

North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

December 18, 2013

CERTIFIED MAIL

Aneel Gill
UHS-Pruitt Corporation
1626 Jeurgens Court
Norcross GA 30093

Revocation of Exempt from Review

Facility: UniHealth Post-Acute Care-Raleigh
Project Description: Construct an addition to the existing facility to increase the number of private rooms and add common areas, including dining, theater, and internet café space
County: Wake
FID #: 990762

Dear Mr. Gill:

On August 7, 2013, the Certificate of Need Section issued a letter stating the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S. 131E-184(e), which states,

The Department shall exempt from certificate of need review a capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:

- (1) *The proposed capital expenditure would:*
 - a. *Be used solely for the purpose of renovating, replacing on the same site, or expanding an existing:*
 1. *Nursing home facility,*
 2. *Adult care home facility, or*
 3. *Intermediate care facility for the mentally retarded; and*
 - b. *Not result in a change in bed capacity, as defined in G.S. 131E-176(5), or the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.*

Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



- (2) *The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that demonstrates that the proposed capital expenditure would be used for one or more of the following purposes:*
- a. *Conversion of semiprivate resident rooms to private rooms.*
 - b. *Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes, or private dining areas to accommodate residents and their families or visitors.*
 - c. *Renovating, replacing, or expanding residential living or common areas to improve the quality of life of residents.*

As stated in the August 7, 2013 letter from the Agency, this determination was binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section.

Based on changes made in the project and in the facts provided by the applicant, UniHealth Post-Acute Care-Raleigh, in the certificate of need application for Project I.D. # J-10163-13, the above-referenced proposal is a new institutional health service within the meaning of G.S. 131E-176(16) because it results in a change in bed capacity for licensed nursing care beds. Therefore, UniHealth Post-Acute Care-Raleigh may not proceed to develop the proposed addition to the facility without first obtaining a certificate of need.

This decision is based on the following findings:

- 1) In Project I.D. # J-10163-13, the applicant, UniHealth Post-Acute Care-Raleigh (UPAC Raleigh), proposes the acquisition and relocation of 18 nursing care beds from two WakeMed nursing facilities to the UPAC Raleigh facility.
- 2) The application for Project I.D. #J-10163-13 was filed with the CON Section on August 15, 2013.
- 3) In Section II.1, page 35 of the application, the applicant states, *"Transferred beds will be located in 18 of the private rooms that were semi-private before the Exempted Renovation."*
- 4) The exemption under G.S. 131E-184(e)(1)(b), is applicable if the proposed capital expenditure would *"Not result in a change in bed capacity, as defined in G.S.131E-176(5), or the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b."*
- 5) Based on representations in the application for Project I.D. # J-10163-13, the proposed addition in the exemption request referenced above is related to a project that will result in a change in bed capacity as defined in G.S. 131E-176(5).

Any person aggrieved by this decision may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision.

Mr. Aneel Gill
December 18, 2013
Page 3

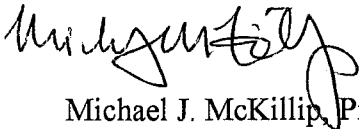
[Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,



Michael J. McKillip, Project Analyst



Martha J. Frisone, Assistant Chief
Certificate of Need Section

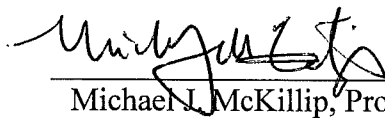
cc: Medical Facilities Planning Section, DHSR
Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing revocation of exemption from review on the following person by placing a copy in an official depository of the United States Postal Service in a certified postage-paid, first class envelope addressed as follows:

Aneel Gill
UHS-Pruitt Corporation
1626 Jeurgens Court
Norcross, GA 30093

This the 18th day of December, 2013



Michael J. McKillip, Project Analyst



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

August 7, 2013

Aneel Gill
UHS-Pruitt Corporation
1626 Jeurgens Court
Norcross GA 30093

Exempt from Review

Facility: UniHealth Post-Acute Care-Raleigh
Project Description: Construct an addition to the existing facility to increase the number of private rooms and add common areas, including dining, theater, and internet café space
County: Wake
FID #: 990762

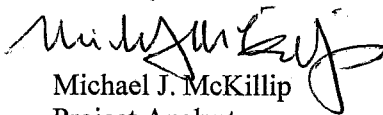
Dear Mr. Gill:


In response to your letter of August 1, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(e). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need. However, you need to contact the Construction and Nursing Home Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


Michael J. McKillip
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR
Certificate of Need Section



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CORPORATION
Committed to Caring

Mike

Hand Delivered

990762



August 1, 2013

Mr. Craig Smith
Chief, Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27604

RE: Request for Determination of Exemption under N.C.G.S. 131E-184(e); Capital Expenditure that Exceeds the \$2,000,000 Threshold Set Forth in N.C.G.S. 131E-176(16)b

Dear Mr. Smith,

I am formally writing this letter to respectfully request a determination of exemption from Certificate of Need ("CON") review in accordance with N.C.G.S. 131E-184(e) for a capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in N.C.G.S. 131E-176(16)b. The proposed expenditure will occur at UniHealth Post-Acute Care-Raleigh, an existing 150-bed health services facility located at located at 2420 Lake Wheeler Road, Raleigh, NC 27603 ("UPAC-Raleigh").

The aforementioned expenditure will entail the addition of a new wing to the facility that will house 37 new private rooms, a new dining area, two new residential living/common areas, a theatre and an internet café. The proposed capital expenditure will also include the construction of a new, 24 private room, Memory Support Unit ("MSU") Annex that will be constructed on the campus. The MSU Annex will, itself, possess two new dining areas and two new common areas. Please see Exhibit 1 for detailed floor plans of the proposed additions and site plan. As detailed below, the proposed project will meet all of the conditions set forth in N.C.G.S. 131E-184(e).

(1) The proposed capital expenditure should:

a. Be used solely for the purpose of renovating, replacing on the same site, or expanding an existing:

- 1. Nursing home facility,*
- 2. Adult care home facility, or*
- 3. Intermediate care facility for the mentally retarded; and*

The proposed capital expenditure is being used solely for the purpose of renovating, replacing and expanding parts of UPAC-Raleigh, an existing nursing home facility.

b. Not result in a change in bed capacity as defined in N.C.G.S. 131E-176(5), or the addition of a health service facility or any other new institutional health service other than allowed in N.C.G.S. 131E-176(16)b.

The proposed capital expenditure will not result in a change in bed capacity. UPAC-Raleigh currently possesses 150 nursing beds and it will possess 150 nursing beds after completion of the project. Further, the proposed project will not involve the addition of a health service facility or any other new institutional health service.

(2) The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that demonstrates that the proposed capital expenditure would be used for one or more of the following purposes:

a. Conversion of semiprivate resident rooms to private rooms.

The proposed capital expenditure will entail a significant amount of conversion of semiprivate to private resident rooms. UPAC-Raleigh currently maintains 20 private resident rooms and 65 semiprivate resident rooms. After the project is completed, UPAC Raleigh will maintain 142 private resident rooms and four semiprivate resident rooms, amounting to a 71% increase in private resident rooms at the facility.

b. Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes, or private dining areas to accommodate residents and their families or visitors.

The proposed project will add a significant amount of space that will provide for innovative, homelike residential dining spaces to accommodate residents and their families or visitors. As the floor plans for the proposed project located in Exhibit 1 illustrate, the new wing addition and MSU annex addition will entail the addition of three (3) new dining spaces for residents and their families or visitors. Further, all new dining areas will have modern amenities and will be furnished to portray a more homelike setting. Please see Exhibit 2 for pictures of recent dining area additions to other UniHealth facilities that mimic the dining additions for the proposed project.

The planned MSU annex will bring elements of the innovative Green House program to the campus. This program was developed by William Thomas, MD in cooperation with the Robert Wood Johnson Foundation. Since its inception in 2003, the program has evolved and is now in place in 32 locations in the country. Design elements support resident engagement in everyday life and enables staff to build on resident talents and capabilities, without increasing staffing requirements. Exhibit 4 contains a summary of the Green House program.

c. Renovating, replacing, or expanding residential living or common areas to improve the quality of life of residents.

The proposed project will serve to replace and expand residential living/common areas in order to improve the quality of life of the residents at UPAC-Raleigh. As the floor plans for the proposed project located in Exhibit 1 illustrate, the new wing addition and MSU annex will entail the addition of four (4) new residential living/common areas that will promote the quality of life of the residents. All new residential living/common areas will provide state-of-the-art equipment and will be furnished such that residents will have more space for programs and events. Please see Exhibit 3 for pictures of recent living/common area additions to other UniHealth Post-Acute Care facilities that mimic the residential living/common area additions for the proposed project.

The North Carolina General Assembly has exempted certain capital expenditures from CON review set forth in 131E-176(16)b and one such exempt service includes an addition as outlined above. N.C.G.S. 131E-184(e).

This capital expenditure involves the renovation/replacement/expansion of an existing nursing home facility and will not result in a change in the bed capacity. Further, the capital expenditure will entail the conversion of a significant amount of private rooms to semiprivate rooms and will provide new dining and residential living/common areas that will suffice the requirements provided in the statute. Therefore, given that the capital expenditure will meet all of these requirements it is exempt from CON review.

Based on the information presented, we request the Agency's confirmation that the capital expenditure described herein is exempt from CON Review pursuant to N.C.G.S. 131E-184(e) and UPAC-Raleigh may begin the proposed project without a CON.

Thank you for your time and attention.

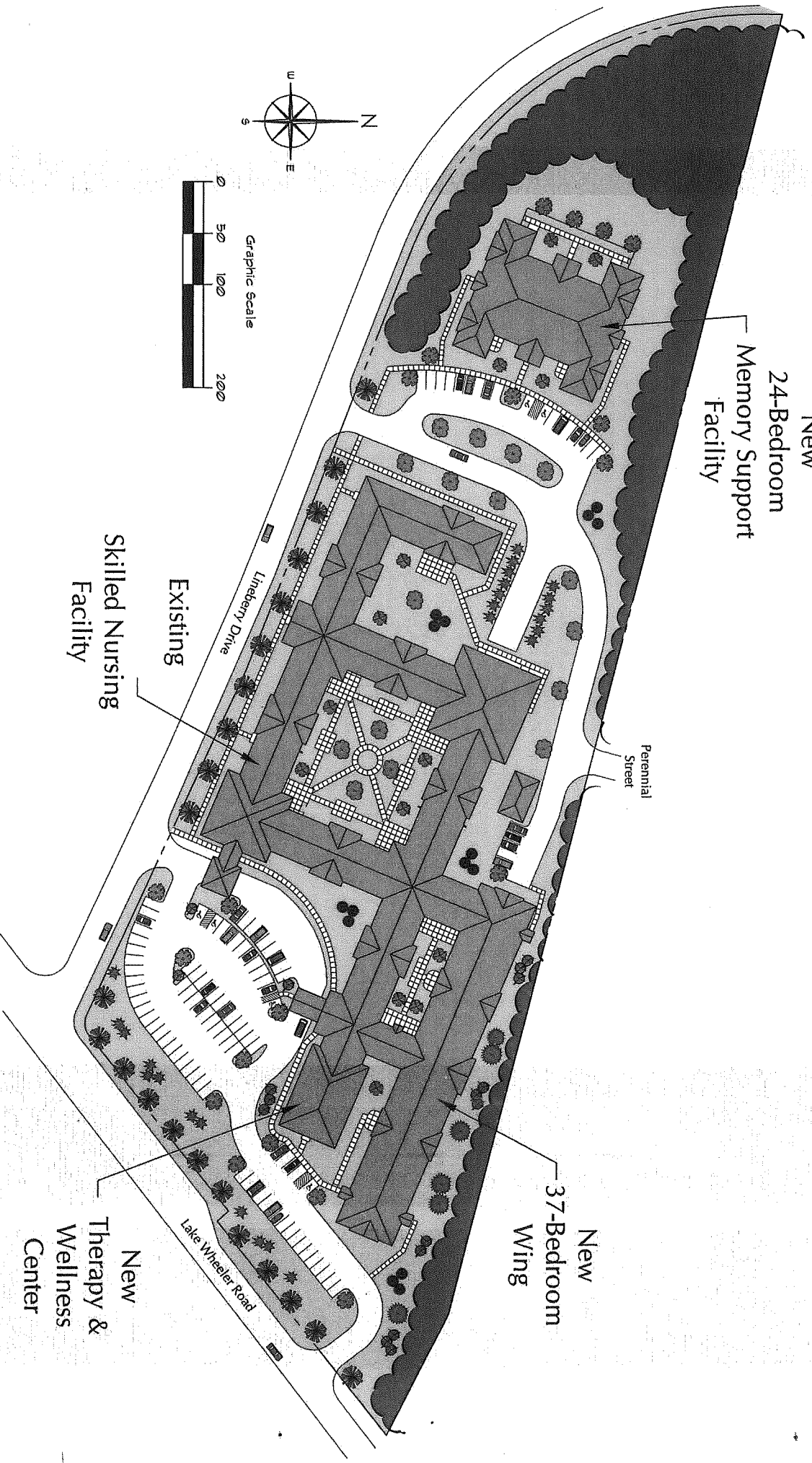
Sincerely,



Aneel Gill, MBA/MHA
UHS-Pruitt Corporation
1626 Jeurgens Court
Norcross, GA 30093
(678) 533-6699
asgill@uhs-pruitt.com

Exhibit 1

Floor Plan of Proposed Additions and Site Plan



New
24-Bedroom
Memory Support
Facility

Existing
Skilled Nursing
Facility

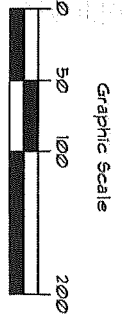
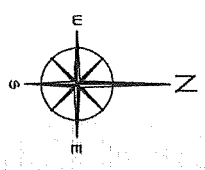
New
37-Bedroom
Wing

New
Therapy &
Wellness
Center

Lineberry Drive

Perennial
Street

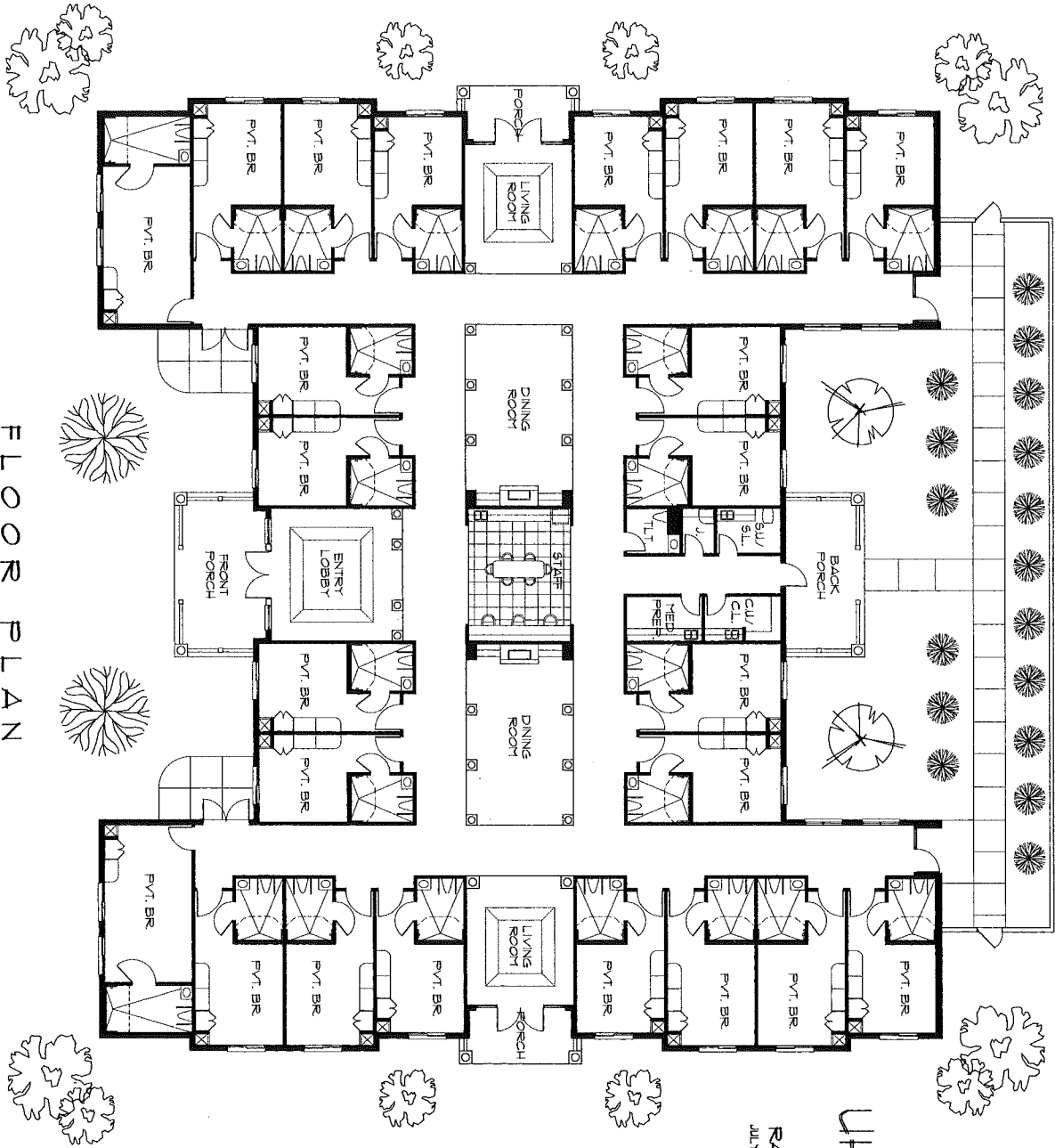
Lake Wheeler Road



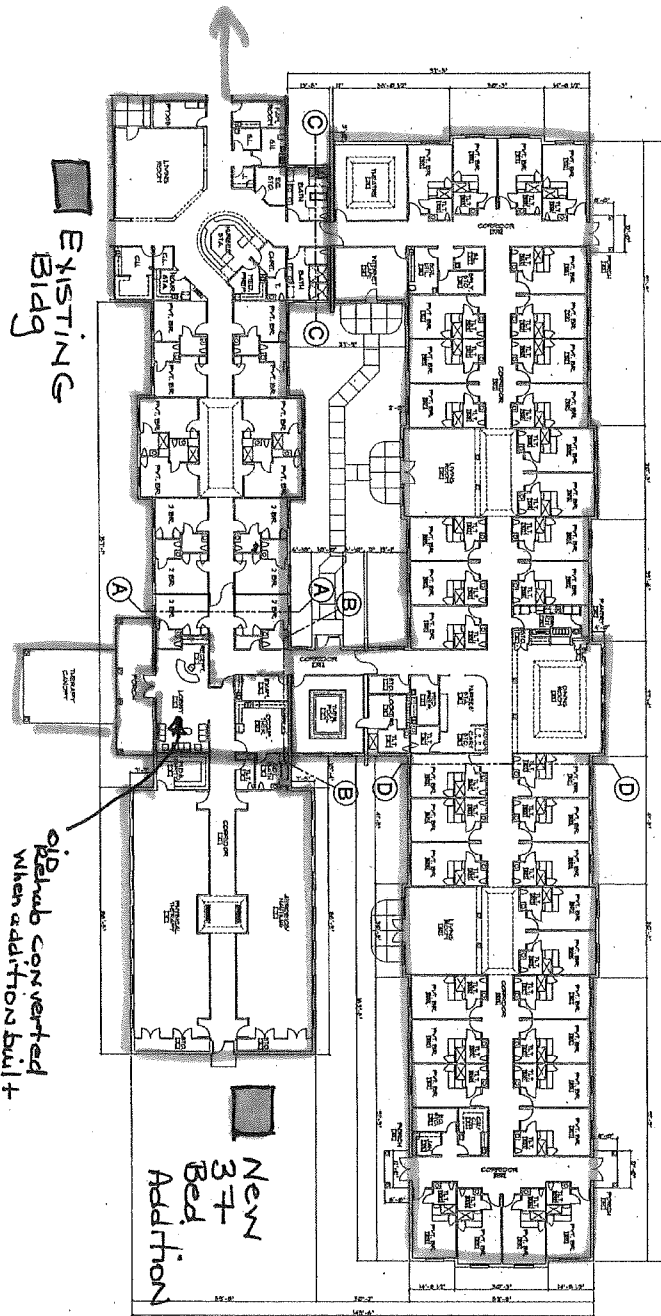
DAVID R. POLSTON - ARCHITECT
 3806 PARK AVENUE, SUITE 2-L
 WILMINGTON, NORTH CAROLINA 28403
 PH: 910-350-0900 FAX: 910-350-0401

FLOOR PLAN

SCALE: 1/8" = 1'-0"



UHS - PRUITT
 24 BED MSF
 RALEIGH, NORTH CAROLINA
 JULY 3, 2012
 PROJECT NO. 15715



(30) FLOOR PLAN 31 BED ADDITION / WELLNESS / THERAPY ADDITION
SCALE: 1/8" = 1'-0"

3 A

31 BED / WELLNESS / THERAPY ADDITION

David R. Polston - Architect
3806 Park Ave. Suite 2-L, Wilmington, NC 28403
Architecture Planning Design

WAKE COUNTY NURSING CENTER
Raleigh, North Carolina

Exhibit 2

Pictures of Recent Dining Room Additions

Recently completed UniHealth dining areas

