



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

February 26, 2019

Hunter Trefzger
PO Box 2568
Hickory, NC 28603

Conditional Approval

Project ID #: B-11610-18
Facility: The Landings of Hendersonville
Project Description: Acquire and relocate 15 ACH beds from Country Meadows Rest Home and 43 ACH beds from The Gardens of the Blue Ridge, pursuant to Policy LTC-2 in the 2018 SMFP, to create a new facility for a total of 58 ACH beds upon project completion
County: Henderson
FID #: 180506

Approved Capital Expenditure: \$5,345,000
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: March 28, 2019
Required State Agency Findings: Enclosed

Dear Mr. Trefzger:

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 review of the application or applications if the review was competitive, consideration of the Certificate of Need Law and regulations promulgated thereunder, the State Medical Facilities Plan, written comments if any, responses to comments if any, and other publicly applicable information.

The conditional approval is valid only for the approved capital expenditure shown above. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required based on N.C. Gen. Stat. §131E-176(16)(e).

The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Furthermore, 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). **Response to the conditions in Attachment A 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.**

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: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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 approved timetable for this project is found in Attachment B.

The Certificate of Need law provides that any affected person has thirty (30) days after the date of the decision to file a petition for a contested case on this approval. Further, if you are aggrieved by any of the conditions you may file a petition for a contested case hearing in accordance with N.C. Gen. Stat. §150B, Article 3. 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. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to the 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 thirty day appeal period which ends on the date shown above. If a contested case petition is filed with OAH within the thirty day appeal period, the certificate will not be issued until the appeal is resolved.

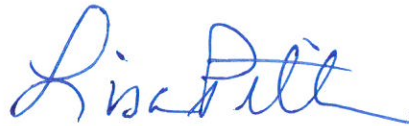
If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact this office if any clarification of this decision is required.

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

Sincerely,



Celia C. Inman
Project Analyst



Lisa Pittman
Assistant Chief

Enclosures:

Attachment A: Conditions of Approval
Attachment B: Approved Timetable
Required State Agency Findings

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

Attachment A
Conditions of Approval

- 1. Henderson Opco, LLC and Henderson Propco, LLC shall materially comply with all representations made in the certificate of need application.**
- 2. Henderson Opco, LLC and Henderson Propco, LLC shall acquire and relocate no more than 15 adult care home (ACH) beds from Country Meadow Rest Home and 43 ACH beds from The Gardens of The Blue Ridge, pursuant to Policy LTC-2 for a total of no more than 58 licensed ACH beds at The Landings of Hendersonville upon completion of this project.**
- 3. Henderson Opco, LLC and Henderson Propco, LLC shall provide care to recipients of State/County Special Assistance with Medicaid, commensurate with representations made in the application.**
- 4. Henderson Opco, LLC and Henderson Propco, LLC shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
- 5. For the first two years of operation following completion of the project, Henderson Opco, LLC and Henderson Propco, LLC 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.**
- 6. 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, Henderson Opco, LLC and Henderson Propco, 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.**
- 7. Henderson Opco, LLC and Henderson Propco, LLC shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.**

**Attachment B
Approved Timetable**

1. **Financing Obtained** _____ **July 1, 2019**
2. **Construction/Renovation Contract(s) Executed** _____ **August 30, 2019**
3. **25% of Construction/Renovation Completed**
(25% of the cost is in place) _____ **November 8, 2019**
4. **50% of Construction/Renovation Completed** _____ **January 17, 2020**
5. **75% of Construction/Renovation Completed** _____ **March 27, 2020**
6. **Construction/Renovation Completed** _____ **May 26, 2020**
7. **Equipment Ordered** _____ **April 26, 2020**
8. **Equipment Installed** _____ **May 11, 2020**
9. **Equipment Operational** _____ **July 20, 2020**
10. **Building/Space Occupied** _____ **August 24, 2020**
11. **Licensure Obtained** _____ **October 1, 2020**
12. **Services Offered** _____ **October 1, 2020**
13. **Medicare and/or Medicaid Certification Obtained** _____ **October 30, 2020**
14. **Final Annual Report Due** _____ **December 30, 2023**

