proposed Additional Beds to an Existing Facility - August 15, 2011
- Secondary Site Proposed New Facility - August 15, 2011
- Primary Proposed New Facility - August 15, 2011
- Existing Facility Awaiting Approval to Relocate
- Proposed Relocated Facility - Awaiting Approval
- Existing Facility Closed & Moving to New Site
- Proposed New Facility - Approved
- Project On Hold
- Facility Currently Not Open
- Existing Facilities



# **Attachment 12 -**

## **2010 Wake County Private Pay Charges & Medicare Rates**

## 2010 Wake County Nursing Care Facility Private Pay Charges

### 2011 Nursing Home Licensure Renewal

Facility	Daily Costs (Private Room)	Daily Private Pay Costs (Semi-Private Room)	Daily Costs (SCU-Private Room)	Daily Private Pay Costs (SCU-Semi- Private Room)	Daily Private Pay Costs (Ward)
The Oaks at Mayview	\$ 239.00	\$ 198.25	-	-	\$ 198.25
Raleigh Rehab & Healthcare Cntr**	\$ 197.00	\$ 206.00	\$ 300.00	\$ 350.00	-
Sunnybrook Healthcare & Rehab Specialist	\$ 216.50	\$ 191.00	-	-	\$ 165.00
Universal Health Care - Fuquay Varina*	\$ 135.00	\$ 130.00	-	-	\$ 130.00
Capital Nursing & Rehab Cntr**	\$ 170.00	\$ 150.00	\$ 175.00	\$ 175.00	\$ 138.50
Guardian Care of Zebulon	\$ 201.50	\$ 196.00	-	-	-
Dan E & Mary Louise Stewart Health Cntr****	\$ 261.70	\$ 158.30	\$ 261.70	\$ 158.30	-
Blue Ridge Health Care Cntr***	\$ 455.00	\$ 405.00	\$ 685.00	\$ 525.00	\$ 195.00
The Laurels of Forest Glenn	\$ 195.00	\$ 176.00	-	-	-
Cary Health & Rehab Cntr	\$ 210.00	\$ 199.00	-	-	-
Hillside Nursing Cntr of Wake Forest	\$ 170.00	\$ 160.00	-	-	-
Wellington Rehab & Healthcare	\$ 196.00	\$ 175.00	\$ 226.00	\$ 206.00	-
Glennaire*	\$ 235.00	-	-	-	-
Litchford Falls Healthcare & Rehab Cntr	\$ 175.00	\$ 165.00	-	-	-
Windsor Point CCRC	\$ 206.00	\$ 163.00	-	-	-
Rex & Rehab Nursing Care Cntr of Apex**	\$ 225.00	\$ 210.00	\$ 445.00	\$ 420.00	-
Universal Health Care - N. Raleigh	\$ 180.00	\$ 165.00	-	-	-
Unihealth Post Acute Care - Raleigh ****	\$ 237.00	\$ 202.00	\$ 237.00	\$ 208.00	-
The Cypress of Raleigh / The Rosewood Health Cntr *****	\$ 255.00	\$ 204.00	\$ 255.00	-	-
Searstone / Samaritan*	-	-	-	-	-
The Cardinal at North Hills Health Care*	-	-	-	-	-
City of Oaks Health Tower Nursing and Rehabilitation Center	\$ 192.00	\$ 182.00	-	-	-
Rex & Rehab Nursing Care Cntr	\$ 236.00	\$ 220.00	\$ 467.00	\$ 441.00	-
WakeMed - Zebulon	\$ 430.00	\$ 375.00	-	-	-
WakeMed - Fuquay / Varina	\$ 430.00	\$ 375.00	-	-	-
<b>Average</b>	\$ 236.86	\$ 209.34	\$ 339.08	\$ 310.41	\$ 165.35
<b>Non-Hospital, Non-CCRC Average</b>	\$ 197.19	\$ 194.13	\$ 344.67	\$ 314.00	\$ 157.13

Source: 2011 Nursing Home Licensure Renewals

Note:

\*Universal Health Care - Fuquay Varina is closed for renovations; Searstone / Samaritan is currently under development; The Cardinals at North Hills Health Care project is currently on hold.

\*\*SCU is a TCC (Short-term Rehab);

\*\*\*SCU is Ventilator

\*\*\*\*SCU is Alzheimers

\*\*\*\*\* SCU listed as dementia rate but no unit

## 2010 Wake County Nursing Care Facility Average Medicare Rates

### 2011 Nursing Home Licensure Renewal

Page 9

**Medicare**

The Oaks at Mayview	Code	Rate
	RML	\$ 403.25
	RVL	\$ 426.30
	RHC	\$ 355.96

Raleigh Rehab & Healthcare Cntr	Code	Rate
	RUB	\$ 473.71
	RUL	\$ 532.82
	RVB	\$ 391.44

Sunnybrook Healthcare & Rehab Specialist	Code	Rate
	RUB	\$ 473.71
	RUL	\$ 532.82
	RUC	\$ 516.15

Universal Health Care - Fuquay Varina	Code	Rate
	RML	\$ 321.21
	RMB	\$ 326.62
	SEZ	\$ 314.51

Capital Nursing & Rehab Cntr	Code	Rate
	RUB	\$ 467.25
	RMX	\$ 405.28
	RVB	\$ 377.56

Guardian Care of Zebulon	Code	Rate
	RUB	\$ 473.71
	RVB	\$ 391.44
	RVC	\$ 411.14

Dan E & Mary Louise Stewart Health Cntr	Code	Rate
	-	-
	-	-
	-	-

Blue Ridge Health Care Cntr	Code	Rate
	RUL	\$ 532.82
	RMX	\$ 438.11
	RVX	\$ 456.61

The Laurels of Forest Glenn	Code	Rate
	RUB	\$ 473.70
	RUL	\$ 516.15
	RMX	\$ 438.11

Code	Average Rate
RML	\$375.90
RVL	\$428.00
RHC	\$355.96
RUB	\$471.82
RUL	\$529.24
RVB	\$390.36
RUC	\$516.15
RMB	\$322.50
SEZ	\$314.51
RMX	\$433.42
RVC	\$411.14
RVX	\$456.61
RUA	\$441.43
RHB	\$275.84
RVA	\$373.25
RMA	\$319.13
RHA	\$323.34
SE2	\$314.51
<b>Average</b>	<b>\$391.84</b>

**2010 Wake County Nursing Care Facility  
Average Medicare Rates**

*2011 Nursing Home Licensure Renewal*

Cary Health & Rehab Cntr	Code	Rate
	RUB	\$ 463.17
	RUA	\$ 441.43
	RUL	\$ 522.61

Hillside Nursing Cntr of Wake Forest	Code	Rate
	RUB	\$ 473.70
	RVB	\$ 391.44
	RVL	\$ 426.30

Wellington Rehab & Healthcare	Code	Rate
	RUB	\$ 473.70
	RUL	\$ 532.82
	RMX	\$ 438.11

Glenaire***	Code	Rate
	RHC	\$ 355.96
	RHB	\$ 340.81
	RVC	\$ 411.14

Litchford Falls Healthcare & Rehab Cntr	Code	Rate
	RUL	\$ 540.07
	RVL	\$ 434.79
	RVB	\$ 398.84

Windsor Point CCRC	Code	Rate
	RMB	\$ 318.37
	RHC	\$ 355.96
	RHB	\$ 340.81

Rex & Rehab Nursing Care Cntr of Apex	Code	Rate
	RVL	\$ 426.30
	RVB	\$ 391.44
	RML	\$ 403.25

Universal Health Care - N. Raleigh	Code	Rate
	RVC	\$ 411.14
	RVB	\$ 391.44
	RMX	\$ 438.11

Unihealth Post Acute Care - Raleigh	Code	Rate
	RUB	\$ 473.70
	RUL	\$ 523.82
	RVC	\$ 411.14

The Cypress of Raleigh / The Rosewood Health Cntr	Code	Rate
	RVL	\$ 426.30
	RMX	\$ 438.11
	RVA	\$ 355.06

**2010 Wake County Nursing Care Facility  
Average Medicare Rates**

*2011 Nursing Home Licensure Renewal*

Searstone / Samaritan	Code	Rate

The Cardinal at North Hills Health Care	Code	Rate

City of Oaks Health Tower Nursing and Rehabilitation Center	Code	Rate
	RUL	\$ 836.23
	RUB	\$ 625.96
	RMX	\$ 659.55

Rex & Rehab Nursing Care Cntr	Code	Rate
	RMX	\$ 438.11
	RVC	\$ 411.14
	RVA	\$ 391.44

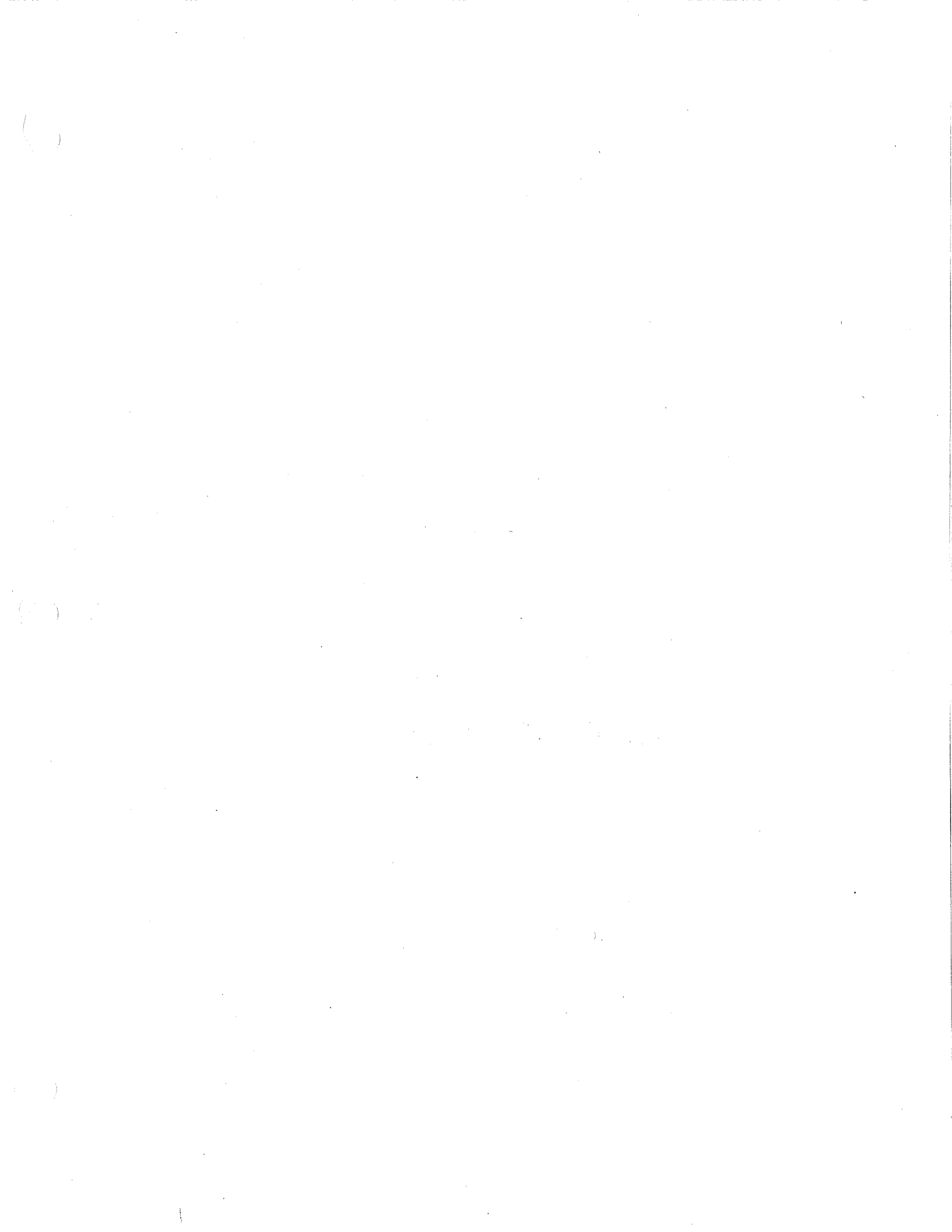
WakeMed - Zebulon	Code	Rate
	RMA	\$ 319.13
	RHA	\$ 323.34
	RHB	\$ 348.80

WakeMed - Fuquay / Varina	Code	Rate
	RMA	\$ 319.13
	SE2	\$ 314.51
	RHB	\$ 348.80

Source: 2011 Nursing Home Licensure Renewals

*\*Note: Universal Health Care - Fuquay Varina is closed for renovations  
Searstone / Samaritan is currently under development.  
The Cardinals at North Hills Health Care project is currently on hold.*





# **Attachment 13 -**

## **Conversation Logs**

# PDA

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## C O N V E R S A T I O N   L O G

---

DATE: 07-21-11    TIME: 11:00 a.m.    PDA Job #: (66-5034-11)

CLIENT: UHS-Pruitt

PROJECT: Wake County Nursing Home

INITIATED BY: Trey Adams

WITH: Becky Wertz

COMPANY: DHSR, Nursing Home Licensure and Certification Section

PHONE #: 919-855-4580

SUBJECT: Nursing Home Licensure and Certification

---

### AGENDA

- Discuss the certification process.

### NOTES

- Mr. Adams asked Ms. Wertz to outline the certification process, as it relates to a facility's first Medicare/Medicaid payment.
- Ms. Wertz outlined the following:
  - The day a facility is licensed it can admit patients. The facility can admit one Medicare/Medicaid patient.
  - Once the facility has admitted at least one Medicare/Medicaid patient it can ask for a Certification Survey.
  - The Certification Survey will likely be held within three weeks of the request.
  - If the facility is found deficiency free during its Certification Survey, the facility can start admitting Medicare and Medicaid patients, as soon as the surveyors leave the building.
  - If the facility is found deficiency free during its Certification Survey, the facility can also expect back payments for Medicare and Medicaid patients admitted from the time the surveyors walk out the door.
  - Payment for Medicare patients will start coming in once the facility receives its Medicare Provider Number.
  - Payment for Medicaid patients will start coming in once the facility receives its Medicaid Provider Number. This will be a couple of months after the Medicare payments start coming in because a facility cannot submit its Medicaid provider number information until a Medicare provider number is issued.

# PDA

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## C O N V E R S A T I O N   L O G

---

DATE: 07-11-11    TIME: 2:00 p.m.    PDA Job #: (66-5034-11)

CLIENT: UHS-Pruitt    PROJECT: Wake County Nursing Home

INITIATED BY: Trey Adams    WITH: Becky Wertz  
COMPANY: DHSR, Nursing Home Licensure and Certification Section

PHONE #: 919-855-4580

SUBJECT: Nursing Home Licensure and Certification

---

### AGENDA

- Discuss nursing home licensure and certification process.

### NOTES

- Mr. Adams asked Ms. Wertz if nursing facility beds, awarded through a CON and added to a facility, are covered under a facility's existing Medicare/Medicaid numbers. Ms. Wertz stated that the new beds would be covered by the existing numbers, if the beds pass a construction/life safety survey.
- Ms. Wertz also stated that if an existing facility wants to add beds they must submit a bed change application to Ms. Edna Knight. Ms. Wertz stated that there is not a full licensure review like a new facility. The big difference being that there is no formal policy and procedure review for a bed change.
- Mr. Adams asked Ms. Wertz how long the certification process takes for a new nursing home. Ms. Wertz stated that her Section is instructed to conduct an initial Certification Survey within three weeks of a request. This request can be submitted after the facility has admitted its first patients and its CMS Form-855A has been accepted. If a nursing facility is found conforming at its Certification Survey, Ms. Wertz's Section will recommend approval to CMS in Atlanta. CMS in Atlanta will issue a provider number to the facility. This process can take two to three months. After a Medicare provider number is issued, the facility can submit its Medicaid application. Medicaid Certification can take another two to three months.
- Ms. Wertz stated that a new facility should submit its policies and procedures manual as soon as possible during the construction process. Ms. Wertz stated that policies and procedures can be submitted electronically on a CD.
- Ms. Wertz stated that the DHSR, Nursing Home Licensure and Certification Section website includes instructions for licensure and certification.

# PDA

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## C O N V E R S A T I O N   L O G

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DATE: 07-12-11    TIME: 11:00 a.m.    PDA Job #: (66-5034-11)

CLIENT: UHS-Pruitt

PROJECT: Wake County Nursing Home

INITIATED BY: Trey Adams

WITH: Edna Knight

COMPANY: DHSR, Nursing Home Licensure and Certification Section

PHONE #: 919-855-4580

SUBJECT: Nursing Home Licensure and Certification

---

### AGENDA

- Discuss nursing home licensure and certification process for a bed addition.

### NOTES

- Mr. Adams asked Ms. Knight if nursing facility beds, awarded through a CON and added to a facility, are covered under a facility's existing Medicare/Medicaid numbers. Ms. Knight stated that the new beds would be covered by the existing numbers. Ms. Knight also stated that a facility can admit patients to the new beds, and bill under the current facility provider number, as soon as the Construction Section and she sign off on the facility.
- Ms. Knight stated that a facility wishing to add beds must submit the following information to her:
  - Memo stating what you are doing;
  - DHSR 4504 bed breakdown (current and proposed);
  - 4-page licensure update; and
  - A copy of the CON certificate.
- Ms. Knight stated that as long as the beds being added are located within "new bricks and mortar" the beds can be added at any time. Ms. Knight stated that if a facility is converting adult care home beds to nursing facility beds, the change can only be made quarterly.



# **Attachment 14 -**

## **2010 Wake County Nursing Hours per Patient Day (NHPPD)**

## 2010 Wake County Nursing Care Facility NHPPD

### 2011 Nursing Home Licensure Renewal

Page 5 - Question 1 & 2(b)

Nursing Hours Per Patient Day	
Non-hospital	4.26
Non-hospital, non-CCRC	3.75
Max	8.51
Min	2.74
<b>Median</b>	<b>3.87</b>

Facility	Nursing Hours for 9/30/10 by RNs, LPNs & Nurse Aides	Number of Nursing Patients on 9/30/10	Nursing Hours per Patient on 9/30/10
The Oaks at Mayview	477.00	121	3.94
Raleigh Rehab & Healthcare Cntr	519.00	143	3.63
Sunnybrook Healthcare & Rehab Specialist	323.00	87	3.71
Universal Health Care - Fuquay Varina			
Capital Nursing & Rehab Cntr	299.00	105	2.85
Guardian Care of Zebulon	183.00	58	3.16
Dan E & Mary Louise Stewart Health Cntr	684.00	134	5.10
Blue Ridge Health Care Cntr	560.00	111	5.05
The Laurels of Forest Glenn	429.75	113	3.80
Cary Health & Rehab Cntr	414.29	113	3.67
Hillside Nursing Cntr of Wake Forest	480.00	119	4.03
Wellington Rehab & Healthcare	293.81	79	3.72
Glenaire	456.25	66	6.91
Litchford Falls Healthcare & Rehab Cntr	284.75	89	3.20
Windsor Point CCRC	120.41	30	4.01
Rex & Rehab Nursing Care Cntr of Apex	440.00	102	4.31
Universal Health Care - N. Raleigh	334.00	104	3.21
Unihealth Post Acute Care - Raleigh	689.00	139	4.96
The Cypress of Raleigh	195.71	23	8.51
Searstone / Samaritan			
The Cardinal at North Hills Health Care			
City of Oaks Health Tower	374.19	119	3.14
Rex & Rehab Nursing Care Cntr	458.60	106	4.33
WakeMed - Zebulon	80.00	18	4.44
WakeMed - Fuquay/Varina	96.00	35	2.74
<b>Total</b>	<b>8,191.76</b>	<b>2014</b>	<b>4.07</b>

Source: 2011 Nursing Home Licensure Renewals

\*Note: Universal Health Care - Fuquay Varina is closed for renovations  
Searstone / Samaritan is currently under development.  
The Cardinals at North Hills Health Care project is currently on hold.





# **Attachment 15 -**

## **Parcel iMaps**

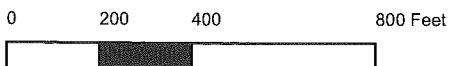


Field	Value
PIN	0768274384
Real Estate ID	0339069
Map Name	076801
Owner	CIP BRIER CREEK LLC
Mailing Address 1	CHEROKEE ADVISERS LLC
Mailing Address 2	111 E HARGETT ST STE 300
Mailing Address 3	RALEIGH NC 27601-1439
Deed Book	14291
Deed Page	1088
Deed Date	3/8/2011
Deeded Acreage	5.03
Assessed Building Value	\$0.00
Assessed Land Value	\$1,533,749.00
Total Assessed Value	\$1,533,749.00
Billing Class	CORPORATE LISTING
Property Description	LO6 BRIER CREEK BM2005-00583
Heated Area	
Site Address	10400 LITTLE BRIER CREEK LN
City	Raleigh
Township	CEDAR FORK
Year Built	0
Total Sale Price	\$0.00
Sale Date	
Type and Use	
Design Style	
Land Class	VACANT
Old Parcel Number	275--





Field	Value
PIN	0768274764
Real Estate ID	0339068
Map Name	076801
Owner	CIP BRIER CREEK LLC
Mailing Address 1	CHEROKEE ADVISERS LLC
Mailing Address 2	111 E HARGETT ST STE 300
Mailing Address 3	RALEIGH NC 27601-1439
Deed Book	14291
Deed Page	1088
Deed Date	3/8/2011
Deeded Acreage	4.08
Assessed Building Value	\$0.00
Assessed Land Value	\$1,244,075.00
Total Assessed Value	\$1,244,075.00
Billing Class	CORPORATE LISTING
Property Description	LO5 BRIER CREEK BM2005-00583
Heated Area	
Site Address	10450 LITTLE BRIER CREEK LN
City	Raleigh
Township	CEDAR FORK
Year Built	0
Total Sale Price	\$0.00
Sale Date	
Type and Use	
Design Style	
Land Class	VACANT
Old Parcel Number	275--





# **Attachment 16 -**

## **CUD TD Information**

# PDA

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## C O N V E R S A T I O N     L O G

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**DATE:** 8-09-2011    **TIME:** 10:45 a.m.    **PDA Job #:** (66-5039-11)

**CLIENT:** Pruitt Corporation                      **PROJECT:** Wake – North Raleigh 120 bed

**SUBJECT:** Zoning                                      **INITIATED BY:** Dilan Luvis

**WITH:** De'Shelle Sumter<sup>1</sup>; Stacy Barbour<sup>2</sup> **COMPANY:** Wake County – Planning

**PHONE #:** 919-516-2646<sup>1</sup>, 919-516-2631<sup>2</sup>

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### AGENDA

Discuss zoning issues for a proposed 120-bed nursing care facility at 10400/10450 Little Brier Creek Lane, Raleigh, NC.

### NOTES

- Mrs. De'Shelle Sumter, City of Raleigh Planner, stated that the proposed site for the nursing facility is zoned TD, Thoroughfare District, which is zoned for a nursing home.
- Mr. Stacy Barbour, City of Raleigh Planner, stated that the proposed site would need to follow conditional uses to operate a nursing home in this location.
- Mr. Barbour stated that the proposed site would need to be at least on 10 acres of land to operate a nursing care facility.
- Mr. Barbour then referred me to the City of Raleigh Code of Ordinances Section 10-2045 for a list of following conditional uses.



Calendar



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## Permitted Land Uses in Zoning Districts

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#### FEATURES DOCUMENTS

The following summaries of Permitted Uses are presented only as a general guide to the uses that are allowed in the Raleigh Zoning Districts, and are not intended as a complete listing. If you require more detailed information, refer to the **Zoning Code, Section 10-2071, Schedule of Permitted Land Uses in Zoning Districts**. Special Use Permits are required for uses indicated by (City Council) or (Board of Adjustment). Site plan approval by City Council or Planning Commission is determined by use, not zoning district; the most common instances of such site plan approval are listed by zone.

All RESOURCE MANAGEMENT DISTRICTS set limits on removal of existing trees - a permit must be obtained - fines and large-caliber replanting are penalties for illegal tree removal. Any of the following general use, conditional use zoning, and overlay zoning districts are Resource Management Districts: Conservation Management District, Metro-Park Protection Overlay District, Thoroughfare District, Special Highway Overlay District-1, Special Highway Overlay District-2, Special Highway Overlay District-3 and Special Highway Overlay District-4.

### GENERAL USE DISTRICTS

#### RR: Rural Residential District

Single-family dwellings - (40,000 sq. ft. minimum lot size except 80,000 sq. ft. lot in Primary Reservoir Watershed Protection Area); cattery, kennels, or riding stables (Board of Adjustment); churches, shelter units; Cluster Unit Developments (20 acres minimum size; permits townhouses, group housing, multi-family and condominiums); home occupations; public schools, libraries, museums; private or parochial schools (Board of Adjustment); limited home business (Board of Adjustment); supportive housing and multi-family supportive housing; not for profit recreational uses (Board of Adjustment); temporary subdivision sales office; greenhouse, nursery and related sales office (Board of Adjustment), outdoor stadiums and theaters (City Council); telecommunication towers (City Council).

#### R-2: Residential-2 District

All Rural Residential uses with the exception of restricted agriculture, greenhouse/nurseries, cattery, kennels, or riding stables; single-family dwellings (20,000 sq. ft. minimum lot size)- maximum 2 dwelling units per acre; and group housing, condominiums, townhouses, and multi-family as part of a Cluster Unit Development (20 acres minimum size).

#### R-4: Residential-4 District

All Residential-2 uses; single-family dwellings (10,890 sq. ft. minimum lot size) - maximum 4 dwelling units per acre; townhouses, group housing, multi-family, and condominiums as part of a Cluster Unit Development (20 acres minimum size).

#### SP R-6: Special Residential-6 District

All Residential-4 uses; single-family dwellings (7,260 sq. ft. minimum lot size) and duplex dwellings (14,520 sq. ft. minimum lot size)- maximum 6 dwelling units per acre; Cluster Unit Development (10 acres minimum size).

#### R-6: Residential-6 District

All Special Residential-6 uses; single-family dwellings, (7,260 sq. ft. minimum lot size); multi-family dwellings, townhouses, condominiums, or group housing and accessory uses - maximum 6 dwelling units per acre; rest home; life care communities; congregate care living structures; Cluster Unit Development (10 acres minimum size).

#### MH: Manufactured Housing District

All Residential-6 uses - maximum 6 dwelling units per acre; manufactured housing parks including service buildings, recreation buildings and customary accessory buildings; minimum ten (10) acres in size (5,000 sq. ft. minimum plot size), and minimum ten (10) manufactured housing spaces available at first occupancy; manufactured housing subdivision (minimum 10 acres).

#### R-10: Residential-10 District

All Residential-6 uses; single-family dwellings (5,000 sq. ft. minimum lot size), duplex; multi-family dwellings, townhouses, condominiums or group housing - maximum 10 dwelling units per acre; rooming house, boarding house, or tourist home (Board of Adjustment); club for civic purposes (Board of Adjustment).

#### R-15: Residential-15 District

All Residential-10 uses: single-family dwellings (5,000 sq. ft. minimum lot size). duplex dwellings (6,500

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# **Attachment 17 -**

## **Universal Healthcare Properties Bed Need Comparison**

## 2015 Projected Nursing Care Facility Bed Surplus or Deficit (-)

### Wake County Bed Need Comparison

a	b	c	d
Township	UHS-Pruitt (- = deficit)	Universal (- = deficit)	Over-Estimated / Under Estimated Bed Need (- = undestimated)
Bartons Creek	-56	-65	9
Buckhorn	-7	-7	0
Cary	-38	-221	183
Cedar Fork	-74	-88	14
Holly Springs	20	-72	92
House Creek	-62	-263	201
Leesville	-98	-100	2
Little River	36	-42	78
Marks Creek	-56	-53	-3
Meredith	143	-106	249
Middle Creek	-3	-130	127
Neuse	0	-203	203
New Light	-15	-15	0
Panther Branch	-48	-47	-1
Raleigh	-41	-515	474
St. Marys	-100	-214	114
St. Matthews	-17	-188	171
Swift Creek	24	-127	151
Wake Forest	-44	-169	125
White Oak	-40	-145	105

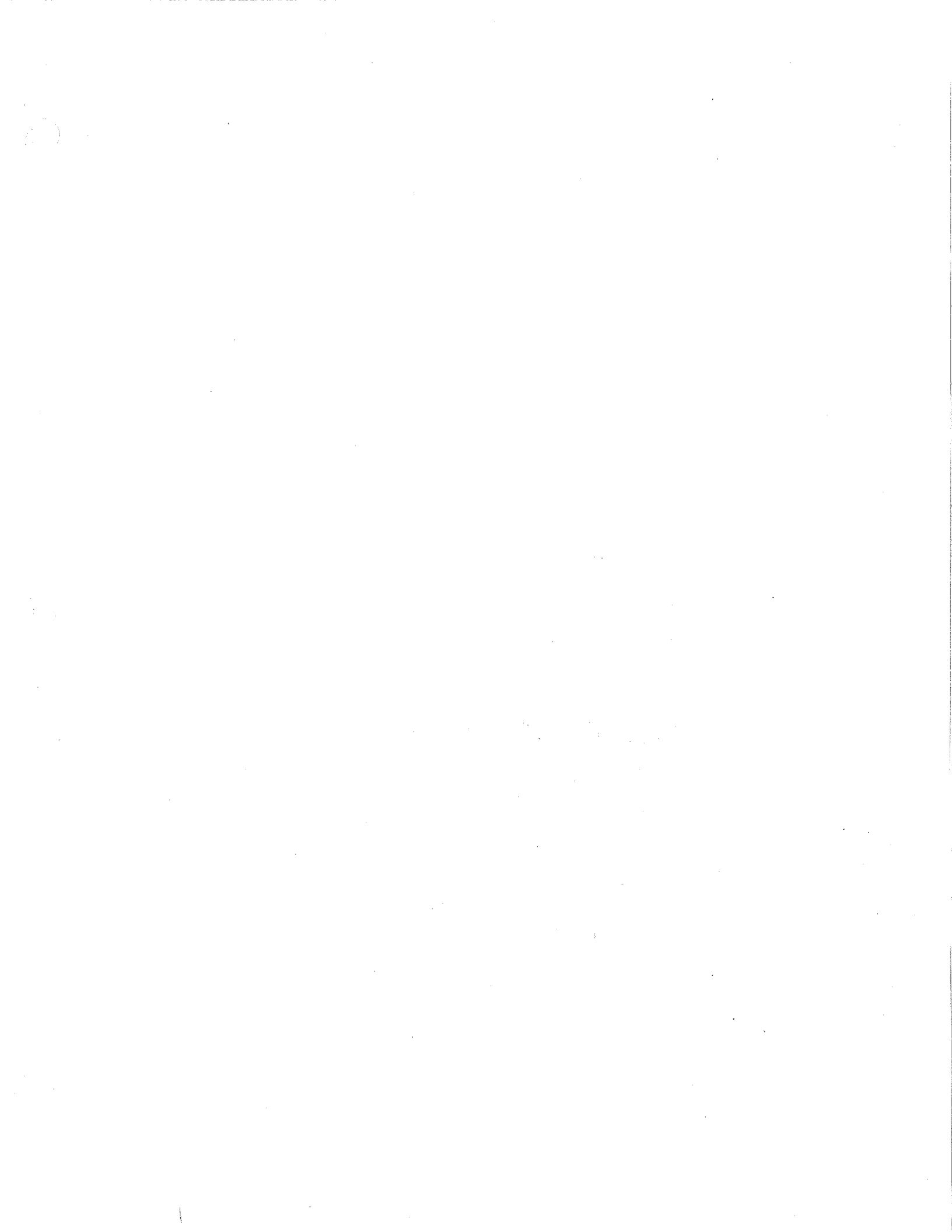
Note: d=b-c

Source:

\*See page 43 of J-8714-11-Universal Healthcare-North Raleigh application

\*See page 48-49 of J-8721-11-Universal Healthcare-Fuquay Varina application

\*See Exhibit 45 in J-8722-11 - UniHealth Post-Acute Care-North Raleigh



# **Attachment 18 -**

## **The Heritage of Raleigh Bed Need Comparison**

## 2014 Projected Nursing Care Facility Bed Surplus or Deficit (-)

### Wake County Bed Need Comparison

a	b	c	d
Township	UHS-Pruitt (- = deficit)	The Heritage of Raleigh (- = deficit)	Over-Estimated / Under Estimated Bed Need (- = undestimated)
Bartons Creek	-53	-53	0
Buckhorn	-6	-6	0
Cary	-29	-58	29
Cedar Fork	-68	-85	17
Holly Springs	23	-67	90
House Creek	-50	-157	107
Leesville	-91	-92	1
Little River	37	37	0
Marks Creek	-54	-55	1
Meredith	146	126	20
Middle Creek	2	-21	23
Neuse	11	9	2
New Light	-15	-15	0
Panther Branch	-46	-46	0
Raleigh	-24	-104	80
St. Marys	-90	-91	1
St. Matthews	-8	81	-89
Swift Creek	32	30	2
Wake Forest	-36	-37	1
White Oak	-31	-37	6

Note: d=b-c

Source:

\*See page 59 of J-8717-11-The Heritage of Raleigh application

\*See Exhibit 45 in J-8722-11 - UniHealth Post-Acute Care-North Raleigh



# **Attachment 19 -**

## **Construction Cost Matrix**



## CONSTRUCTION COST COMPARISON

2011 Wake County Nursing Home Competitive Review

Section XI.10

CON ID	Facility Name	Estimated Square Feet	Total Beds	Table VIII.1, Line 9	Table VIII.1, Line D	Construction Cost per Sg Ft.	Construction Cost per Bed	Total Cost per Sg Ft.	Total Cost per Bed
J-8711-11	Hillcrest-Wake	80,356	120	\$ 11,508,707	\$ 17,916,708	\$ 143	\$ 95,906	\$ 223	\$ 149,306
J-8712-11	Wake County H&R	65,359	120	\$ 7,008,430	\$ 13,650,000	\$ 107	\$ 58,404	\$ 209	\$ 113,750
J-8713-11	Britthaven-Cedar Fork	64,381	120	\$ 6,912,436	\$ 10,699,186	\$ 107	\$ 57,604	\$ 166	\$ 89,160
J-8714-11	Universal-North Raleigh	10,571	132	\$ 1,057,200	\$ 1,490,200	\$ 100	\$ 8,009	\$ 141	\$ 11,289
J-8715-11	Britthaven-St. Mary's	60,876	100	\$ 6,535,584	\$ 9,035,239	\$ 107	\$ 65,356	\$ 148	\$ 90,352
J-8717-11	The Heritage of Raleigh	74,720	90	\$ 16,752,498	\$ 20,961,007	\$ 224	\$ 186,139	\$ 281	\$ 232,900
J-8719-11	UPAC-Raleigh	67,656	170	\$ 1,459,622	\$ 2,173,393	\$ 22	\$ 8,586	\$ 32	\$ 12,785
J-8720-11	UPAC-Cary	53,804	100	\$ 5,987,316	\$ 9,713,726	\$ 110	\$ 59,373	\$ 181	\$ 97,137
J-8722-11	UPAC-North Raleigh	59,814	120	\$ 6,597,828	\$ 10,604,159	\$ 110	\$ 54,982	\$ 177	\$ 88,368
J-8721-11	Universal-Fuquay Varina	26,571	109	\$ 2,657,000	\$ 3,541,100	\$ 100	\$ 24,376	\$ 133	\$ 32,487
J-8723-11	Liberty-St. Mary	84,251	130	\$ 9,554,230	\$ 14,719,180	\$ 113	\$ 73,494	\$ 175	\$ 113,224
J-8726-11	Liberty-Cedar Fork	84,251	130	\$ 9,554,230	\$ 14,719,180	\$ 113	\$ 73,494	\$ 175	\$ 113,224
J-8727-11	Liberty-House Creek	84,251	130	\$ 9,554,230	\$ 14,719,180	\$ 113	\$ 73,494	\$ 175	\$ 113,224
J-8729-11	BellaRose	57,644	100	\$ 5,764,400	\$ 8,534,150	\$ 100	\$ 57,644	\$ 148	\$ 85,342
J-8730-11	Rehab and Nursing-Cary	55,000	120	\$ 7,303,440	\$ 10,933,149	\$ 133	\$ 60,862	\$ 199	\$ 91,110
J-8731-11	Rehab and Nursing-Raleigh	54,700	120	\$ 7,592,940	\$ 11,335,022	\$ 139	\$ 63,275	\$ 207	\$ 94,459



# **Attachment 20 -**

## **CPA Letter**

September 23, 2011

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

**RE: Verification of Owner Financial Status for CON applications J-8723-11, J-8726-11, and J-8727-11**

Dear Mr. Smith,

Thank you in advance for the opportunity to comment and reflect on the letter provided by Liberty Commons Nursing and Rehabilitation Center of West Wake County, LLC and Liberty Healthcare Properties of West Wake County, LLC ('the Applicant'), in CON applications J-8723-11, J-8726-11, and J-8727-11.

It is my belief that the Applicant has not provided sufficient documentation to meet the guidelines presented in Review Criterion (5). Review Criterion (5) clearly states that all applicants must "*demonstrate the availability of funds for capital and operational needs as well as the immediate and long-term financial feasibility of the proposal*". Based on the magnitude of the proposed 130-bed Skilled Nursing Facility and the projected funds required to meet the capital and operational needs immediately and going forward, I cannot discern if the Applicant actually possesses the funds needed for any of the three projects from the verification of owner financial status letter provided with the application. The paragraphs that follow are a summation of how and why the provided letter does not demonstrate the availability of funds for capital and operational needs as well as the immediate and long-term financial feasibility of the proposal.

The applicant has failed to provide sufficient evidence of funds. While there is no reason to doubt the Applicant has capital in excess of \$20 million, one must question why the Applicant does not provide a breakdown of where these funds lie. It is also curious that the CPA uses the phrase "cash, stocks, or short term investments" in his letter. Substitution of the word "or" in place of "and" seems to be intentional; this substitution implies either their funds are not held in all three sources or the bulk is concentrated in one of the three.

If adequate funds are held in cash and/or stocks to cover the projected capital and operational requirements, the Applicant should have mentioned that in the letter. Further, the Applicant should have provided copies of bank statements demonstrating available bank balances and brokerage account balances as of the date shown on their most recent statements.

The Applicant also should have included a list of its "other short-term investments" and the values associated with each. The phrase "short-term investments" is used to describe many types of investments, such as:

- Certificates of Deposit (CDs) from national and local banks and credit unions
- Government Bonds (federal, state and local)
- Equity positions in one or more privately held businesses or even in their own business or businesses.

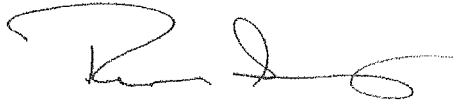
It is important to understand what the short-term investments are for the following reasons:

- CDs usually have early withdrawal penalties when cashed out prior to the listed maturity date. The entity has to be willing to absorb those penalties to meet funding obligations.
- When bonds are cashed out prior to its maturity date, the recipient usually receives an amount which is lower than that shown on the face of the document. This could potentially cause additional bonds to be redeemed to cover the required funds.
- Stocks held in publicly-traded companies can be sold fairly quickly with funds received within a few days of the investor's initial request, but what about the capital gains and losses generated when sold?
  - Has the Applicant taken into consideration the potential capital gains associated with selling large quantities of stock?
  - Because the Applicant is an LLC, have its partners considered how these will flow through to them potentially increasing their own tax obligations when filing their personal tax returns? Is the Applicant willing to increase its partners' tax burdens to fund this new facility?
  - If stocks are sold at a loss, is the Applicant or its partners willing to lose potentially hundreds of thousands of dollars from its initial investment in those stocks with little chance of offsetting its own income with those losses (the Applicant can only offset up to \$3,000 in nonpassive income per year after offsetting their passive income, a hefty price to pay to meet a funding requirement)?
- Equity positions held within private companies (i.e. not stocks from publicly-traded companies) can be difficult to recover. If the company is having cash flow difficulties, they will postpone returning an investor's funds as long as possible and some companies (such as publicly-traded LLCs) can deny a request in certain circumstances or only allow distributions at certain times during the year (e.g. annually, bi-annually or quarterly). Additionally, it can take in excess of 30 – 60 days for the investor to receive their funds after the initial request is made.

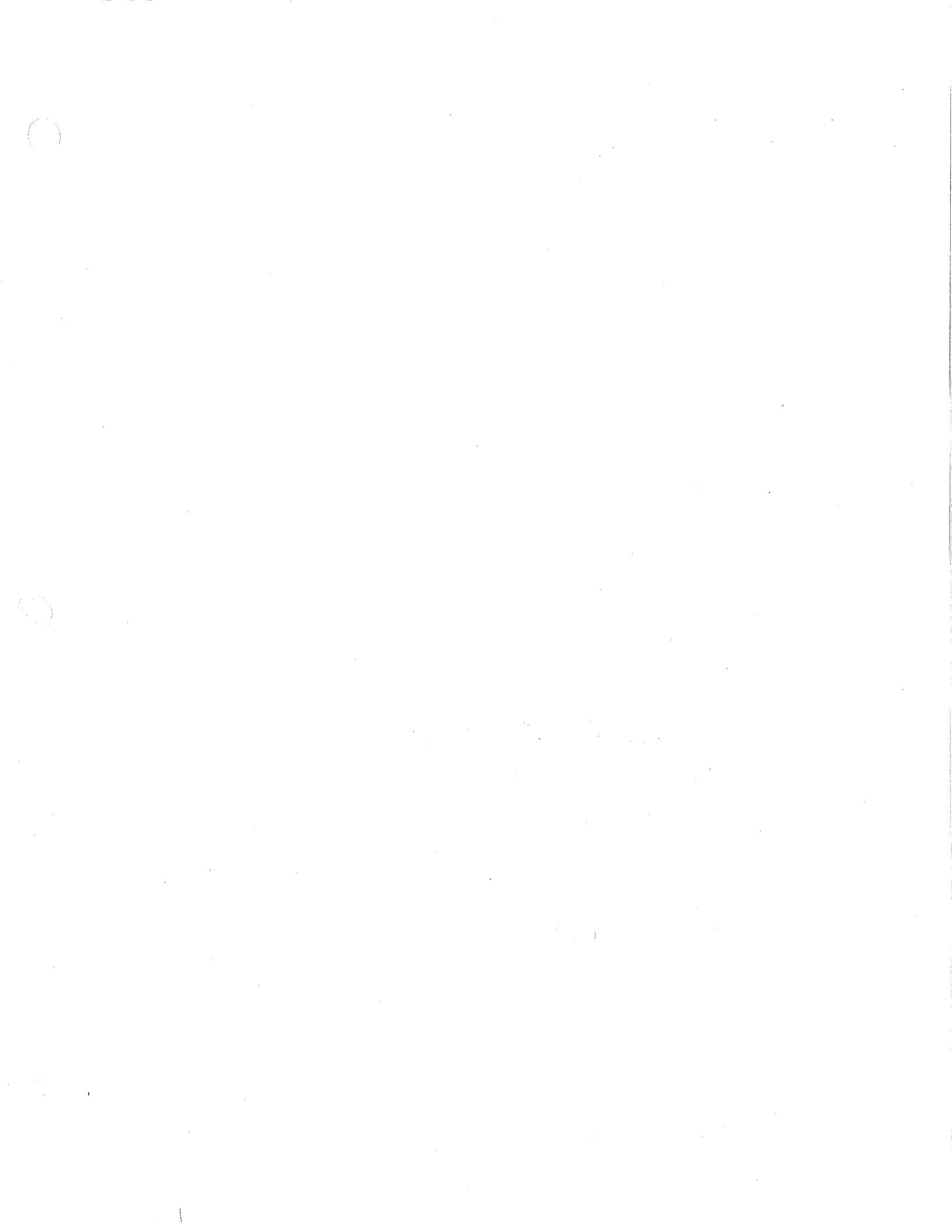
- Equity held within one's own company or companies should never be considered as an acceptable source of funding due to the difficulties involved in freeing up cash to make distributions (assuming the company or companies don't have large cash holdings – if they do, they should have included the bank account balance in the total cash available for funding). Cash put into your own company is used to supplement that entity's cash flow, so the "value" of the equity is reflected in a loan balance, additional paid-in-capital, and/or the year-to-date profit of the company (i.e. Retained Earnings). It is not reflected in a bank account balance – a "cash-rich" company doesn't need investors.

In closing, there are too many unanswered questions which need to be addressed before deciding the Applicant has met the requirements described in Review Criterion (5). Therefore, as a CPA, I do not believe sufficient documentation has been provided by the Applicant to satisfy this requirement.

Sincerely,



Russell G. Seney, CPA  
Senior Tax Analyst  
UHS-Pruitt Corporation

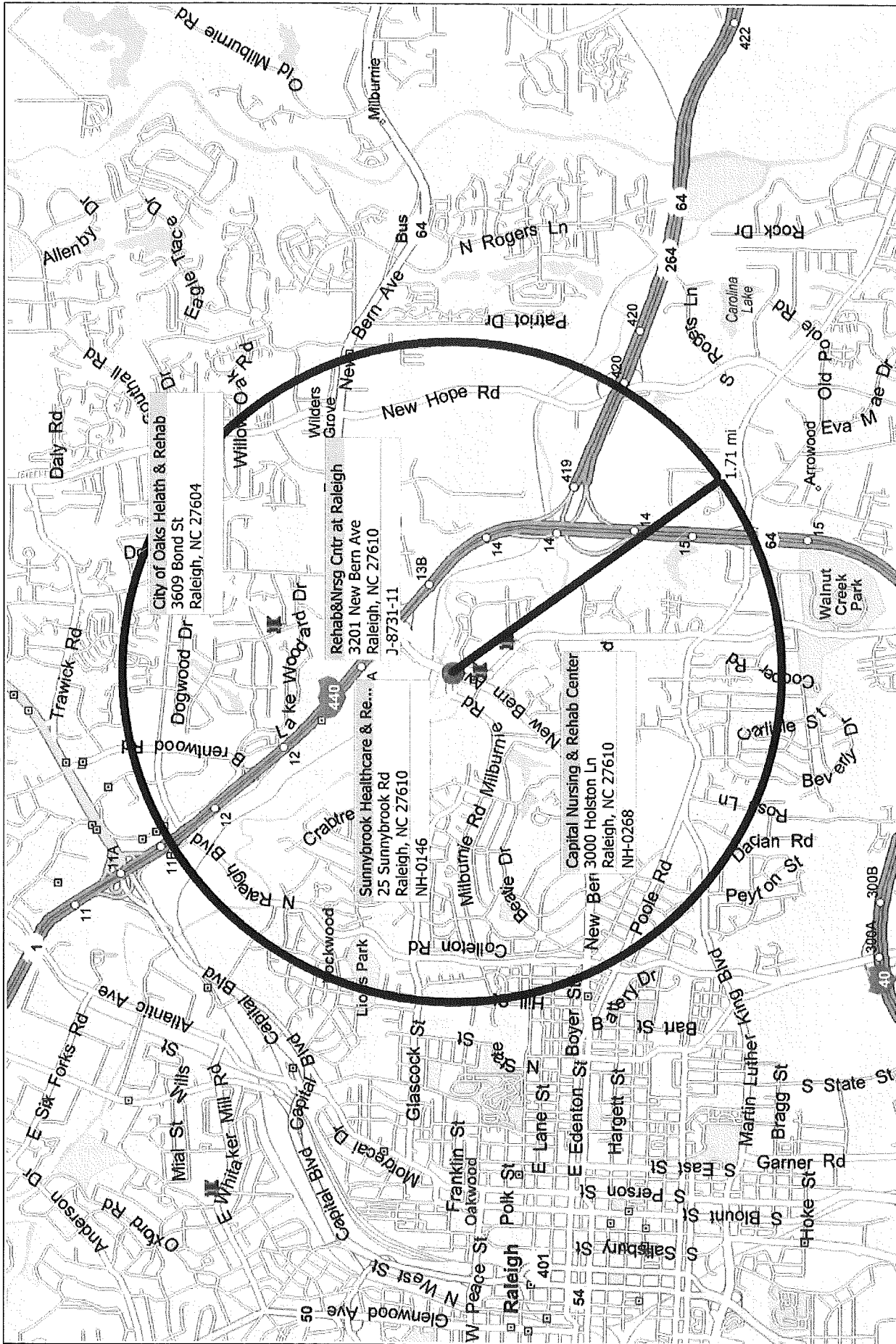


# **Attachment 21 -**

## **Existing Wake County Nursing Facilities**



# Wake County Service Area NH Facilities



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