



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

**RESPONSE REQUIRED**

April 12, 2016

Chuck White  
P.O. Box 2568  
Hickory, NC 28403

**Conditional Approval**

Project ID #: P-11113-15  
Facility: Onslow Assisted Living  
Project Description: Acquire, replace and relocate the existing 40-bed Holly Ridge Assisted Living adult care home facility and change the name to Onslow Assisted Living  
County: Onslow  
FID #: 150505

Dear Mr. White:

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. Onslow Propco Holdings, LLC, Onslow Opco Holdings, LLC and Agemark Acquisition, LLC shall materially comply with all representations made in the certificate of need application and supplemental information received February 29, 2016. In those instances where representations conflict, Onslow Propco Holdings, LLC and Onslow Opco Holdings, LLC shall materially comply with the last made representation.

**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

Telephone 919-855-3873 • Fax 919-715-4413

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

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

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2. Onslow Propco Holdings, LLC, Onslow Opco Holdings, LLC and Agemark Acquisition, LLC shall relocate no more than 40 adult care home beds from Holly Ridge Assisted Living to the proposed Onslow Assisted Living for a facility total of no more than 40 adult care home beds upon project completion.
3. Onslow Propco Holdings, LLC, Onslow Opco Holdings, LLC and Agemark Acquisition, LLC shall provide care to recipients of State/County Special Assistance with Medicaid, commensurate with representations made in the application.
4. For the first two years of operation following completion of the project, Onslow Propco Holdings, LLC, Onslow Opco Holdings, LLC and Agemark Acquisition, 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 Agency that the proposed increase is in material compliance with the representations in the certificate of need application.
5. Onslow Propco Holdings, LLC, Onslow Opco Holdings, LLC and Agemark Acquisition, LLC 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 **\$4,597,800**. 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 **May 12, 2016**. 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:

Final Drawings Approved By the Construction Section, DHSR _____	August 10, 2016
25% Completion of Construction _____	December 30, 2016
50% Completion of Construction _____	April 28, 2017
Completion of Construction _____	August 18, 2017
Licensure of Facility _____	October 1, 2017
Medicare/Medicaid Certification _____	October 1, 2017

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,

Jane Rhoe-Jones, Project Analyst

Fatimah Wilson, Team Leader  
Certificate of Need

Attachment

cc: Adult Care Licensure & Certification Section, DHSR  
Construction Section, DHSR  
Kelli Fisk, Program Assistant, Healthcare Planning, DHSR

**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:

Chuck White  
P.O. Box 2568  
Hickory, NC 28403

Project ID #P-11113-15

FID #150505

This the 12<sup>th</sup> day of April, 2016

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Jane Rhoe-Jones, Project Analyst  
Certificate of Need