



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 29, 2018

Jordan Qualls
533 Meadowmont Village Circle
Chapel Hill, NC 27517

Conditional Approval

Project ID #: G-11430-17
Facility: Priddy Manor Assisted Living
Project Description: Acquire and relocate nine adult care home beds from Walnut Cove Health & Rehab to Priddy Manor Assisted Living for a total 79 ACH beds upon project completion
County: Stokes
FID #: 030406

Dear Mr. Qualls:

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

1. Priddy Manor Assisted Living, LLC shall materially comply with all representations made in the certificate of need application and any supplemental responses. In the event that representations conflict, Priddy Manor Assisted Living, LLC 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. Priddy Manor Assisted Living, LLC shall relocate no more than nine adult care home beds from Walnut Cove Health and Rehabilitation Center to Priddy Manor Assisted Living.
3. Upon completion of the project, Priddy Manor Assisted Living shall be licensed for no more than 79 ACH beds which includes 24 existing SCU beds.
4. Priddy Manor Assisted Living, LLC shall provide care to recipients of State/County Special Assistance with Medicaid, commensurate with representations made in the application.
5. Priddy Manor Assisted Living, LLC shall provide written documentation that the proposed health services have been offered to accommodate the clinical needs of health professional training programs in the area.
6. For the first two years of operation following completion of the project, Priddy Manor Assisted Living, LLC shall not increase private pay charges more than 5% of the projected private pay charges provided in Section IX 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.
7. 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, Priddy Manor Assisted Living, 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.
8. Priddy Manor Assisted Living, 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 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 **\$1,953,440**. 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, 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).]

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 MSC
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 30, 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. 50% of Construction/Renovation Completed _____ November 28, 2018
2. Construction/Renovation Completed _____ May 22, 2019
3. Licensure Obtained _____ June 1, 2019
4. Services Offered _____ June 1, 2019
5. Medicare and/or Medicaid Certification Obtained _____ June 1, 2019
6. Final Annual Report Due _____ September 30, 2022

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.

Jordan Qualls
March 29, 2018
Page 4

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: Construction Section, DHSR
Adult Care Licensure 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:

Jordan Qualls
533 Meadowmont Circle
Chapel Hill, NC 27517

This the 29th day of March, 2018.

Jane Rhoe-Jones
Project Analyst, Certificate of Need