

## REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: June 30, 2022

Findings Date: June 30, 2022

Project Analyst: Gregory F. Yakaboski

Co-Signer: Micheala L. Mitchell

Project ID #: P-12179-22

Facility: Liberty Commons of Carteret County

FID #: 220157

County: Carteret

Applicants: Liberty Healthcare Properties of Carteret County, LLC

Liberty Commons Nursing and Rehabilitation Center of Carteret County, LLC

Project: Develop a new facility by relocating no more than 122 NF beds from Harborview Health Care Center for a total of no more than 122 NF beds

### REVIEW CRITERIA

G.S. 131E-183(a): The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

C

Liberty Healthcare Properties of Carteret County, LLC and Liberty Commons Nursing and Rehabilitation Center of Carteret County, LLC (hereinafter referred to as "Liberty" or "the applicant") propose to relocate all 122 existing nursing facility (NF) beds from Harborview Health Care Center (Harborview) located at 812 Shepard Street, Morehead City in Carteret County to a new replacement facility within Carteret County, Liberty Commons of Carteret County (Liberty Commons- Carteret), to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons- Carteret will be licensed for 122 NF beds.

## **Need Determination**

The proposed project does not involve the addition of any new health service facility beds, services, or equipment for which there is a need determination in the 2022 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

## **Policies**

There are two policies in the 2022 SMFP which are applicable to this review: *Policy NH-8: Innovations in Nursing Home Facility Design* and *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

**Policy NH-8: Innovations in Nursing Home Facility Design**, on page 25 of the 2022 SMFP, states:

*“Certificate of need applicants proposing new nursing home facilities and replacement nursing home facilities shall pursue innovative approaches in environmental design that address quality of care and quality of life needs of the residents. These plans could include innovative design elements that encourage less institutional, more home-like settings, privacy, autonomy and resident choice, among others.”*

In Section B, pages 25-26, and Exhibit K.1, the applicant describes the innovative approaches in environmental design that it plans to incorporate into the proposed project.

**Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities**, on pages 30-31 of the 2022 SMFP, states:

*“Any person proposing a capital expenditure greater than \$4 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.*

*In approving a certificate of need proposing an expenditure greater than \$5 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178, Certificate of Need shall impose a condition requiring the applicant to 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. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN 4.*

*Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 is required to submit a plan for energy efficiency and water conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant’s representation in the written statement as described in*

*paragraph one of Policy-GEN 4. The plan shall not adversely affect patient or resident health, safety, or infection control.”*

The capital expenditure of the project is over \$4 million dollars. In Section B, pages 26-27, the applicant describes its plan to assure improved energy efficiency and water conservation.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop any beds, services, or equipment for which there is a need determination in the 2022 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with Policy NH-8 and Policy GEN-4 based on the following:
  - The applicant adequately demonstrates that the proposal is consistent with Policy NH-8 because they adequately document the innovative approaches in environmental design to address quality of care and quality of life needs of the residents.
  - The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

(2) Repealed effective July 1, 1987.

(3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

### **C**

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

**Patient Origin**

On page 145, the 2022 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” The applicant proposes relocating NF beds within Carteret County from Harborview Health Care Center to Liberty Commons-Carteret. Thus, the service area for this facility is Carteret County. Facilities may also serve residents of counties not included in their service area.

Liberty Commons-Carteret is not an existing facility. The following table illustrates projected patient origin.

County	Liberty Commons-Carteret Projected Patient Origin					
	1 <sup>st</sup> Full FY 10/01/2027 to 9/30/2028 (FY 2028)		2 <sup>nd</sup> Full FY 10/01/2028 to 9/30/2029 (FY 2029)		3 <sup>rd</sup> Full FY 10/01/2029 to 9/30/2030 (FY 2030)	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Carteret	142	90%	284	90%	284	90%
Craven	9	6%	18	6%	18	6%
Onslow	7	4%	13	4%	13	4%
<b>Total</b>	<b>158</b>	<b>100%</b>	<b>315</b>	<b>100%</b>	<b>315</b>	<b>100%</b>

Source: Section C, page 31.

In Section C, pages 31-32, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant refers to “*NF patient County of residence at admission*” data from the North Carolina DHHS website to project patient origin.
- The applicant utilized existing patient origin data from existing nursing home facilities within Carteret County.
- The applicant assumes that the facility will serve a greater portion of Carteret County residents than the current average based on its projected need in Carteret County.
- The applicant’s projected patient origin was also based on Liberty’s experience in providing management and support to 37 nursing home facilities in North Carolina.

**Analysis of Need**

In Section C, pages 33-37, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

- Carteret County’s Growing Senior Population- The applicant cites data from *Clarita’s [sic] Spotlight by Environics Analytics* to demonstrate the growing senior population in Carteret County. According to the data, the 65+ population in Carteret County grew 48.69% from 2010 to 2022 and is projected to grow an additional 11.93% by 2027. The 65+ age cohort

tend to utilize nursing facility services more than younger age cohorts, therefore, demonstrating the growing need for the proposed NF beds.

- Increased Life Expectancy- The applicant cites data demonstrating life expectancy in every age group in Carteret County has increased from 1990 to 2019. The senior population has the greatest need for long-term care services. Increased life expectancy increases the likelihood of greater need of nursing services.
- Certified Retirement Community/Local Support- The applicant cites local support for the proposed project and the fact that Carteret County is ranked as one of the top ten retirement hot spots in the United States. Furthermore, Carteret County is the only oceanfront county in North Carolina designated as a “*Certified Retirement Community*” by the State of North Carolina.
- High SNF Operational Occupancy in Carteret County- The applicant cites an operational occupancy rate for NF beds in Carteret County of 89.60% based on the 2021 LRA’s for the nursing home facilities located in Carteret County.
- Carteret County Residents Currently Traveling Outside County for SNF Access- Based on the data from the NC DHHS website, over 30% of Carteret County residents are traveling “out of county” to receive care in a NF bed.

The information is reasonable and adequately supported based on the following:

- The applicant provided documentation supporting population growth in the 65+ population cohort and the increased need of this population cohort for skilled nursing care in a NF bed setting.
- The applicant relied on historical data from the LRA’s for the nursing home facilities in Carteret County regarding operational occupancy rates.
- The applicant relied on data from the NC DHHS website with respect to NF bed patient origin in determining that over 30% of Carteret County patient needing NF bed services are currently going “*out of county.*” In addition, the applicant included a letter from a member of the Carteret County Nursing Home Advisory Committee that “*Many of our county residents have to go out of the county for rehab and skilled nursing care.*”

### Projected Utilization

In Section Q, page 86, the applicant provides projected utilization, as illustrated in the following table.

**Liberty Commons of Carteret County- Projected Utilization**

	<b>OY1 FFY 2028</b>	<b>OY2 FFY2029</b>	<b>OY3 FFY 2030</b>
# of Patient Days	20,469	40,892	40,892
Total # of Beds	122	122	122
# of Admissions	158	315	315
Average Length of Stay	129.55	129.82	129.82
Occupancy Rate	46.0%	91.8%	91.8%

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The applicant utilized a net average fill-up rate of eight patients per month (2 per week) during the fill up period. In October 2028 the applicant projects a stabilized occupancy of 91% for the facility.
- The applicant used its experience at Summerstone Health & Rehabilitation Center (Forsyth County), also a stand-alone nursing home facility, as a basis to support the reasonableness of its projected utilization for the proposed project. The applicant states Summerstone Health & Rehabilitation Center was licensed for 100 NF beds when it opened and feels that the actual utilization “fill-up” at Summerstone over the first two project years is a fair comparison
- The applicant’s projected utilization is based on its experience with owning or operating 37 facilities in North Carolina.
- The applicant considered the current and projected population and demographic data for Carteret County in projecting utilization.

Projected utilization is reasonable and adequately supported based on the following:

- The applicant relied on its experience in owning and operating existing 37 NF facilities in North Carolina to project utilization.
- The applicant relied on the actual “fill-up” data from a similar project, Summerstone Health & Rehabilitation Center but used a more conservative approach by not factoring in “wait list” patients who move in immediately upon project completion.
- The applicant accounted for the need for operational NF beds in Carteret County to project utilization based on the following factors:
  - Carteret County’s Growing Senior Population
  - Increased Life Expectancy
  - Certified Retirement Community/Local Support
  - High SNF Operational Occupancy in Carteret County
  - Carteret County Residents Currently Traveling Outside County for SNF Access

**Access to Medically Underserved Groups**

In Section C, page 41, the applicant states:

*“Services provided will be non-restrictive with respect to social, racial, ethnic, or gender related issues and will be provide on a first come, first served basis. It will be the policy Liberty commons to admit anyone over the age of 18 who qualifies for and is need of care...Therefore, medically underserved groups will have access to the service components proposed.”*

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

<b>Medically Underserved Groups</b>	<b>Percentage of Total Patients</b>
Low income persons	55.0%
Racial and ethnic minorities*	na
Women	65.0%
Persons with Disabilities*	na
Persons 65 and older	85.0%
Medicare beneficiaries	19.0%
Medicaid recipients	55.0%

Source: Section C, pages 41-42

\*Liberty does not have these statistics.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the applicant’s policy.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [with disabilities], and other underserved groups and the elderly to obtain needed health care.

**C**

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

In Section D, the applicant explains why it believes the needs of the population presently utilizing the services to be relocated will be adequately met following completion of the project. On page 45, the applicant states:

*“The Applicants propose to develop Liberty Commons by relocating 122 existing nursing facility (NF) beds from Harborview to the newly proposed Liberty Commons. Harborview has been closed to admissions due to extensive damage from Hurricane Florence in 2018. The beds are not currently in use. Thus, there are no patients currently using the facility. ... therefore, there is no need for a plan to address the needs of existing facility residents.”*

The information is reasonable and adequately supported based on the following:

- The 2022 SMFP, Table 10A, pages 151 and 167, identifies Harborview Health Care Center as a nursing home facility whose beds are licensed and counted in the planning inventory, but whose occupancy is reported as 0 due to renovation, replacement, and/or a decision not to delicense beds.

**Projected Utilization**

In Section C and in Section Q, the applicant provides projected patient origin and projected utilization of the 122 NF beds, as illustrated in the following tables:

County	Liberty Commons-Carteret Projected Patient Origin					
	1 <sup>st</sup> Full FY 10/01/2027 to 9/30/2028 (FY 2028)		2 <sup>nd</sup> Full FY 10/01/2028 to 9/30/2029 (FY 2029)		3 <sup>rd</sup> Full FY 10/01/2029 to 9/30/2030 (FY 2030)	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Carteret	142	90%	284	90%	284	90%
Craven	9	6%	18	6%	18	6%
Onslow	7	4%	13	4%	13	4%
<b>Total</b>	<b>158</b>	<b>100%</b>	<b>315</b>	<b>100%</b>	<b>315</b>	<b>100%</b>

Source: Section C, page 31.



**Liberty Commons-Carteret: Projected Utilization**

	<b>OY1 FFY 2028</b>	<b>OY2 FFY2029</b>	<b>OY3 FFY 2030</b>
# of Patient Days	20,469	40,892	40,892
Total # of Beds	122	122	122
# of Admissions	158	315	315
Average Length of Stay	129.55	129.82	129.82
Occupancy Rate	46.0%	91.8%	91.8%

Source: Section Q, page 86.

**Access to Medically Underserved Groups**

In Section D, page 45, the applicant states:

*“The current proposal will allow access for its services to all persons, without discrimination due to race, color, religion, sex, age, marital status, national origin, sexual orientation, ancestry or disability, or any other fact that would classify a resident as underserved.”*

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use NF bed services will be adequately met following completion of the project for the following reasons:

- The 122 NF beds are not currently in service and thus are not meeting the needs of any medically underserved groups.
- The applicant proposes to bring the 122 NF beds back in service and make them available to meet the needs of any and all medically underserved groups.
- The applicant proposes to relocate the 122 NF to a new facility within Carteret County in located only approximately 17 miles away, along a major traffic corridor, from the facility where they are currently licensed.

The information is reasonable and adequately supported.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the needs of the population currently using the services to be relocated will be adequately met following project completion for all the reasons described above.
  - The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services following project completion for all the reasons described above.
- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

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The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

In Section E, pages 49-50, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- **Maintain the Status Quo-** The 122 NF beds are currently licensed to Harborview, which has been closed since 2018 and thus does not currently serve any residents. The applicant states maintaining the status quo will leave the NF beds proposed to be relocated empty and underutilized. Therefore, the applicant determined that this was not the most effective alternative.
- **Purchase and Renovate the Harborview facility-** The applicant states that Harborview's building was damaged by both Hurricane Florence (2018) and Hurricane Dorian (2019). During negotiations for the 122 NF beds acquisition of the building was not discussed. In addition, the applicant wants to develop the replacement facility along Highway 24, a major road running from Morehead City towards Swansboro and Onslow County. Purchasing and renovating the Harborview facility would not permit development on Highway 24. Therefore, the applicant determined that this was not the most effective alternative.
- **Develop the 122 NF Beds in another County-** To relocate NF beds to another County there would need to be a surplus [sic- should read "deficit"] in that County and in Table 10C of the 2022 SMFP there are no counties in North Carolina showing a deficit of NF beds. Therefore, the applicant determined that this was not the most effective alternative.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.

- The application is conforming to all other statutory and regulatory review criteria. Therefore, the application can be approved.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. Liberty Healthcare Properties of Carteret County, LLC and Liberty Commons Nursing and Rehabilitation Center of Carteret County, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop a new facility by relocating no more than 122 NF beds from Harborview Health Care Center for a total of no more than 122 NF beds.**
- 3. Upon completion of the project Liberty Commons of Carteret County shall be licensed for no more than 122 nursing facility beds.**
- 4. Upon completion of this project the certificate holder shall take the necessary steps to delicense 122 nursing home facility beds from Harborview Health Care Center (Carteret County).**
- 5. 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 in the certificate of need application.**
- 6. Prior to the issuance of the certificate of need, Liberty Healthcare Properties of Carteret County, LLC and Liberty Commons Nursing and Rehabilitation Center of Carteret County, LLC shall obtain documentation from Senior Care Properties, Inc. showing that the purchase transaction between the buyer and seller has completed and shall provide a copy of the documentation to the Healthcare Planning and Certificate of Need Section.**
- 7. The certificate holder 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.**

- 8. 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 January 1, 2023.**
  - 9. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
  - 10. 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.**
  - 11. 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.**
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

**C**

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in

Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

**Capital and Working Capital Costs**

In Section Q, Form F.1a, page 88, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$2,803,999
Construction Costs	\$16,792,000
Miscellaneous Costs	\$3,549,200
<b>Total</b>	<b>\$23,145,199</b>

In Section Q, pages 88-89, and Exhibit K, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant projects the cost of land at \$90,000 per acre based on both market research and current land negotiations.
- The applicant projects the cost of furniture to be \$10,000 per bed based on prior development experience.
- The applicant projects construction cost for the proposed 83,960 square foot building based on a cost of \$200 per square foot plus a 10% contingency. See Exhibit K (Architect Cost Verifications).
- The applicant estimates engineering and architectural fees based on cost verifications documented in Exhibit K (Architect Cost Verifications).

In Section F.3, page 53, the applicant projects that start-up costs will be \$248,677 and initial operating expenses will be \$1,705,117 for a total working capital of \$1,953,794. On page 53, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the following:

- The applicant’s projections are based on Liberty’s extensive experience in building, operating, and managing facilities in North Carolina including thirty-seven nursing homes and eight assisted living facilities.

**Availability of Funds**

In Section F.2, page 51, the applicant states that the capital cost will be funded, as shown in the table below.

**Sources of Capital Cost Financing**

Type	Liberty Healthcare Properties of Carteret County, LLC	Total
Loans	\$	\$
Cash and Cash Equivalents, Accumulated reserves or OE *	\$23,145,199	\$23,145,199
Bonds	\$	\$
Other (Specify)	\$	\$
<b>Total Financing</b>	<b>\$23,145,199</b>	<b>\$23,145,199</b>

\* OE = Owner's Equity

In Section F.3, page 54, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$1,953,794
Lines of credit	\$
Bonds	\$
<b>Total *</b>	<b>\$1,953,794</b>

Exhibit F.2 contains a letter from the Chief Financial Officer of Liberty Healthcare Management, Inc. attesting that Liberty has in excess of \$440,000,000 in total cash and assets to fund any capital expenditures associated with the project.

Exhibit F.2 also contains a letter dated February 4, 2022, which is signed by John A. McNeill, Jr., and Ronald B. McNeill. The letter states, in part:

*“We have both agreed and are both committed to personally funding the Proposed Project, the construction and operation of the proposed addition, including any working capital, start-up and capital expenditures associated with the project. We personally have sufficient funds to provide for the required equity and start up operating capital for the development of the proposed project if it is approved.”*

The applicant provided a letter from the CPA of John A. McNeill, Jr. and Ronald B. McNeill, which states:

*“I am aware of the McNeill’s [sic] financial status, including current liabilities and debt obligations and I will attest that John A. McNeill Jr. and Ronald B. McNeill each have in excess of \$15,000,000 in cash, stocks, or short term investments in order to fund any construction and operation of the proposed relocation, including any working capital, start-up and capital expenditures associated with the project.”*

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project based on the following:

- The applicant provides documentation of the commitment to use the necessary funding toward development of the proposed project.
- The applicant provides documentation of the availability of sufficient financial resources to fund the proposed changes to capital and working capital costs.

**Financial Feasibility**

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

<b>Liberty Commons of Carteret County</b>			
	<b>1<sup>st</sup> Full Fiscal Year (10/1/27-9/30/28)</b>	<b>2<sup>nd</sup> Full Fiscal Year (10/1/28-9/30/29)</b>	<b>3<sup>rd</sup> Full Fiscal Year (10/1/29-9/30/30)</b>
Total Patient Days	20,469	40,892	40,892
Total Gross Revenues (Charges)	\$6,760,179	\$13,732,337	\$13,970,286
Total Net Revenue	\$6,032,786	\$12,276,921	\$12,512,490
Average Net Revenue per Patient Days	\$295	\$300	\$306
Total Operating Expenses (Costs)	\$6,813,377	\$11,022,470	\$11,227,531
Average Operating Expense per Patient Days	\$333	\$270	\$275
Net Income	<\$780,591>	\$1,254,451	\$1,284,959

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant accounts for projected operating expenses and income, such as salaries and charges, consistent with projections elsewhere in the application.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
  - The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
  - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

**C**

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

On page 145, the 2022 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” The applicant proposes relocating NF beds within Carteret County from Harborview Health Care Center to Liberty Commons-Carteret. Thus, the service area for this facility is Carteret County. Facilities may also serve residents of counties not included in their service area.

Table 10A on page 151 of the 2022 SMFP shows a total of 424 existing and approved NF beds in Carteret County. The table below summarizes the existing and approved NFs and beds as shown in the 2022 SMFP.

<b>Carteret County Inventory of Existing/Approved NF Beds</b>				
<b>Facility</b>	<b>Total Licensed Beds</b>	<b>CON Bed Transfer</b>	<b>Total Available Beds</b>	<b>Total Planning Inventory</b>
Croatan Ridge Nursing and Rehabilitation Center	64	0	64	64
Crystal Bluffs Rehabilitation and Health Care Center	92	0	92	92
Harborview Health Care Center*	122	0	122	122
PruittHealth-Sea Level (Former Facility)	104	-104	0	0
PruittHealth-Sea Level (Replacement facility)	0	104	104	104
Snug Harbor on Nelson Bay (former facility)	42	-42	0	0
The Embassy at Morehead City (Replacement facility)	0	42	42	42
<b>Total</b>	<b>424</b>	<b>0</b>	<b>424</b>	<b>424</b>

\*Facility whose beds are licensed, but whose occupancy is reported as 0 due to renovation, replacement, and/or a decision not to delicense beds. These beds are counted in the planning inventory.



In Section G, page 60, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved NF bed services in Carteret County. The applicant states:

*“The Applicants propose to relocate already existing SNF beds in the SMFP inventory that are currently not being utilized and maximize their utilization. Therefore, no new beds will be added [sic] the skilled nursing bed inventory in the SMFP, and the current surplus of beds in Carteret County will not increase.”*

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- The proposal would not result in an increase in NF beds in Carteret County.
- The 122 NF beds are licensed and currently part of the NF bed inventory for Carteret County in the 2022 SMFP, but not currently in use.
- The applicant adequately demonstrates that the proposed relocation and replacement of the NF beds is needed in addition to the existing or approved NF beds in Carteret County.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

## **C**

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

In Form H, page 96, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Projected FTE Staff		
	1 <sup>st</sup> FFY FY 2027	2 <sup>nd</sup> FFY FY 2028	3 <sup>rd</sup> FFY FY 2029
Nurse Secretary	1.0	2.0	2.0
Registered Nurses	4.2	7.0	7.0
Licensed Practical Nurses	11.2	15.4	15.4
Certified Nurse Aides/Nursing Assistants	26.6	35.0	35.0
Director of Nursing	1.0	1.0	1.0
MDS Nurse	1.0	1.0	1.0
Staff Development Coordinator	0.4	1.0	1.0
Physical Therapists	1.0	2.0	2.0
Physical Therapy Assistant	1.6	2.0	2.0
Physical Therapy Technician	1.0	1.0	1.0
Speech Therapists	0.5	1.0	1.0
Occupational Therapists	1.0	1.0	1.0
Occupational Therapists Aides	1.6	3.0	3.0
Social Workers	1.0	2.0	2.0
Activities Director	1.0	1.0	1.0
Activities Assistant	0.0	1.0	1.0
Medical Records	1.0	2.0	2.0
Laundry & Linen	2.8	4.2	4.2
Housekeeping/Laundry Director	1.0	1.0	1.0
Housekeeping	5.2	7.6	7.6
Maintenance/Engineering	2.0	2.0	2.0
Administrator/CEO	1.0	1.0	1.0
Business Office	1.0	1.0	1.0
Clerical	1.0	1.0	1.0
Transportation	1.0	1.0	1.0
Other (Marketing)	1.0	1.0	1.0
<b>TOTAL</b>	<b>71.0</b>	<b>98.0</b>	<b>98.0</b>

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 61-62, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the applicant’s extensive experience in operating nursing home facilities throughout the state of North Carolina and its existing recruitment and training programs.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

### **C**

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

### **Ancillary and Support Services**

In Section I, page 63, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 63-64, the applicant explains how each ancillary and support service is or will be made available.

### **Coordination**

In Section I, page 64, the applicant describes its efforts to develop relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant and its affiliates are a post-acute healthcare company that has an established presence in the service area.
- The applicant provides letters from local health care providers stating their support for the project and their intentions on referring patients to the proposed facility.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
  - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
  - (iii) would cost no more than if the services were provided by the HMO; and
  - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by

other persons, and that applicable energy saving features have been incorporated into the construction plans.

## C

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

In Section K, page 67, the applicant states that the project involves constructing 83,960 square feet of new space. Line drawings are provided in Exhibit K.1.

On pages 69-70, the applicant identifies the proposed site and provides information about the current owner, zoning and special use permits for the site, and the availability of water, sewer and waste disposal and power at the site. Supporting documentation is provided in Exhibit K.4. The site appears to be suitable for the proposed nursing home facility based on the applicant's representations and supporting documentation.

On pages 67-68, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The proposed project will incorporate many of the same features that are the most cost-effective with respect to both design and means of construction based on the applicant's experience in developing and operating long-term care facilities.
- The applicant chose the design because it will produce a high-quality facility with a residential exterior and interior appearance while still being cost-conscious and operationally efficient.

On page 68, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant has utilized the current rates available to project rates which results not unduly increasing the costs and charges to the public.
- The construction costs are justified based on the architect's costs estimates in Exhibit K.3.
- Further, the current location of the beds, Harborview, is permanently closed, so the proposed project allows the applicant to utilize the beds.

On pages 68-69 the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

## **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

(13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

- (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

**NA**

Liberty Commons-Carteret is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and persons with disabilities to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

**NA**

Liberty Commons-Carteret is not an existing facility. Therefore, Criterion (13b) is not applicable to this review.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

**C**

In Section L, page 74, the applicant projects the following payor mix for the proposed services during the third full fiscal year (10/1/29 to 9/30/30) of operation following completion of the project, as shown in the table below.

Payor Category	Percent of Total Patients Served
Self-Pay	26.0%
Medicare	19.0%
Medicaid	55.0%
<b>Total</b>	<b>100.0%</b>

Source: Table on page 74 of the application.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 26.0% of total services will be provided to self-pay patients, 19.0% to Medicare patients and 55.0% to Medicaid patients.

On page 74, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The applicant utilized the historical data from the 2021 License Renewal Applications (LRA's) for the three operating nursing facilities in Carteret County.
- The applicant, based on its experience with brand new, state-of-the art facilities, anticipates more private payors and Medicare patients will utilize the facility and adjusted their projections.

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reasons stated above.

- (d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

### C

In Section L, page 76, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application

- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

### C

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

In Section M.1, page 77, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- Liberty operates over 37 nursing facilities in North Carolina and has established relationships with health professional training programs. The applicant states “...*in practice, every individual location establishes and maintains a relationship with local training programs and routinely serves as a clinical training site whenever necessary.*”
- In Exhibit M.1, the applicant provides a letter from Carteret Community College expressing their willingness to establish a clinical training agreement.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (15) Repealed effective July 1, 1987.  
(16) Repealed effective July 1, 1987.  
(17) Repealed effective July 1, 1987.  
(18) Repealed effective July 1, 1987.



- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

**C**

The applicant proposes to relocate all 122 existing NF beds from Harborview Health Care Center located at 812 Shepard Street in Morehead City, to a new replacement facility within Carteret County, Liberty Commons-Carteret, to be located at 156 Bogue Loop Road in Newport. Upon project completion Liberty Commons-Carteret will be licensed for 122 NF beds.

On page 145, the 2022 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” The applicant proposes relocating NF beds within Carteret County from Harborview Health Care Center to Liberty Commons-Carteret. Thus, the service area for this facility is Carteret County. Facilities may also serve residents of counties not included in their service area.

Table 10A on page 151 of the 2022 SMFP shows a total of 424 existing and approved NF beds in Carteret County. The table below summarizes the existing and approved NFs and beds as shown in the 2022 SMFP.

<b>Carteret County Inventory of Existing/Approved NF Beds</b>				
<b>Facility</b>	<b>Total Licensed Beds</b>	<b>CON Bed Transfer</b>	<b>Total Available Beds</b>	<b>Total Planning Inventory</b>
Croatan Ridge Nursing and Rehabilitation Center	64	0	64	64
Crystal Bluffs Rehabilitation and Health Care Center	92	0	92	92
Harborview Health Care Center*	122	0	122	122
PruittHealth-Sea Level (Former Facility)	104	-104	0	0
PruittHealth-Sea Level (Replacement facility)	0	104	104	104
Snug Harbor on Nelson Bay (former facility)	42	-42	0	0
The Embassy at Morehead City (Replacement facility)	0	42	42	42
<b>Total</b>	<b>424</b>	<b>0</b>	<b>424</b>	<b>424</b>

\*Facility whose beds are licensed, but whose occupancy is reported as 0 due to renovation, replacement, and/or a decision not to delicense beds. These beds are counted in the planning inventory.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 78, the applicant states:

*“The project proposed will have a positive effect on competition in the proposed area. ... Liberty Commons of will still be a brand new, state-of-the-art highly rated and operationally*

*efficient facility that we project to become a quick choice for county residents. ... The Applicants are projecting bringing Liberty Commons on in October 2027. Therefore, by that time, all comparable buildings in Carteret would be a minimum of 20 years older, with the others almost 30 & 60 years older. ...We expect this Liberty Commons will encourage operators of other county facilities to evaluate the care and quality of their facilities and to improve and up fit where possible to remain competitive in the marketplace.”*

Regarding the impact of the proposal on cost effectiveness, in Section K, pages 67-68 and in Section N, page 78, the applicant states:

*“Approval of this CON would allow Liberty Commons to develop a state-of-the-art nursing home facility for the current and future residents of Carteret County.”*

In Section K, pages 67-68 the applicant states that the proposed project will incorporate many of the same features that are the most cost-effective with respect to both design and means of construction based on the applicant’s experience in developing and operating long-term care facilities. The applicant further states that the construction costs are justified based on the architect’s costs estimates in Exhibit K.3.

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 78, the applicant states:

*“The safety and quality policies and procedures currently followed by Liberty would continue at the proposed Liberty Commons.”*

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 79, the applicant states:

*“Liberty Commons will afford equal treatment and access to its services for all persons, without discrimination due to age, race, color, religion, sex, marital status, national origin, sexual orientation, ancestry, or disability, or any other factor that would classify a resident as underserved. Additionally, Liberty Commons has projected to serve 55% Medicaid residents for the 3<sup>rd</sup> FFY.”*

See also Sections C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.

- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described above.

- (19) Repealed effective July 1, 1987.
- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

### **C**

In Section Q, Form O, the applicant identifies the nursing facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 37 of this type of facility located in North Carolina.

In Section O, page 81, the applicant states that, during the 18 months immediately preceding the submittal of the application, the nursing facilities identified in Form O *"have provided quality care during the 18 months immediately preceding submission of this application."*

On pages 82-83, the applicant identifies five facilities that have been cited for immediate jeopardy. The facilities are: Inn at Quail Haven Village; Westfield Rehabilitation and Health Center; Cross Creek Health Care; Oak Forest Health and Rehabilitation; and Summerstone Health and Rehabilitation Center. According to a quality check provided by the Nursing Home Licensure and Certification Section, DHSR dated May 20, 2022 Cross Creek Health Care is a closed facility and the other four facilities are in compliance. According to the files in the Nursing Home Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through May 20, 2022, incidents related to quality of care occurred in two facilities: Liberty Commons & Rehab Ctr of Columbus County (immediate jeopardy removed as of 3/26/2022) and Liberty Commons & Rehab Ctr of Johnson County (back in compliance as of May 1, 2022). After reviewing and considering information provided by the applicant and by the Nursing Home Licensure and Certification Section and considering the quality of care provided at all 37 facilities, the applicant provided sufficient

evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

**NA**

The applicant proposes to relocate all 122 existing NF beds at Harborview Health Care Center from their current locations at 812 Shepard Street, Morehead City, NC 28557 to a new replacement facility. The Criteria and Standards for Nursing Facility or Adult Care Home Services, promulgated in 10A NCAC 14C .1100, are not applicable to this review because the applicant does not propose to add new NF beds to an existing facility or to develop a new facility.