



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

RESPONSE REQUIRED

August 31, 2016

Mike Kahm
2601 Weston Parkway, Suite 203
Cary, NC 27513

Conditional Approval

Project ID #: J-11158-16
Facility: Waltonwood Silverton
Project Description: Relocate 65 adult care home beds from Lee's Long Term Care Facility and nine adult care home beds from Waltonwood Cary Parkway to a new 74-bed facility, to include a 24-bed special memory care unit
County: Wake
FID #: 160148

Dear Mr. Kahm:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) 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 Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Waltonwood Silverton, LLC shall materially comply with all representations made in the certificate of need application and with all representation made in supplemental information received on August 26, 2016. In those instances where representations conflict, Waltonwood Silverton, LLC shall materially comply with the last made representation.
2. Waltonwood Silverton, LLC shall relocate no more than 65 ACH beds from Lee's Long Term Care Facility and no more than nine beds from Waltonwood Cary to its proposed

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

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Waltonwood Silverton facility, for a facility total of no more than 74 ACH beds which may include a 24 bed memory care unit.

3. Waltonwood Cary Parkway shall be licensed for no more than 74 ACH beds following the relocation of nine ACH beds from Waltonwood Cary Parkway to Waltonwood Silverton.
4. Waltonwood Silverton, LLC 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.
5. For the first two years of operation following completion of the project, Waltonwood Silverton, LLC shall not increase actual private pay charges more than 5% of the projected private pay charges provided in Section X of the application, without first obtaining a determination from the Agency that the proposed increase is in material compliance with the representations in the certificate of need application.
6. Waltonwood Silverton, LLC shall provide care to recipients of State/County Special Assistance with Medicaid consistent with the representations made in Section VI.2.
7. Waltonwood Silverton, LLC 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.

Response to the above conditions should be submitted to the Agency no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency 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 \$11,365,194. 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:

Lisa G. Corbett
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 Agency.

The certificate of need will not be issued before the completion of this 30 day period ending September 30, 2016. 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 Agency because the review period was extended. The timetable for this project is as follows:

Approval of Site by the Construction Section, DHSR _____	November 1, 2015
Final Drawings Submitted to the Construction Section, DHSR _____	November 13, 2017
Final Drawings Approved by the Department of Insurance _____	August 10, 2018
50% Completion of Construction _____	January 22, 2020
Completion of Construction _____	November 2, 2020
Licensure of Facility _____	January 1, 2021

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 this office if any clarification of this decision is required.

Please refer to the Project ID # and Facility ID # (FID) in all correspondence.

Sincerely,

Bernetta Thorne-Williams
Project Analyst

Fatimah Wilson
Team Leader, Certificate of Need

Attachment

cc: Adult Care Licensure Section, DHSR
Construction Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, 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:

Mike Kahm
2601 Weston Parkway, Suite 203
Cary, NC 27513

Project ID #: J-11158-16
FID #: 160148

This the 31st day of August, 2016.

Bernetta Thorne-Williams
Project Analyst, Certificate of Need