



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

RESPONSE REQUIRED

February 19, 2014

Charles Long
1011 Porters Neck Road
Wilmington, NC 28411

Conditional Approval

Project I.D. #: O-10232-13
Facility: Davis Health and Wellness Center at Cambridge Village
Project Description: Relocate 20 nursing facility beds from Porters Neck Road campus to Cambridge Village campus
County: New Hanover
FID #: 130545

Dear Mr. Long:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated there under, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Cornelia Nixon Davis, Inc. d/b/a The Davis Community shall materially comply with all representations made in its certificate of need application and the supplemental data dated January 30, 2014. In instances where the representations differ, Cornelia Nixon Davis, Inc. d/b/a The Davis Community shall materially comply with the last made representation.
2. Cornelia Nixon Davis, Inc. d/b/a The Davis Community shall relocate no more than 20 of its existing 199 nursing facility beds from The Health Care Center at The Davis Community to Davis Health & Wellness Center at Cambridge Village for a total licensed bed complement of no more than 20 nursing facility beds at Davis Health & Wellness

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

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Center at Cambridge Village and 179 nursing facility beds at The Health Care Center at The Davis Community upon completion of the project.

3. Cornelia Nixon Davis, Inc. d/b/a The Davis Community shall take the necessary steps to delicense 20 of its 199 existing nursing facility beds at The Health Care Center at The Davis Community following completion of the proposed relocation of 20 nursing facility beds to Davis Health & Wellness Center at Cambridge Village, by licensing the existing facility as a 179-bed nursing facility.
4. The Medicaid per diem reimbursement rates for the new nursing facility beds shall be equal to the rates of The Health Care Center at The Davis Community's existing beds as of the date on which the relocated beds are certified.
5. The facility's private pay charges for the first three years of operation following completion of this project shall be limited to the following percentage of the facility's then current Medicaid rate.

Year	Nursing Private Room Rate as % of Medicaid Rate
1	137%
2	137%
3	137%

[NOTE: Percentage calculated by dividing the applicant's proposed private pay charges in Section X by the applicant's proposed Medicaid rates.]

6. Cornelia Nixon Davis, Inc. d/b/a The Davis Community shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the of the certificate of need.

Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.

The conditional approval is valid only for a capital expenditure of \$2,222,602. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you 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. [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).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

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.

The certificate of need will not be issued before the completion of this 30 day period ending March 21, 2014. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended. The timetable for this project is as follows:

Approval of Site by Construction Section, DHSR	_____	March 31, 2014
Contract Award	_____	April 1, 2014
Completion of Final Drawings and Specifications	_____	July 1, 2014
25% Completion of Construction	_____	October 1, 2014
50% Completion of Construction	_____	November 1, 2014
75% Completion of Construction	_____	January 1, 2015
Completion of Construction	_____	February 1, 2015
Licensure of Facility/Certification of Beds/Occupancy	_____	March 1, 2015

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

Charles Long
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Please refer to the Project I.D. # and Facility I.D. # (FID) in all correspondence.

Sincerely,

Celia C. Inman, Project Analyst

Lisa Pittman, Team Leader
Certificate of Need Section

CCI:LP:mw

Attachment

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

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval** on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Charles Long
1011 Porters Neck Road
Wilmington, NC 28411

Project I.D. # O-10232-13
FID #130545

This the 19th day of February, 2014.

Celia C. Inman
Project Analyst