



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

November 9, 2016

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

Conditional Approval

Project ID #: J-11217-16
Facility: Waltonwood Lake Boone
Project Description: Change of Scope and Cost Overrun for Project ID #J-11044-15 (relocate 40 beds from James Rest Home) by relocating 28 adult care home beds from Waltonwood Cary Parkway to Waltonwood Lake Boone for a total of 68 ACH beds upon completion of this project and Project ID #J-11044-15
County: Wake
FID #: 150152

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 Lake Boone II, LLC shall materially comply with all representations made in the certificate of need application.



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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2. Waltonwood Lake Boone II, LLC shall relocate no more than 28 ACH beds from Waltonwood Cary Parkway to its proposed Waltonwood Lake Boone facility, for a facility total of no more than 68 ACH beds upon completion of this project and Project ID #J-11044-15 (relocate 40 ACH beds from James Rest Home), which may include a 23-bed memory care unit.
3. Waltonwood Cary Parkway shall be licensed for no more than 48 ACH beds upon completion of this project and Project ID #J-11158-16, which approved the relocation of nine ACH beds from Waltonwood Cary Parkway to Waltonwood Silverton. ($85 - 9 = 76 - 28 = 48$)
4. The total approved capital expenditure for this project, Project ID #J-11217-16 and Project ID #J-11044-15 is \$9,867,316, an increase of \$4,986,594 over previously approved Project ID #J-11044-15.
5. For the first two years of operation following completion of the project, Waltonwood Lake Boone II, 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 Lake Boone II, LLC shall provide care to recipients of State/County Special Assistance with Medicaid consistent with representations made in Section IV. 2.
7. Waltonwood Lake Boone II, 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 **\$4,986,594**. 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 **December 8, 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:

50% Completion of Construction _____	September 14, 2016
75% Completion of Construction _____	March 24, 2017
Completion of Construction _____	August 2, 2017
Occupancy/Offering of Service _____	October 1, 2017
Licensure of Facility _____	October 1, 2017
Certification of Facility _____	March 30, 2018

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,

Celia C. Inman
Project Analyst

Fatimah Wilson
Team Leader, Certificate of Need

Attachment

cc: Construction Section, DHSR
Adult Care Licensure 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-11217-16
FID #: 150152

This the 9th day of November, 2016.

Celia C. Inman
Project Analyst, Certificate of Need