



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

**RESPONSE REQUIRED**

May 26, 2017

Frank Peck  
PO Box 21133  
Roanoke, VA 24018

**Conditional Approval**

Project ID #: G-11295-17  
Facility: Autumn Care of Mocksville  
Project Description: Cost overrun on Project I.D. #G-8431-09 (relocate and replace a combination skilled nursing facility with 96 nursing facility beds and 12 adult care home beds)  
County: Davie  
FID #: 090838

Dear Mr. Peck:

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, N.C. Gen. Stat. §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 N.C. Gen. Stat. §131E-187(a). The conditions are as follows:

1. Omega Healthcare Investors, Inc. and Autumn Corporation shall materially comply with all the conditions of approval on the certificate of need for Project I.D. #G-8431-09, certificate of need application for Project I.D. #G-11295-17, and supplemental information received April 28, 2017. In those instances where representations conflict, Omega Healthcare Investors, Inc. and Autumn Corporation shall materially comply with the last made representation.

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**  
WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



2. The total approved capital expenditure for Project I.D. #G-8431-09 and Project I.D. #G-11295-17 combined is \$12,987,199, an increase of \$3,305,299 over the previously approved capital expenditure of \$9,681,900.
3. Prior to the issuance of the certificate of need, Autumn Corporation shall provide written documentation confirming that the revolving line of credit with Wells Fargo Capital Finance shall be used for the capital and working capital needs of the project, if necessary.
4. Omega Healthcare Investors, Inc. and Autumn Corporation shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VI of the application or that would otherwise require a certificate of need.
5. Omega Healthcare Investors, Inc. and Autumn Corporation shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Healthcare Planning and Certificate of Need Section 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 **\$3,305,299**. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by N.C. Gen. Stat. §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 N.C. Gen. Stat. §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).]

N.C. Gen. Stat. §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:

Lisa G. Corbett  
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 **June 26, 2017**. 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:

Funds Available	_____	June 10, 2017
Construction Contract Execute/Contract Award	_____	June 10, 2017
25% Completion of Construction	_____	October 15, 2017
50% Completion of Construction	_____	February 15, 2018
75% Completion of Construction	_____	May 15, 2018
Completion of Construction	_____	September 15, 2018
Occupancy/Offering of Services	_____	October 1, 2018
Licensure	_____	October 1, 2018
Certification	_____	October 1, 2018

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,

Julie Halatek  
Project Analyst

Fatimah Wilson  
Team Leader, Certificate of Need

Attachment

cc: Construction Section, DHSR  
Acute & Home Care Licensure & Certification Section, DHSR  
Paige Bennett, Assistant Chief, 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:

Frank Peck  
PO Box 21133  
Roanoke, VA 24018

This the 26<sup>th</sup> day of May, 2017.

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Julie Halatek  
Project Analyst, Certificate of Need