



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

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne, Director  
Health Service Regulation

August 23, 2016

Susan Fradenburg  
Smith Moore Leatherwood  
300 N. Greene Street  
Greensboro NC 27401

**No Review**

**Record #:** 2036  
**Facility Name:** Hillcrest Raleigh at Crabtree Valley  
**FID #:** 923281  
**Business Name:** Hillcrest Raleigh at Crabtree Valley, LLC  
**Project Description:** Decertification of 44 Medicaid beds  
**County:** Wake

Dear Ms. Fradenburg:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of August 10, 2016 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Nursing Home Licensure and Certification Section 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 in your correspondence. 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 this office. 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.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,

Michael J. McKillip  
Project Analyst

Martha J. Frisone  
Assistant Chief, Certificate of Need

cc: Nursing Home Licensure and Certification Section, DHHS  
Paige Bennett, Assistant Chief, Healthcare Planning, DHHS

**Healthcare Planning and Certificate of Need Section**

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

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

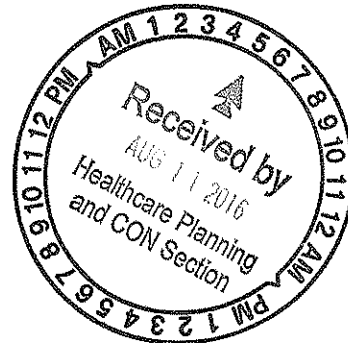
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



August 10, 2016

Via E-Mail and Federal Express  
Martha Frisone, Assistant Chief  
N.C. Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section  
809 Ruggles Drive  
Raleigh, N.C. 27603



RE: Exempt from Review/Hillcrest Raleigh at Crabtree LLC d/b/a Hillcrest Raleigh at Crabtree Valley located in Raleigh, North Carolina/decertification of 44 Medicaid beds

Dear Martha:

We represent Hillcrest Raleigh at Crabtree Valley ("HRC"). HRC will be submitting documentation to Edna Knight with the Nursing Home Licensure and Certification pertaining to a decertification of 44 Medicaid beds effective 10/1/2016. Pursuant to our discussion with Ms. Knight, and at her request, we are also submitting this exempt from review notice.

HRC operates a 134 bed skilled nursing facility at 3830 Blue Ridge Road, Raleigh, NC, Facility I.D. #923281, License #NH0428. HRC currently has 94 beds that are Medicaid certified. HRC proposes to decertify 44 of the 94 Medicaid beds, leaving 50 Medicaid beds at the facility. There is no change in the current total bed count.

HRC purchased this facility in July of 2015. Prior to the purchase of the facility it received a notice of exemption finding from the CON. *See* Exhibit 1. The CON for this facility was originally issued in 1986 to Blue Ridge Nursing Home for 98 intermediate care beds and 40 skilled nursing beds. *See* Exhibit 2. Based on our review of earlier statutory language and the State Medical Facilities Plans, it appears that between 1991 and 1992 the SMFP stopped breaking up nursing facility beds by SNF/ICF designations, counting all the beds simply as "Nursing Facility" beds. *See* Exhibit 3, 1991 and 1992 SMFP excerpts. Pursuant to the change in the statutory language, as recognized by the SMFP, Blue Ridge nursing home, (now HRC) would be deemed approved for 138 nursing facility beds. There is no reference in the CON condition for this project regarding the number of beds that must be Medicaid certified. We have been unable to locate any additional CON's being issued for this property since 1986.

HRC currently has 48 Medicaid residents. HRC will be able to continue to serve the existing Medicaid residents, even after the 44 beds are decertified. HRC remains in material compliance with the CON issued in 1986 and the decision to decertify 44 Medicaid beds is not

Martha Frisone, Assistant Chief  
August 10, 2016  
Page 2

governed by and does not require a certificate of need. We would appreciate it if you would, at your earliest convenience, provide us with a letter recognizing that the proposed action is exempt from certificate of need review.

If you have any questions or need any additional information from us, please do not hesitate to call.

Sincerely,

SMITH MOORE LEATHERWOOD LLP

*Susan M. Fradenburg by Carrie A. Hengy with permission*  
Susan M. Fradenburg

Enc.

# Exhibit 1



## 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

March 5, 2015

Susan M. Fradenburg  
Smith, Moore, Leatherwood, LLP  
300 N. Greene Street, Suite 1400  
Greensboro NC 27401

### Exempt from Review – Acquisition of Facility

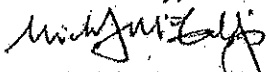
Facility: Crabtree Valley Rehab Center  
Type of Facility: Nursing Facility  
Acquisition by: Hillcrest Raleigh at Crabtree  
County: Wake  
FID #: 923281


Dear Ms. Fradenburg:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of February 20, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, Hillcrest Raleigh at Crabtree may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to G.S. 131E-181(b): *"A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need."*

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. 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

cc: Nursing Home Licensure and Certification Section, DHSR  
Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

[www.ncdhhs.gov](http://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

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Cent. file

# State Of North Carolina

Department Of Human Resources CON 4112

Division Of Facility Services

## Certificate Of Need

Project Identification Number J-2667-86 Effective Date August 29, 1986

Issued to: Rachel A. Brantley  
4809 North Boulevard  
Raleigh, North Carolina 27604

The North Carolina Department of Human Resources, pursuant to the North Carolina Health Planning and Resource Development Act of 1978, G.S. § 131-175, et seq., as amended and recodified, G.S. §131E-175, et seq., hereby finds and certifies that the new institutional health service proposed by the person listed above is consistent with, or as conditioned is consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. The findings of the Department are attached hereto and incorporated by reference.

This Certificate affords the person listed above the opportunity to proceed with development of the proposed new institutional health service in a manner consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. This Certificate includes and is limited to:

SCOPE: See Reverse Side

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Blue Ridge Nursing Center will be constructed on property located adjacent to the existing Glenwood Hills Nursing Home on Blue Ridge Road in Raleigh, N. C.

MAXIMUM CAPITAL EXPENDITURE: \$2,375,000

TIMETABLE: Completion of final drawings & specification - October, 1986  
 Contract Award - October, 1986

50% Completion of Construction - April, 1987

Completion of Construction - September, 1987

Occupancy/Offering of Service - October, 1987

FIRST PROGRESS REPORT DUE: April 30, 1987

This Certificate is limited to the person listed above and is not transferable or assignable. This Certificate may be withdrawn as provided in G.S. §131E-189, and the rules and regulations promulgated thereunder.

Issuance of this Certificate does not supplant provisions or requirements embodied in codes, ordinances, statutes other than G.S. §131E-175, et seq., rules regulations or guidelines administered or enforced by municipal, state or federal agencies or the agent thereof.

Steven R. Blair

Chief, Certificate of Need Section  
 Division of Facility Services

**SCOPE:**

Replace and Relocate 30 ICF beds presently located at Glenwood Hills Nursing Home and 108 ICF beds presently located at Knollwood Manor Nursing Home to a combined 138 bed facility with 40 skilled nursing beds and 98 intermediate care beds. At the conclusion of this project the existing Glenwood Hills Nursing Home and the existing Knollwood Manor Nursing Home will no longer operate as health care facilities without subsequent Certificate of Need review.

**CONDITIONS:**

1. The 138 beds will be licensed 40 SNF/98 ICF instead of 138 beds requested in application.
2. The proponent shall acknowledge acceptance of and compliance with the condition stated herein to the CON Section by 5:00 p.m. on August 28, 1986.

Condition #2 was met August 13, 1986.

# State Of North Carolina

Department Of Human Resources CON 4113

Division Of Facility Services

## Certificate Of Need

Project Identification Number J-2666-86 Effective Date August 29, 1986

Issued to: Blue Ridge Nursing Home, Inc.  
4809 North Boulevard  
Raleigh, North Carolina 27604

The North Carolina Department of Human Resources, pursuant to the North Carolina Health Planning and Resource Development Act of 1978, G.S. § 131-175, et seq., as amended and recodified, G.S. §131E-175, et seq., hereby finds and certifies that the new institutional health service proposed by the person listed above is consistent with, or as conditioned is consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. The findings of the Department are attached hereto and incorporated by reference.

This Certificate affords the person listed above the opportunity to proceed with development of the proposed new institutional health service in a manner consistent with the plans, standards, and criteria prescribed by the Act and the rules and regulations promulgated thereunder. This Certificate includes and is limited to:

SCOPE: Operate 98 intermediate care beds and 40 skilled nursing beds in a facility constructed by Rachel A. Brantley (J-2667-86) which replaces beds presently located at Glenwood Hills Nursing Center and Knollwood Manor Nursing Center.

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Blue Ridge Road adjacent to existing Glenwood Hills Nursing Center, Raleigh, N. C.

MAXIMUM CAPITAL EXPENDITURE: \$540,000

TIMETABLE: Occupancy/Offering Service: October, 1987

FIRST PROGRESS REPORT DUE: October 31, 1987

This Certificate is limited to the person listed above and is not transferable or assignable. This Certificate may be withdrawn as provided in G.S. §131E-189, and the rules and regulations promulgated thereunder.

Issuance of this Certificate does not supplant provisions or requirements embodied in codes, ordinances, statutes other than G.S. §131E-175, et seq., rules regulations or guidelines administered or enforced by municipal, state or federal agencies or the agent thereof.

Steve R. Blair

Chief, Certificate of Need Section  
Division of Facility Services

**CONDITIONS:**

1. The 138 beds will be licensed 40 SNF and 98 ICF instead of 138 ICF beds requested in the application.
2. The proponent shall not exceed the Department of Human Resources, Division of Medical Assistance's patient care rates established for the Medicaid program, the Blue Cross/Blue Shield rates established for the Medicare program, or the per diem charges projected in the certificate of need application, including private pay rates, whichever is less for a period of at least two years following certification of the facility.

Additionally, the proponent shall submit the patient per diem charges for each source of patient payment to the CON Section on June 30th and December 31st of each of the two years following certification of the beds in the facility.

3. Further, the proponent shall acknowledge acceptance of and compliance with all conditions stated herein to the CON Section by 5:00 p.m. on August 28, 1986.

Condition #3 was met August 13, 1986.



# 1991 STATE MEDICAL FACILITIES PLAN

Effective January 1, 1991

Prepared by  
State Health Planning  
Division of Facility Services  
NC Department of Human Resources

Under the direction of the  
North Carolina Health Coordinating Council

For information or copies, contact  
State Health Planning  
Division of Facility Services  
701 Barbour Drive  
Raleigh, North Carolina 27603  
(919) 733-4130

Table 8A. Inventory of Nursing Home Beds (March 31, 1990)

COUNTY	FACILITY NAME	BEDS		TOTAL
		SKILLED	INTERMEDIATE	
Rowan	Autumn Care of Salisbury	30	47	77
	Brian Center Nursing Care/Salisbury	116	69	185
	JoLene's Nursing Home, Inc.	41	17	58
	Lutheran Nursing Homes, Inc.	60	25	85
	Meridian Nursing Center - Salisbury	50	50	100
	Spencer Nursing Home	30	40	70
	Big Elm Nursing Center	30	47	77
Rutherford	Haven in the Hills, Inc.		22	22
	Rutherford County Convales. Ctr.	50		50
	The Woodlands	108	42	150
	Edgewood Nursing Center	30	30	60
Sampson	Mary Gran Nursing Center	120	62	182
Scotland	Century Care of Laurinburg, Inc.		74	74
	Scotla Village	20		20
Stanly	Britthaven of Piedmont	60	60	120
	Lutheran Nursing Homes, Inc.	54	22	76
	Stanly Manor	30	30	60
Stokes	Guardian Care of Walnut Cove	60	30	90
Surry	Guardian Care of Elkin	50	50	100
	Surry Community Nursing Center	60	60	120
Swain	Mountain View Manor Nursing Center	41	79	120
Transylvania	Brian Center Health & Retirement/ Brevard	106	41	147
Union	Autumn Care of Marshville	40	40	80
	Guardian Care of Monroe	33	114	147
Vance	Guardian Care of Henderson		80	80
	Pine Haven Convalescent Center of Henderson, Inc.		52	52
Wake	Blue Ridge Manor	40	98	138
	Brian Center Nursing Care/Raleigh	84	41	125
	Britthaven of Raleigh	94	26	120

Table 8A. Inventory of Nursing Home Beds (March 31, 1990)

COUNTY	FACILITY NAME	BEDS		TOTAL
		SKILLED	INTERMEDIATE	
Wake (Continued)	Dan E. & Mary Louise Stewart Health Center of Springmoor Life & Retirement Community	48	48	96
	Guardian Care of Zebulon	60		60
	Hillhaven Convalescent Center	116	58	174
	Hillhaven Sunnysbrook Convales. Ctr.	51	75	126
	Kinton Nursing Home Inc.		49	49
	Mayview Convalescent Center	139		139
Warren	Warren Hills, A Personal Care and Nursing Facility	48	52	100
Washington	Plumlee Nursing Center	23	41	64
Watauga	Glenstone Health Care	50	54	104
Wayne	Britthaven of Goldsboro	111	53	164
	Guardian Care of Goldsboro	49		49
	Medical Park Nursing Center	75	75	150
Wilkes	Britthaven of Wilkesboro, Inc.	98	58	156
	Vespers Nursing Home	66	54	120
Wilson	Wilson Convalescent Center, Inc.	46		46
	NC Special Care Center *	109	99	208
	Westwood Manor Nursing Center	60	50	110
Yadkin	Yadkin Nursing Care Center	63	84	147
Yancey	Yancey Nursing Center	60	60	120
TOTAL		13,114	13,357	26,471

\* Not included in county inventory.

# 1992 STATE MEDICAL FACILITIES PLAN

Effective January 1, 1992

Prepared by  
Medical Facilities Planning Section  
Division of Facility Services  
NC Department of Human Resources

Under the direction of the  
North Carolina Health Coordinating Council

For information or copies, contact  
Medical Facilities Planning Section  
Division of Facility Services  
P. O. Box 29530  
Raleigh, North Carolina 27626-0530  
(919) 733-4130

Table 8A: Inventory of Nursing Home and Hospital Long-Term Care Beds (May 7, 1991)

County	Facility Name	Inventory of Long-Term Nursing Care Beds*						EXCLUSIONS	TOTAL PLANNING INVENTORY
		Lic. Beds in N.H.	Lic. Beds in Hosp.	Total Licensed	CON Ap'vd/ Lic. Pending	Available in SMFP	TOTAL AVAILABLE		
Wake	Bbel Health Care				60		60	0	60
	Blue Ridge Manor	138	0	138	0		138	0	138
	Brian Center Nursing Care/Raleigh	125	0	125	0		125	0	125
	Britthaven of Raleigh	120	0	120	60		180	0	180
	Cary HealthCare Center	0	0	0	120		120	0	120
	Dan E. & Mary Louise Stewart Health Center of Springmoor Life & Retirement Community	135	0	135	0		135	135	0
	Glenaire	0	0	0	20		20	20	0
	Guardian Care of Zebulon	60	0	60	0		60	0	60
	Hillhaven Convalescent Center	174	0	174	0		174	0	174
	Hillhaven Sunnybrook Convales. Ctr.	126	0	126	0		126	0	126
	Kinton Nursing Home	49	0	49	0		49	0	49
	Mayview Convalescent Center	139	0	139	0		139	0	139
	Quality Link/Garner	0	0	0	120		120	0	120
	Rex Healthcare Services	0	0	0	120		120	0	120
	Southern Wake Hospital	0	16	16	8		24	24	0
	Wellington Health Care Group, Ltd.	0	0	0	80		80	0	80
	<b>TOTALS</b>		<b>1066</b>	<b>16</b>	<b>1082</b>	<b>588</b>	<b>70</b>	<b>1740</b>	<b>179</b>
Warren	Warren Hills, A Personal Care and Nursing Facility	100	0	100	0		100	0	100
	<b>TOTALS</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>20</b>	<b>120</b>	<b>0</b>	<b>120</b>
Washington	Plumlee Nursing Center	64	0	64	0		64	0	64
	Powell-Roberson	0	0	0	30		30	0	30
	<b>TOTALS</b>	<b>64</b>	<b>0</b>	<b>64</b>	<b>30</b>	<b>10</b>	<b>104</b>	<b>30</b>	<b>74</b>
Watauga	Blowing Rock Hospital		72	72	0		72	0	72
	Glencove Health Care	104	0	104	0		104	0	104
	<b>TOTALS</b>	<b>104</b>	<b>72</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>176</b>	<b>0</b>	<b>176</b>
Wayne	Britthaven of Goldsboro	164	0	164	0		164	0	164
	Cherry Hospital**	0	66**	66**	0		66**	0	0
	Guardian Care of Goldsboro	49	0	49	0		49	0	49
	Medical Park Nursing Center	150	0	150	0		150	0	150
	Nurse Care	60	0	60	0		60	0	60
	O'Berry Center**	0	34**	34**	0		34**	0	0
<b>TOTALS</b>		<b>423</b>	<b>0</b>	<b>423</b>	<b>0</b>	<b>0</b>	<b>423</b>	<b>0</b>	<b>423</b>
Wilkes	Bowman-Richardson Hlth. Care	0	0	0	51		51	0	51
	Britthaven of Wilkesboro	156	0	156	0		156	0	156
	Emerald Health Care of Wilkes	0	0	0	51		51	0	51
	Vespera Nursing Home	120	0	120	0		120	0	120
	Wilkes General Hospital	0	0	0	10		10	10	0
<b>TOTALS</b>		<b>276</b>	<b>0</b>	<b>276</b>	<b>132</b>	<b>0</b>	<b>408</b>	<b>10</b>	<b>398</b>
Wilson	Brian Center Health & Ret./Wilson	99	0	99	0		99	0	99
	NC Special Care Center**	208**	0	208**	0		208**	0	0
	Triangle East Healthcare	0	0	0	60		60	0	60
	Westwood Manor Nursing Center	110	0	110	0		110	0	110
	Wilson Convalescent Center	46	0	46	0		46	0	46
<b>TOTALS</b>		<b>255</b>	<b>0</b>	<b>255</b>	<b>60</b>	<b>0</b>	<b>315</b>	<b>0</b>	<b>315</b>
Yadkin	Heats Memorial Hospital	0	4	4	0		4	4	0
	Yadkin Nursing Care Center	147	0	147	0		147	0	147
<b>TOTALS</b>		<b>147</b>	<b>4</b>	<b>151</b>	<b>0</b>	<b>0</b>	<b>151</b>	<b>4</b>	<b>147</b>
Yancey	Yancey Nursing Center	120	0	120	0		120	0	120
<b>TOTALS</b>		<b>120</b>	<b>0</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>120</b>	<b>0</b>	<b>120</b>
<b>GRAND TOTALS</b>		<b>28,550</b>	<b>1,489</b>	<b>30,039</b>	<b>6,450</b>	<b>1,644</b>	<b>38,133</b>	<b>2,390</b>	<b>35,743</b>

\* Designation of "Skilled" and "Intermediate" nursing no longer given.

\*\* State Psychiatric Hospitals and Mental Retardation Centers are not counted in the County and State Totals.