



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

RESPONSE REQUIRED

March 30, 2015

D. Gray Angell, Jr.
142 Bermuda Village Drive
Bermuda Run, NC 27006

Conditional Approval

Project ID #: G-10359-14
Facility: Brookstone Terrace
Project Description: Replace and relocate 18 adult care home beds (13 from The Crest of Clemmons and 5 from Brookstone Terrace) and convert the 18 adult care home beds to special care unit beds
County: Forsyth
FID #: 970694

Dear Mr. Angell:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) 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 there under, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Brookstone of Clemmons, LLC and BYPeterson Properties, LLC d/b/a Brookstone Terrace shall materially comply with all representations made in the certificate of need application.
2. Brookstone of Clemmons, LLC and BYPeterson Properties, LLC d/b/a Brookstone Terrace shall relocate no more than 13 ACH beds from The Crest of Clemmons and five ACH beds from Brookstone Terrace to the proposed addition to Brookstone Terrace, and convert those



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 • Fax 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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18 beds to SCU beds, for a facility total of no more than 53 licensed ACH beds at Brookstone Terrace, which shall include 38 SCU beds.

3. Following certification of the 13 ACH beds at Brookstone Terrace, Brookstone of Clemmons, LLC shall take the necessary steps to de-license 13 ACH beds at The Crest of Clemmons for a total of no more than 83 licensed ACH beds at The Crest of Clemmons.
4. For the first two years of operation following completion of the project, Brookstone of Clemmons, LLC and BYPeterson Properties, LLC d/b/a Brookstone Terrace 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 Agency that the proposed increase is in material compliance with the representations in the certificate of need application.
5. Brookstone of Clemmons, LLC and BYPeterson Properties, LLC d/b/a Brookstone Terrace shall submit all patient charges and patient admissions for each source of patient payment to the Healthcare Planning and Certificate of Need Section at year end for each of the first three operating years following licensure of the beds and the facility.
6. Brookstone of Clemmons, LLC and BYPeterson Properties, LLC d/b/a Brookstone Terrace shall provide care to recipients of State/County Special Assistance with Medicaid consistent with the representations made in Section VI. 2.
7. Brookstone of Clemmons, LLC and BYPeterson Properties, LLC d/b/a Brookstone Terrace shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.

Response to the above conditions should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency 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 \$2,389,882. 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, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 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 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency.

The certificate of need will not be issued before the completion of this 30 day period ending April 29, 2015. 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 Agency because the review period was extended. The timetable for this project is as follows:

Construction loan Executed	_____	May 10, 2015
Final Drawings Approved by the Construction Section, DHSR	_____	October 27, 2015
Construction Contract Awarded	_____	November 10, 2015
25% Completion of Construction	_____	January 16, 2016
75% Completion of Construction	_____	May 30, 2016
Completion of Construction	_____	August 6, 2016
Licensure of Facility	_____	September 15, 2016
Certification of Beds	_____	October 1, 2016

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 this office if any clarification of this decision is required.

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

Sincerely,

Tanya S. Rupp
Project Analyst

Lisa Pittman
Team Leader, Certificate of Need

Attachment

cc: Adult Care Licensure & Certification Section, DHSR
Construction Section, DHSR
Assistant Chief, Healthcare Planning

CERTIFICATE OF SERVICE

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

D. Gray Angell, Jr.
142 Bermuda Village Drive
Bermuda Run, NC 27006

Project ID #: G-10359-14
FID #: 970694

This the 30th day of March, 2015.

Tanya S. Rupp
Project Analyst, Certificate of Need