

## REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: March 28, 2025

Findings Date: March 28, 2025

Project Analyst: Chalice L. Moore

Co-Signer: Micheala Mitchell

Project ID #: J-12573-24

Facility: Abbotswood at Stonehenge

FID #: 240871

County: Wake

Applicant(s): KSL ASH ST, LLC and KSL Toledo Tenant, LLC

Project: Develop a new facility by relocating no more than 75 ACH beds from Litchford Falls Health and Rehabilitation Center for a total of no more than 75 ACH beds upon project completion

### 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

KSL ASH ST, LLC and KSL Toledo Tenant, LLC (referred to as “the applicant”) proposes to develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge (hereinafter referred to as “Abbotswood”).

## **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 2024 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

## **Policies**

There is one policy in the 2024 SMFP which is applicable to this review: Policy **GEN-4: Energy Efficiency and Sustainability for Health Service Facilities**, on page 30 of the 2024 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. 131E178, 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 projected capital cost for the project is over \$5 million. In Section B, page 29, the applicant states the following:

- The facility's design team will evaluate the building’s plumbing, HVAC, and electrical systems to determine the appropriate building materials that will meet or exceed the water conservation and energy efficiency requirements in the North Carolina Building Codes.
- The plumbing design will incorporate WaterSense certified fixture selections, including low flush water closets, reduced flow faucets and showerheads.

- The HVAC system will be designed to meet or exceed North Carolina Energy Efficiency Code required SEER ratings for all compressor units. Energy Recovery Units, if implemented, will be used to recover heating/cooling from the exhausted air and use it to precondition outside air to be supplied to the facility.
- Energy efficient LED lighting will be utilized. High-efficient, Star rated appliances will be used in the kitchenettes and kitchen. Higher insulation R values will be used to conserve heat gain and cooling loss.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Remarks made at the public hearing

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 2024 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-4 because they adequately describe how they will ensure energy efficiency and water conservation.
- The applicant provides documentation from a licensed architect confirming the applicant's energy efficiency and water conservation plans.

(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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are

existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

**Patient Origin**

On page 179, the 2024 SMFP defines the service area for ACH beds as “*the county in which the adult care home bed is located.*” The proposed ACH facility and the existing facilities from which the ACH beds are to be relocated are located in Wake County. Thus, the service area for the project is Wake County. Facilities may also serve residents of counties not included in their service area.

The applicant states that Abbotswood will be a new facility and therefore does not have any historical patient origin. The applicant states that Abbotswood at Stonehenge has current residents in independent living units who will transition to assisted living. The applicants also use the historic county of origin of residents who moved into Abbotswood at Stonehenge to live in the independent living.

The following table illustrates the projected patient origin for Abbotswood at Stonehenge.

<b>Abbotswood at Stonehenge Projected Patient Origin</b>						
	<b>1<sup>st</sup> Full FY 01/01/2028 to 12/31/2028</b>		<b>2<sup>nd</sup> Full FY 01/01/2029 to 12/31/2029</b>		<b>3<sup>rd</sup> Full FY 01/01/2030 to 12/31/2030</b>	
<b>County</b>	<b>FY 2028</b>		<b>FY 2029</b>		<b>FY 2030</b>	
	<b># of Patients</b>	<b>% of Total</b>	<b># of Patients</b>	<b>% of Total</b>	<b># of Patients</b>	<b>% of Total</b>
Wake	29	59.2%	43	59.7%	64	59.3%
Other NC Counties*	15	30.6%	21	29.2%	32	29.6%
Other State	5	10.2%	8	11.1%	12	11.1%
<b>Total</b>	<b>49</b>	<b>100%</b>	<b>72</b>	<b>100%</b>	<b>108</b>	<b>100%</b>

Source: Section C, page 42

In Section C, page 42, 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 states that the projections are based on the applicant’s historical experience with patient origin for the residents it serves at Wake County ACH facilities.
- The applicant states the projected current residents who occupy Abbotswood at Stonehenge independent living units who will be transitioning to the assisted living facility.
- The applicant states the historic county of origin of residents who have moved into Abbotswood at Stonehenge to live in independent living. Many of these residents move from outside of Wake County and outside of North Carolina to be closer to family who live in Wake County. The resident county of origin also takes into

consideration the number of prospective residents who could not move to Abbotswood at Stonehenge in the past due to a of its lack of adult care home beds.

### **Analysis of Need**

In Section C, pages 44-52, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The applicant states that the need for adult care home beds and personal care services increases with a person's age and the need is also correlated with gender, as females utilize services at a greater rate because 1) females live longer than males do and 2) the incidence of accidents, injuries, and illnesses increases with a person's age.
- The applicant states that the life expectancy of 75-year-old, white Wake County residents has increased from 86.6 years to 87.8.
- The applicant states that the percentage of Wake County residents occupying adult care home beds in an adult care home facility in Wake County will increase.
- The applicant states as Wake County experiences significant population growth, especially in the number of older adults, the demand for "active" assisted living facilities has become more pronounced.

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

- The applicant provides population data that demonstrates the need for the ACH beds proposed to be relocated.
- The applicant demonstrates that the beds proposed to be replaced and relocated to a newly developed facility with a new SCU, in the proposed location, are needed to address the demand for ACH and SCU services.

### **Projected Utilization**

The applicant provides projected utilization for the first three full fiscal years which correspond to calendar years 2028, 2029, and 2030, as illustrated in the following table.

<b>Projected Utilization Abbotswood at Stonehenge</b>			
	<b>1<sup>st</sup> Full FY</b>	<b>2<sup>nd</sup> Full FY</b>	<b>3<sup>rd</sup> Full FY</b>
	<b>CY 2028</b>	<b>CY 2029</b>	<b>CY 2030</b>
<b>ACH- All Beds</b>			
# of Beds	75	75	75
Beginning Year Resident Census	0	49	55
Move In	49	23	53
Move Outs	0	17	37
Total # of Residents End of Year	49	55	71
Average Daily Census	28.8	58.3	67.8
# of Patient Days	10,570	21,275	24,770
Average Length of Stay	22 months	22 months	22 months
Occupancy Rate	38.6%	77.7%	90.5%

Source: Section Q, Form C.1b

In Section Q, immediately following form C.1b the applicants provide the assumption and methodology used to project utilization. The applicants based the utilization on similar Kisco Senior Living assisted living facility ramp-up periods for new facilities.

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

- The facility from which the ACH beds are proposed to be relocated are not currently using the ACH beds.
- The occupancy rates are based on the applicant’s experience opening and operating other ACH facilities, in highly populated areas in the state.

**Access to Medically Underserved Groups**

In Section C, page 58, the applicant states:

*“Abbotswood at Stonehenge will be equally accessible to all persons, including those with low income, racial and ethnic minority groups, women, people with disabilities, the elderly, and Medicare beneficiaries and Medicaid recipients.”*

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table from page 58.

<b>Medically Underserved Groups</b>	<b>Percentage of Total Patients during the Third Full FY</b>
Low income persons	5.5%
Racial and ethnic minorities	12.0%
Women	60.0%
Persons with Disabilities	30.0%
Persons 65 and older	100.0%
Medicare beneficiaries	100.0%
Medicaid recipients	5.5%

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.

### **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 develop a new 75-bed adult care home (ACH) facility, in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

In Section D, page 64, the applicant explains why it believes the needs of the population presently utilizing the services to be reduced will be adequately met following completion of the project, as follows:

- Litchford Falls Healthcare and Rehabilitation Center is presently licensed to operate ninety (90) skilled nursing facility beds. After relocation of the twenty-four (24) adult care home beds, Litchford Falls will continue to be licensed to operate ninety (90) skilled nursing facility beds. Thus, this project does not involve relocation of the entire Litchford Falls facility.
- Perry Creek Healthcare and Rehabilitation Center is presently licensed to operate 132 skilled nursing facility beds. After relocation of the twenty (20) adult care home beds, Perry Creek will continue to be licensed to operate 132 skilled nursing facility beds. Thus, this project does not involve relocation of the entire Perry Creek facility.
- Fuquay-Varina Healthcare and Rehabilitation Center is presently licensed to operate 100 skilled nursing facility beds. After relocation of the thirty-one (31) adult care home beds, Fuquay-Varina will continue to be licensed to operate 100 skilled nursing facility beds. Thus, this project does not involve relocation of the entire Fuquay-Varina facility.

In Section D, page 65, the applicants state the project does involve the reduction of some but not all services. The applicants state:

*“The above identified seventy-five (75) adult care home beds have not been operational for several years, and as such, no patients in any of the listed groups are currently receiving care at these facilities.”*

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

- The existing beds to be relocated have not been serving residents and the relocation will not change the ability of medically underserved groups to have access to ACH beds in Wake County.
- The applicants state Access by medically underserved groups is not expected to be different from what was projected in the previously approved application.
- The proposed site for the new facility is located within the same county.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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

- There is not a population currently using the beds to be relocated.

- 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.

### C

The applicant proposes to develop a new 75-bed adult care home (ACH) facility, in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

In Section E, page 69, 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:

- **Develop a Larger Adult Care Home Facility.** The applicants state that the adult care home facilities in Wake County average eighty-five (85) adult care home beds. Abbotswood at Stonehenge is only capable of developing seventy-five (75) adult care home beds. The applicants believe that a 75-bed assisted living facility is an appropriately sized facility and benefits the ability to construct without the transfer of 75 licensed adult care home beds.
- **Develop a Special Care Unit.** The applicants state that Abbotswood at Stonehenge does not believe that developing a dedicated special care unit in the assisted living facility is an effective alternative. Any special care unit would be required to be situated on the ground floor, be a locked unit, and have direct access to the outdoors. Abbotswood at Stonehenge believes that making the assisted living facility available to a broader population of residents and permitting more communal activities to be available on the ground floor is a more effective alternative.

In Section E, page 69, The applicants have determined that the most effective alternative is to develop a 75-bed assisted living facility in a three-story building consisting of 1-bedroom, studio, and semi-private units.

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 review criteria.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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. KSL ASH ST, LLC and KSL Toledo Tenant, LLC (hereinafter collectively the “certificate holder”) shall materially comply with all representations made in this application.**
- 2. The certificate holder shall relocate no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay Varina Health and Rehabilitation Center, all existing facilities in Wake County, to Abbotswood at Stonehenge (hereinafter referred to as “Abbotswood”).**
- 3. Upon completion of the project, Abbotswood shall be licensed for no more than 75 ACH beds, Litchford Falls Healthcare and Rehabilitation shall be licensed for no more than 90 NF beds and 0 ACH beds, Perry Creek Healthcare and Rehabilitation Center shall be licensed for no more than 132 NF beds and 0 ACH beds, and Fuquay-Varina Healthcare and Rehabilitation Center shall be licensed for no more than 100 NF beds and 0 ACH beds.**
- 4. 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.**
- 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. The certificate holder shall certify the percentage of the total number of licensed adult care home beds in the facility for participation in the Medicaid program and shall provide care to Medicaid recipients commensurate with representations made in the application.**

- 7. Abbotswood 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. The beds to be relocated shall remain licensed throughout the development of the project.**
  - 9. 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 September 1, 2025.**
  - 10. 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.**
  - 11. The certificate holder shall execute or commit to a contract for design services for the project no later than two years following the issuance of this 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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

**Capital and Working Capital Costs**

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

<b>Abbotswood at Stonehenge - Capital Cost</b>			
	<b>Applicant 1 KSL ASH ST, LLC</b>	<b>Applicant 2 KSL Toledo Tenant, LLC</b>	<b>Total</b>
Site Preparation		\$1,889,497	\$1,889,497
Construction/Renovation Contracts		\$14,155,467	\$14,155,467
Permits & Fees		\$855,228	\$855,228
Other (Insurance)		\$269,624	\$269,624
General Conditions		\$871,046	\$871,046
Other Contingency		\$2,706,129	\$2,706,129
Architect/Engineering Fees		\$1,623,678	\$1,623,678
Professional Fees		\$2,197,822	\$2,197,822
Furniture	\$1,700,872		\$1,700,872
Consultant Fees (CON Prep & Fee)	\$85,000		\$85,000
Other (CON Contingent)	\$2,570,63		\$2,570,63
Other (Rent Payment)		\$1,970,400	\$1,970,400
Other (Taxes)	\$90,650		\$90,650
Other (Marketing)	\$748,196		\$748,196
<b>Total Capital Cost</b>	<b>\$5,195,351</b>	<b>\$26,538,891</b>	<b>\$31,734,242</b>

In Section Q, immediately following Form F.1.a, 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 states the assumptions were based on KSL’s development team’s professional experience and analysis.
- The applicant’s costs were based on consulting with Choate Construction and market conditions.
- The applicant provides supporting documentation in Exhibit F.1.

In Section F, page 73, the applicant projects that start-up costs will be \$257,025 and initial operating expenses will be \$2,929,927 for a total working capital of \$3,186,952. On page 74, 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 support assumptions based on the following:

- The applicants are projecting a 24-month initial operating period, where available net income is not greater than the total of the monthly fiancé lease payments and depreciation payments. The initial operating costs are projected to be \$2,929,927.

- The applicant has experience developing new ACH facilities.
- The applicant details expenses and revenues during initial operating period as well as the assumptions used to calculate the initial operating costs.

**Availability of Funds**

Exhibit F.3 contains a letter dated October 8, 2024, from the Andrew S. Kholberg manager of KSL ASH ST, LLC stating that KSL ASH ST, LLC will obligate and commit funds obtained through the Andres S. Kholberg Trust to partially fund capital costs.

The applicant adequately demonstrates the availability of sufficient funds for the proposed increase in the projected capital cost based on the following:

- The applicant provides a letter from an appropriate company officer confirming the availability of the funding proposed for the capital needs of the project and a commitment to use that funding accordingly.

**Financial Feasibility**

In Section Q, page 90, Form F.2b, the applicants provide their projected revenues and operating expenses for the first three operating years as shown in the table below:

<b>Abbotswood at Stonehenge Projected Revenues and Operating Expenses upon Project Completion</b>	<b>1<sup>st</sup> Full FY 01/01/2028 to 12/31/2028</b>	<b>2<sup>nd</sup> Full FY 01/01/2029 to 12/31/2029</b>	<b>3<sup>rd</sup> Full FY 01/01/2030 to 12/31/2030</b>
Total Patient Days	10,570	21,275	24,770
Total Gross Revenue	\$1,921,082	\$3,836,878	\$4,509,422
Total Net Revenue	\$2,921,947	\$5,947,038	\$7,073,638
Total Net Revenue per Patient Day	\$276	\$280	\$286
Total Operating Costs	\$5,368,969,	\$6,429,943	\$6,909,244
Total Operating Costs per Patient Day	\$508	\$302	\$279
Net Income	(\$2,447,021)	(\$482,905)	\$164,394

Source: Section Q, page 90

The assumptions used by the applicant were based using the FY2028 unit charge by payor and unit design and incorporating projected occupancy based on the Utilization worksheet and charge increases annually. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant clearly identify the sources of data used to project revenues and expenses.
- 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

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 costs are based on reasonable and adequately supported assumptions for all the reasons described above.
  - The applicant adequately demonstrates the availability of sufficient funds for the 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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

On page 179, the 2024 SMFP defines the service area for ACH beds as “*the county in which the adult care home bed is located.*” The proposed ACH facility will be located in Wake County. Thus, the service area for this project is Wake County. Facilities may also serve residents of counties not included in their service area.

The applicant indicates that there are currently a total of 135 facilities in Wake County with licensed ACH beds. The table below is a summary of those facilities, from the 2024 SMFP, Chapter 11, Tables 11A and 11E, pages 204-206 and page 218, respectively.

<b>Wake County ACH Facilities</b>	<b>ACH Beds</b>
Brighton Gardens of Raleigh	115
Brookdale Cary	50
Brookdale MacArthur Park	80
Brookdale Wake Forest	70
Brookridge Assisted Living (Facility closed. Transfer 55 beds to Mayview Assisted Living Center)	0
Cadence at Wake Forest (Beds awarded per settlement agreement from 2000 & 2007)	96
Cadence Garner (Beds awarded per settlement agreement from 2000 & 2007)	84
Cadence North Raleigh (Beds awarded per settlement agreement from 2000 & 2007)	96
Chatham Commons	80
Coventry House of Zebulon	60
Falls River Court Memory Care Community	38
Falls River Village Assisted Living Community	60
Foundation Senior Living	126
Heartfields at Cary	97
Hillside Nursing Center of Wake Forest	20
Lawndale Manor	62
Lee's Long Term Care Facility (Transferred 65 beds to Waltonwood Silverton)	0
Litchford Falls Healthcare and Rehabilitation Center (Transfer 31 beds from Universal Health Center – Fuquay - Varina and 20 beds from Universal Health Center -North Raleigh)	75
Magnolia Glen	56
Mayview Assisted Living Center (Transfer 20 beds from Wellington Rehabilitation and Healthcare (NH0544) and 55 beds from Brookridge Assisted Living)	75
Morning Side of Raleigh	110
Oliver House (Facility closed)	100
Phoenix Assisted Care	120
Spring Arbor of Apex	76
Spring Arbor of Cary	80
Spring Arbor of Raleigh	80
Sunrise at North Hills	160
Sunrise of Cary	85
Sunrise of Raleigh	100
TerraBella Northridge	161
The Addison of Fuquay – Varina (Beds awarded per settlement agreement from 2000 & 2007)	96
The Addison of Knightdale (Beds awarded per settlement agreement from 2000 & 2007)	96
The Covington	120
The Laurels of Forest Glenn	20
The Reserve at Mills Farm	35

Universal Health Care Fuquay – Varina (Transfer 31 beds to Litchford Falls)	0
Universal Health Care – North Raleigh (Transfer 20 beds to Litchford Falls)	0
Wake Assisted Living	60
Waltonwood Cary Parkway (Transfer 9 beds to Waltonwood Silverton)	76
Waltonwood Lake Boone	68
Waltonwood Silverton (Transfer 65 beds from Lee’s Long Term Care Facility and 9 beds from Waltonwood Cary Parkway)	74
Wellington Rehabilitation and Healthcare (Transfer 20 beds to Mayview Assisted Living)	0
Woodland Terrance	84
Zebulon House	60

In Section G, page 82, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved adult care home services in Wake County. The applicant states:

*“The proposed project to develop a 75-bed assisted living facility in Wake County is a timely response to the growing need for senior care services, especially senior long-term care. Fundamentally, the project is not an unnecessary duplication because it does not add additional adult care home beds to the Wake County inventory but instead only relocates existing adult care home beds which are not currently in service and addresses specific needs within the service area.”*

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 applicant is proposing to relocate licensed, nonoperational ACH beds from three Wake County facilities to develop a new ACH facility within the county, therefore, it would not result in a deficit or surplus.
- The applicants adequately demonstrate that the proposed ACH facility is needed.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are in existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

In Section Q, Form H, the applicant provides current and projected full-time equivalent (FTE) positions for the proposed services, as illustrated in the following table:

POSITION	PROJECTED STAFF 1 <sup>ST</sup> FULL FY	PROJECTED STAFF 2 <sup>ND</sup> FULL FY	PROJECTED STAFF 3 <sup>RD</sup> FULL FY
Director	1	1	1
Registered Nurses	2	2	2
Supervisor	4.50	4.50	4.50
Resident Assistant	8.95	15.22	17.70
Wellness Assistant	1.25	1.65	1.75
Driver	0.50	0.65	0.75
Admission Director	1.00	1.00	1.00
Resident Service Representative	2.75	2.75	2.75
Maintenance Tech	1.00	1.75	1.90
Housekeeper	1.00	1.50	1.75
Laundry Aide	1.00	1.00	1.00
Custodian	0.00	0.75	0.75
Cook	1.50	1.75	1.90
Server	4.50	9.00	10.90
Utility Worker	1.40	1.40	1.40
<b>Total</b>	<b>31.35</b>	<b>45.82</b>	<b>50.95</b>

The assumptions and methodology used to project staffing are provided in Section Q immediately following Form H. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3bb. In Section H, pages 85-86, 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 following:

- The applicant provides the assumptions and methodology used to project staffing.
- The applicant provides the methods to be used to recruit or fill new positions and proposed training and continuing education programs.

**Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Remarks made at the public hearing

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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

### **Ancillary and Support Services**

In Section I, pages 88 and 89, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 87-88, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1.

The applicant adequately demonstrates that the necessary ancillary and support services will be made available because the applicant identifies the necessary ancillary and support services needed which will support the ACH services as they have in the applicant's other ACH services in the county.

### **Coordination**

In Section I, page 90 the applicant describes its existing and proposed 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 systems.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Remarks made at the public hearing

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.

- (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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

In Section K, page 93, the applicant states that the project involves constructing 47,898 square feet of new space. Line drawings are provided in Exhibit K.1.

On pages 94-96, the applicant identifies the proposed site and provides information about the current owner, zoning for the site, and the availability of water, sewer, waste disposal, and power at the site. Supporting documentation is provided in Exhibit K.4. The site appears to be suitable for the proposed ACH facility based on the applicant's representations and supporting documentation.

On page 94, 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 applicant states that based on the alternatives available, Abbotswood at Stonehenge determined that the proposed project was the most reasonable alternative to develop the seventy five (75) adult care home beds.

On page 94, 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 provides a letter from the project general contractor, Choate Constructions confirming construction plans and estimated costs in Exhibit F.1.
- The applicant states that the facility is planned to meet the requirements of the North Carolina State Building Code for new construction and the applicable rules of the North Carolina Division of Environmental Health.

In Section K, page 93, the applicant identifies applicable energy saving features and water conservation measures that will be incorporated into the construction plans and provides supporting documentation in Exhibit F.1 and K-1.

## **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application
- Remarks made at the public hearing

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

Abbotswood at Stonehenge is not an existing facility; thus it has no historical data to report. 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

Abbotswood at Stonehenge is not an existing facility; thus it has no historical data to report. 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 101, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

<b>Payor Category</b>	<b>Percentage of Total Patients Served</b>
Adult Care Home	
Self-Pay	94.5%
Other (Special Assistance)	5.5%
<b>Total</b>	<b>100.0</b>

Source: Section L, page 101.

<b>Payor Category</b>	<b>Percentage of Total Patients Served</b>
Personal Care Services	
Self-Pay	94.0%
Other (Special Assistance)	6.0%
<b>Total</b>	<b>100.0</b>

Source: Section L, page 101.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 94.5% of total services will be provided to self-pay patients, 5.5% to charity care patients, and 6% to Medicaid patients.

On page 101, 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 applicants used the following calculations to identify the payor mixes for Abbotswood at Stonehenge adult care home residents and personal care service residents:
- Year 3 Adult Care Home Resident Payor Mix
  - Self Pay:  $769 \text{ resident months} / 12 \text{ months} = 64.0 \text{ residents} / 67.75 \text{ residents} = 94.5\%$
  - Special Assistance:  $45 \text{ resident months} / 12 \text{ months} = 3.75 \text{ residents} / 67.75 \text{ residents} = 5.5\%$
- Year 3 Personal Care Service Resident Payor Mix
  - Self Pay:  $(91.0\% \times 769 \text{ resident months}) / 12 \text{ months} = 58.3 \text{ residents} / 62 \text{ residents} = 94.0\%$
  - Medicaid:  $(100.0\% \times 45 \text{ resident months}) / 12 \text{ months} = 3.75 \text{ residents} / 62 \text{ residents} = 6.0\%$

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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 103, the applicant adequately describes the range of means by which patients will have access to the proposed services.

### **Conclusion**

The Agency reviewed the:

- Application
- Exhibits to the application

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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

In Section M, page 104, the applicant describes the extent to which area 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:

- The applicant states it will offer the facility as a clinical learning site for students via an existing relationship with Care One Health Training Institute.
- The applicant states Abbotswood at Stonehenge will be available for students training in clinical health services. Abbotswood at Stonehenge is willing to develop a clinical training program in affiliation with any local health professional training programs whose students would benefit from training opportunities in an adult care home setting.

- In Exhibit M-1, the applicant provides documentation of its effort to continue the established relationship with CareOne Health Training Institute with its area training program.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated 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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

On page 179, the 2024 SMFP defines the service area for ACH beds as “*the county in which the adult care home bed is located.*” The proposed ACH facility will be located in Wake County. Thus, the service area for this project is Wake County. Facilities may also serve residents of counties not included in their service area.

The applicant indicates that there are currently a total of 135 facilities in Wake County with licensed ACH beds. The table below is a summary of those facilities, from the 2024 SMFP, Chapter 11, Tables 11A and 11E, pages 204-206 and page 218, respectively.

<b>Wake County ACH Facilities</b>	<b>ACH Beds</b>
Brighton Gardens of Raleigh	115
Brookdale Cary	50
Brookdale MacArthur Park	80
Brookdale Wake Forest	70
Brookridge Assisted Living (Facility closed. Transfer 55 beds to Mayview Assisted Living Center)	0
Cadence at Wake Forest (Beds awarded per settlement agreement from 2000 & 2007)	96
Cadence Garner (Beds awarded per settlement agreement from 2000 & 2007)	84
Cadence North Raleigh (Beds awarded per settlement agreement from 2000 & 2007)	96
Chatham Commons	80
Coventry House of Zebulon	60
Falls River Court Memory Care Community	38
Falls River Village Assisted Living Community	60
Foundation Senior Living	126
Heartfields at Cary	97
Hillside Nursing Center of Wake Forest	20
Lawndale Manor	62
Lee's Long Term Care Facility (Transferred 65 beds to Waltonwood Silverton)	0
Litchford Falls Healthcare and Rehabilitation Center (Transfer 31 beds from Universal Health Center – Fuquay - Varina and 20 beds from Universal Health Center -North Raleigh)	75
Magnolia Glen	56
Mayview Assisted Living Center (Transfer 20 beds from Wellington Rehabilitation and Healthcare (NH0544) and 55 beds from Brookridge Assisted Living)	75
Morning Side of Raleigh	110
Oliver House (Facility closed)	100
Phoenix Assisted Care	120
Spring Arbor of Apex	76
Spring Arbor of Cary	80
Spring Arbor of Raleigh	80
Sunrise at North Hills	160
Sunrise of Cary	85
Sunrise of Raleigh	100
TerraBella Northridge	161
The Addison of Fuquay – Varina (Beds awarded per settlement agreement from 2000 & 2007)	96
The Addison of Knightdale (Beds awarded per settlement agreement from 2000 & 2007)	96
The Covington	120
The Laurels of Forest Glenn	20
The Reserve at Mills Farm	35

Universal Health Care Fuquay – Varina (Transfer 31 beds to Litchford Falls)	0
Universal Health Care – North Raleigh (Transfer 20 beds to Litchford Falls)	0
Wake Assisted Living	60
Waltonwood Cary Parkway (Transfer 9 beds to Waltonwood Silverton)	76
Waltonwood Lake Boone	68
Waltonwood Silverton (Transfer 65 beds from Lee’s Long Term Care Facility and 9 beds from Waltonwood Cary Parkway)	74
Wellington Rehabilitation and Healthcare (Transfer 20 beds to Mayview Assisted Living)	0
Woodland Terrance	84
Zebulon House	60

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 107, the applicant states:

*“The development of the 75-bed assisted living facility at Abbotswood at Stonehenge will have no negative impact on existing adult care home facilities in Wake County. After construction, the 75-bed assisted living facility will make up only 2.4% (75 beds / 3,146 total beds) of the total licensed adult care home beds in Wake County. The assisted living facility will drive improvements in the quality of care across the region. Competition among adult care home facilities will lead to enhanced services, better staffing ratios, and more innovative care practices. Established providers are likely to respond to the new competition by upgrading their own services and facilities to retain residents. Additionally, the assisted living facility will adopt best practices and modern care models from the outset. By integrating technology, personalized care plans, and evidence-based practices, the assisted living facility will set a standard for quality that may inspire improvements in local facilities. NC DHRS emphasizes the importance of quality assurance and continuous improvement in long-term care facilities, which the assisted living facility will promote.”*

Regarding the impact of the proposal on cost effectiveness, in Section N, page 107, the applicant states:

*“The proposed construction of the 75-bed assisted living facility promises to make significant contributions in several critical areas: cost-effectiveness of services, quality of care, and access for medically underserved groups.”*

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 108, the applicant states:

*“Quality of care is paramount in any assisted living facility. Kisco Senior Living is recognized for its commitment to high standards, and Abbotswood at Stonehenge will uphold these values through several key initiatives.”*

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, pages 108 and 109, the applicant states:

*“Access to quality healthcare and supportive services is a critical issue for many medically underserved groups. Abbotswood at Stonehenge will significantly improve access through various strategies.”*

*“Location and Transportation – The assisted living facility will be located on the campus of Abbotswood at Stonehenge on Creedmoor Road in Raleigh. Abbotswood at Stonehenge is less than a 20-minute drive to WakeMed North Hospital, WakeMed Raleigh Campus, Duke Raleigh Hospital, and UNC REX Hospital. Additionally, by providing transportation services Abbotswood at Stonehenge will help residents attend medical appointments, social events, and community activities.”*

*“Culturally Competent Care - Kisco Senior Living is committed to creating an inclusive environment that respects and understands the diverse backgrounds of its residents. By hiring staff who are culturally competent and providing training on cultural sensitivity, Abbotswood at Stonehenge will ensure that all residents feel valued and understood. This is particularly important for underserved populations, who may have unique health needs and preferences.”*

*“Discounted Fees and Special Assistance - To further improve access, Abbotswood at Stonehenge will implement discounted fees based on income for certain residents who qualify for Special Assistance. This model will ensure that those with limited financial means can still receive quality care.”*

See also Sections L and C 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

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

The applicant proposes to develop a new 75-bed adult care home (ACH) facility, in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-Varina Health and Rehabilitation Center all of which are in facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

In Section Q, 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 8 of this type of facility located in North Carolina.

In Section O, page 113, the applicant states that during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in one of these facilities.

- (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 develop a new 75-bed adult care home (ACH) facility in Wake County by relocating no more than 24 ACH beds from Litchford Falls Health and Rehabilitation Center, 20 ACH beds from Perry Creek Health and Rehabilitation Center, and 31 ACH beds from Fuquay-

Varina Health and Rehabilitation Center all of which are existing facilities in Wake County. The new 75 bed ACH facility will be Abbotswood at Stonehenge.

The Criteria and Standards for Nursing Facility or Adult Care Home Services promulgated in 10A NCAC 14C.1100 are not applicable because they do not apply to a proposal to relocate existing licensed adult care home beds.