



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

RESPONSE REQUIRED

March 23, 2018

Brian Hill
101 Baines Court
Cary, NC 27511

Conditional Approval

Project ID #: F-11419-17
Facility: Peak Resources-Cherryville
Project Description: Relocate 20 nursing facility beds from Peak Resources-Gastonia to Peak Resources-Cherryville and construct a 20 bed addition for a total of 74 nursing facility beds and 57 adult care home beds upon project completion
County: Gaston
FID #: 120152

Dear Mr. Hill:

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. Century Care of Cherryville, Inc. dba Peak Resources-Cherryville and Peak Resources Realty-Gaston, LLC shall materially comply with all representations made in the certificate of need application and any supplemental responses. In the event that representations conflict, Century Care of Cherryville, Inc. dba Peak Resources-Cherryville and Peak Resources Realty-Gaston, LLC shall materially comply with the last made representation.
2. Century Care of Cherryville, Inc. dba Peak Resources-Cherryville and Peak Resources Realty-Gaston, LLC shall relocate no more than 20 nursing facility beds from Peak Resources-Gastonia to Peak Resources-Cherryville.

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



3. Upon completion of the project, Peak Resources-Cherryville, shall be licensed for no more than 74 nursing facility beds and 57 adult care home beds
4. For the first two years of operation following completion of the project, Peak Resources-Cherryville shall not increase 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 Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
5. No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Century Care of Cherryville, Inc. dba Peak Resources-Cherryville and Peak Resources-Gaston, LLC shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:
 - a. Payor mix for the services authorized in this certificate of need.
 - b. Utilization of the services authorized in this certificate of need.
 - c. Revenues and operating costs for the services authorized in this certificate of need.
 - d. Average gross revenue per unit of service.
 - e. Average net revenue per unit of service.
 - f. Average operating cost per unit of service.
6. Century Care of Cherryville, Inc. dba Peak Resources-Cherryville and Peak Resources Realty-Gaston, 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 **\$1,299,270**. 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 **April 23, 2018**. 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:

1. 25% of Construction/Renovation Completed (25% of the cost is in place) _____ January 4, 2019
2. 50% of Construction/Renovation Completed _____ March 20, 2019
3. 75% of Construction/Renovation Completed _____ June 19, 2019
4. Construction/Renovation Completed _____ August 1, 2019
5. Equipment Operational _____ September 2, 2019
6. Building/Space Occupied _____ September 15, 2019
7. Licensure Obtained _____ September 15, 2019
8. Services Offered _____ September 15, 2019
9. Medicare and/or Medicaid Certification Obtained _____ October 1, 2019
10. Facility or Service Accredited _____ October 1, 2019
11. Final Annual Report Due _____ January 31, 2023

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,

Gregory F. Yakaboski
Project Analyst

Fatimah Wilson
Team Leader, Certificate of Need

Attachment

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR
Amy Craddock, 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:

Brian Hill
101 Baines Court
Cary, NC 27511

This the 23rd day of March, 2018.

Gregory F. Yakaboski
Project Analyst, Certificate of Need