



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

2704 Mail Service Center • Raleigh, North Carolina 27699-2704  
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
Fax: (919) 733-8139

**RESPONSE REQUIRED**

July 27, 2012

Don Poole  
2501 Blue Ridge Road, Suite 500  
Raleigh, NC 27607

**Conditional Approval**

Project I.D. #: J-8772-12  
Facility: Arbor Ridge at Chatham, LLC  
Project Description: Add 20 adult care home beds to the facility for a total of 60-beds which may include a special care unit of up to 20 beds upon completion of this project and Project I.D. #J-8662-11  
County: Chatham  
FID #: 110283

Dear Mr. Poole:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated thereunder, the State Medical Facilities Plan, and other applicable information. Written notice of all findings and conclusions upon which the decision was based will be provided to the applicants within five business days after the date of the decision in accordance with G.S. 131E-186. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Arbor Ridge at Chatham, LLC shall materially comply with all representations made in their certificate of need application.
2. Arbor Ridge at Chatham, LLC shall add no more than 20 adult care home beds and operate no more than 60 adult care beds and may include a special care unit of up to 20 beds, upon completion of this project and Project I.D. #J-8662-11.



3. For the first two years of operation following completion of the project, Arbor Ridge at Chatham, LLC shall not increase actual private pay charges more than 5% of the projected private pay charges provided in Section X of the application without first obtaining a determination from the Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
4. For the first two federal fiscal years, Arbor Ridge at Chatham, LLC shall accept Medicaid reimbursement shall accept special assistance with basic Medicaid for the special care unit beds commensurate with the conditions outlined above.
5. Arbor Ridge at Chatham, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section, in writing prior to issuance of the certificate of need.

**Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.**

The conditional approval is valid only for a capital expenditure of \$2,202,198. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e). The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, P.O. Drawer 27447, Raleigh, North Carolina 27611-7447 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken  
Department of Health and Human Services,  
Office of Legal Affairs,  
Adams Building – Room 154  
2001 MSC  
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section.

The certificate of need will not be issued before the completion of this 30 day period ending August 27, 2012. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended.

The timetable for this project is as follows:

Permanent Loan Executed _____	September 21, 2012
Final Drawings Submitted to the Construction Section, DHSR _____	October 25, 2012
Site Purchased _____	October 30, 2012
Appropriate Zoning Obtained _____	November 19, 2012
Construction Contract Awarded _____	February 14, 2013
Site Preparation _____	June 15, 2013
Footings/Foundation Poured _____	August 17, 2013
25% Completion of Construction _____	December 21, 2013
50% Completion of Construction _____	May 25, 2014
75% Completion of Construction _____	July 25, 2014
Completion of Construction _____	September 6, 2014
Licensure of Facility _____	November 1, 2014

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact us if any clarification of this decision is required.

Please refer to the Project I.D.# and Facility I.D.# (FID) in all correspondence.

Sincerely,

Fatimah Wilson, Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

FW:CRS:mw

Attachment

cc: Medical Facilities Planning Section, DHSR  
Adult Care Licensure & Certification Section, DHSR  
Medical Facilities Planning, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of conditional approval on the following persons by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelopes addressed as follows:

Don Poole  
2501 Blue Ridge Road, Suite 500  
Raleigh, NC 27607

Project I.D. # J-8772-12

FID # 110283

Charles L. Gross  
260 Village Lake Road  
Siler City, NC 27344

Project I.D. # J-8773-12

FID # 030840

This the 27<sup>th</sup> day of July, 2012.

---

Fatimah Wilson  
Project Analyst