



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor  
MANDY COHEN, MD, MPH • Secretary  
MARK PAYNE • Director, Division of Health Service Regulation

**RESPONSE REQUIRED**

October 30, 2018

Mr. Paul Preston  
197 Stadium Oaks Drive  
Clemmons, NC 27012

**Conditional Approval**

Project ID #: F-11539-18  
Facility: Wexford House  
Project Description: Relocate 20 adult care home beds from Cardinal Healthcare and Rehabilitation Center for a total of 80 adult care home beds  
County: Lincoln  
FID #: 980529

Dear Mr. Preston:

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. DePaul Adult Care Communities, Inc. and Community Facilities, Inc. shall materially comply with all representations made in the certificate of need application and any supplemental responses. In the event that representations conflict, DePaul Adult Care Communities, Inc. and Community Facilities, Inc. shall materially comply with the last made representation.**
- 2. DePaul Adult Care Communities, Inc. and Community Facilities, Inc. shall relocate no more than 20 adult care home beds from Cardinal Healthcare and Rehabilitation**

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701  
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

**Center for a total of no more than 80 adult care home beds at Wexford House upon completion of the project.**

- 3. Upon completion of the project, Wexford House shall be licensed for no more than 80 adult care home beds.**
- 4. Upon completion of the project, Cardinal Healthcare and Rehabilitation Center shall take appropriate steps to delicense the 20 adult care home beds being relocated to Wexford House.**
- 5. Wexford House shall provide care to recipients of State/County Special Assistance with Medicaid, commensurate with representations made in the application.**
- 6. For the first two years of operation following completion of the project, DePaul Adult Care Communities, Inc. and Community Facilities, Inc. shall not increase private pay charges more than 5% of the projected private pay charges provided in Section Q 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, DePaul Adult Care Communities, Inc. and Community Facilities, Inc. 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. DePaul Adult Care Communities, Inc. and Community Facilities, Inc. 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 \$1,846.525. 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 November 29, 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:

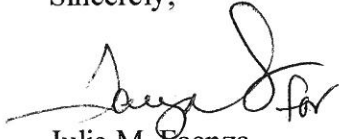
1. Drawings Completed \_\_\_\_\_ March 1, 2019
2. Construction/Renovation Contract(s) Executed \_\_\_\_\_ March 15, 2019
3. 25% of Construction/Renovation Completed  
(25% of the cost is in place) \_\_\_\_\_ June 15, 2019
4. 50% of Construction/Renovation Completed \_\_\_\_\_ July 15, 2019
5. 75% of Construction/Renovation Completed \_\_\_\_\_ August 15, 2019
6. Construction/Renovation Completed \_\_\_\_\_ September 15, 2019
7. Equipment Ordered \_\_\_\_\_ March 15, 2019
8. Equipment Installed \_\_\_\_\_ October 1, 2019
9. Equipment Operational \_\_\_\_\_ October 15, 2019
10. Building/Space Occupied \_\_\_\_\_ January 1, 2020
11. Licensure Obtained \_\_\_\_\_ November 30, 2019
12. Services Offered \_\_\_\_\_ January 1, 2020
13. Medicare and/or Medicaid Certification Obtained \_\_\_\_\_ November 30, 2019
14. Final Annual Report Due \_\_\_\_\_ March 31, 2023

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October 30, 2018  
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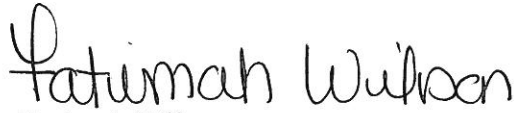
If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the Certificate of Need is issued. Please contact this office if any clarification of this decision is required.

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

Sincerely,



Julie M. Paenza  
Project Analyst



Fatimah Wilson  
Team Leader

Attachment

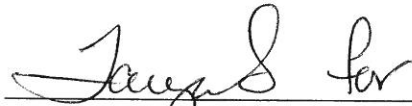
cc: Adult Care Licensure Section, DHR  
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHR  
Construction Section, DHR

**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:

Mr. Paul Preston  
197 Stadium Oaks Drive  
Clemmons, NC 27012

This the 30<sup>th</sup> day of October, 2018.

  
\_\_\_\_\_  
Julie M. Faenza  
Project Analyst, Certificate of Need

