

NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

**ROY COOPER** • Governor

**KODY H. KINSLEY** • Secretary

**MARK PAYNE** • Director, Division of Health Service Regulation

**RESPONSE REQUIRED**

December 16, 2022

Timothy Walsh  
2334 S. 41 Street  
Wilmington, NC 28403

**Conditional Approval**

Project ID #: B-12247-22  
Facility: Pisgah Manor Health Care Center  
Project Description: Change of scope to Project ID #B-12054-21 (Relocate no more than 11 NF beds from Liberty Commons Nursing & Rehab Center in Alamance County, 14 NF beds from Cross Creek Health Care in Hyde County, and 25 NF beds from Mary Gran Nursing Center in Sampson County for a total of no more than 168 NF beds upon project completion) by instead relocating no more than 3 NF beds from Liberty Commons Nursing & Rehab Center, no more than 22 NF beds from Cross Creek Health Care, and no more than 25 NF beds from Mary Gran Nursing Center  
County: Buncombe  
FID #: 120033

Approved Capital Expenditure: \$0  
Conditions of Approval: See Attachment A  
Approved Timetable: See Attachment B  
Last Date to Appeal: January 17, 2023  
Required State Agency Findings: Enclosed

Dear Mr. Walsh:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. The conditional approval is valid only for the approved capital expenditure shown above. If the capital cost will exceed the approved capital expenditure amount by more than 115%, the applicant must first obtain a new certificate of need.

**Response to the conditions in Attachment A should be attached to an email addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision.** The certificate of need will not be issued if the response to the conditions in Attachment A has not been received by the Agency.

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 applicant shall not begin developing this project until after the certificate of need has been issued and the certificate of need will not be issued until the applicant has documented that all conditions that must be met prior to issuance of the certificate of need have been met.

**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  
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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 G.S.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).

G.S. 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:

Julie Cronin  
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.

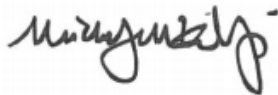
If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the certificate of need is issued. Please contact this office if any clarification of this decision is required.

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

Sincerely,



Julie M. Faenza  
Project Analyst  
[Julie.faenza@dhhs.nc.gov](mailto:Julie.faenza@dhhs.nc.gov)



Michael J. McKillip  
Team Leader  
[Mike.mckillip@dhhs.nc.gov](mailto:Mike.mckillip@dhhs.nc.gov)

Enclosures:

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

cc: Construction Section, DHSR  
Nursing Home Licensure & Certification Section, DHSR



**Attachment A**  
**Conditions of Approval**

- 1. Pisgah Valley Retirement Center Properties, LLC, and Pisgah Valley Retirement Center, LLC (hereinafter certificate holder) shall materially comply with the representations in this application, the representations in Project ID #B-12054-21, and any supplemental responses. Where representations conflict, the certificate holder shall materially comply with the last made representation.**
- 2. In a change of scope to Project ID #B-12054-21, the certificate holder shall relocate a total of no more than 22 nursing home facility beds from Cross Creek Health Center in Hyde County, no more than 25 nursing home facility beds from Mary Gran Nursing Center in Sampson County, and no more than 3 nursing home facility beds from Liberty Commons of Alamance in Alamance County to Pisgah Manor Health Care Center in Buncombe County.**
- 3. Upon completion of this project and Project ID #B-12054-21 (and any additional approved projects involving facilities other than Pisgah Manor Health Care Center), Pisgah Manor Health Care Center shall be licensed for no more than 168 nursing home facility beds, Cross Creek Health Care shall be licensed for no more than 28 nursing home facility beds, Liberty Commons of Alamance shall be licensed for no more than 111 nursing home facility beds, and Mary Gran Nursing Center shall be licensed for no more than 134 nursing home facility beds.**
- 4. For the first two years of operation following completion of the project, the certificate holder 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 made in the certificate of need application.**
- 5. Progress Reports:**
  - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
  - b. The certificate holder shall complete all sections of the Progress Report form.**
  - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
  - d. The first progress report shall be due on June 1, 2023.**

- 6. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, the certificate holder 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. The certificate holder 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.**

**Attachment B  
Approved Timetable**

<b>Milestone</b>		<b>Date</b>
<b>1</b>	Drawings Completed	11/1/2023
<b>2</b>	Construction / Renovation Contract(s) Executed	3/1/2024
<b>3</b>	25% of Construction / Renovation Completed (25% of the cost is in place)	5/1/2024
<b>4</b>	50% of Construction / Renovation Completed	7/1/2024
<b>5</b>	75% of Construction / Renovation Completed	9/1/2024
<b>6</b>	Construction / Renovation Completed	10/1/2024
<b>7</b>	Building / Space Occupied	10/1/2024
<b>8</b>	Licensure Obtained	10/1/2024
<b>9</b>	<b>Services Offered (required)</b>	<b>10/1/2024</b>
<b>10</b>	Medicare and / or Medicaid Certification Obtained	12/1/2024
<b>11</b>	First Annual Report Due	1/1/2026