

NC DEPARTMENT OF
**HEALTH AND
 HUMAN SERVICES**

ROY COOPER • Governor
 MANDY COHEN, MD, MPH • Secretary
 MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

April 17, 2019

Courtney Johnson
 PO Box 947
 Salisbury, NC 28145

Conditional Approval

Project ID #: F-11652-19
 Facility: Trinity Place
 Project Description: Cost overrun for Project F-11370-17 (Relocate 17 ACH beds)
 County: Stanley
 FID #: 923316

Approved Capital Expenditure: \$745,440
 Conditions of Approval: See Attachment A
 Approved Timetable: See Attachment B
 Last Date to Appeal: May 17, 2019
 Required State Agency Findings: Enclosed

Dear Ms. Johnson:

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 review of the application or applications if the review was competitive, consideration of the Certificate of Need Law and regulations promulgated thereunder, the State Medical Facilities Plan, written comments if any, responses to comments if any, and other publicly applicable information.

The conditional approval is valid only for the approved capital expenditure shown above. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required based on N.C. Gen. Stat. §131E-176(16)(e).

The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Furthermore, the Agency shall not issue the certificate of need until all applicable conditions of approval have been met pursuant to N.C. Gen. Stat. §131E-187(a). **Response to the conditions in Attachment A 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 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 approved timetable for this project is found in Attachment B.

The Certificate of Need law provides that any affected person has thirty (30) days after the date of the decision to file a petition for a contested case on this approval. Further, if you are aggrieved by any of the conditions you may file a petition for a contested case hearing in accordance with N.C. Gen. Stat. §150B, Article 3. 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. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to the OAH Clerk's Office (919-431-3000).

N.C. Gen. Stat. §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 thirty day appeal period which ends on the date shown above. If a contested case petition is filed with OAH within the thirty day appeal period, the certificate will not be issued until the appeal is resolved.

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,


Ena Lightbourne
Project Analyst


Gloria C. Hale
Team Leader

Enclosures:

Attachment A: Conditions of Approval
Attachment B: Approved Timetable
Required State Agency Findings

cc: Adult Care Licensure Section, DHSR

Attachment A
Conditions of Approval

- 1. Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall materially comply with the representations in this application and representations in Project ID# F-11370-17. Where representations conflict, Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc., Inc. shall materially comply with the last made representation.**
- 2. The total approved capital expenditure for both Project ID# F-11370-17 and F-11652-19 is \$3,300,000, an increase of \$745,440 over the previously approved capital expenditure of \$2,554,560.**
- 3. No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. Payor mix for the services authorized in this certificate of need.**
 - b. Utilization of the services authorized in this certificate of need.**
 - c. Revenues and operating costs for the services authorized in this certificate of need.**
 - d. Average gross revenue per unit of service.**
 - e. Average net revenue per unit of service.**
 - f. Average operating cost per unit of service.**
- 4. Lutheran Home-Albemarle, Inc. and Lutheran Home Albemarle Property, Inc. 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.**

Attachment B
Approved Timetable

1. Drawings Completed _____ August 6, 2018
2. Construction/Renovation Contract(s) Executed _____ September 1, 2018
3. 25% of Construction/Renovation Completed
(25% of the cost is in place) _____ March 31, 2019
4. 50% of Construction/Renovation Completed _____ June 30, 2019
5. 75% of Construction/Renovation Completed _____ September 30, 2019
6. Construction/Renovation Completed _____ December 15, 2019
7. Equipment Ordered _____ June 30, 2019
8. Equipment Installed _____ October 1, 2019
9. Equipment Operational _____ October 1, 2019
10. Building/Space Occupied _____ December 31, 2019
11. Licensure Obtained _____ December 31, 2019
12. Services Offered _____ December 31, 2019
13. Medicare and/or Medicaid Certification Obtained _____ December 31, 2019
14. Facility or Service Accredited _____ December 31, 2019
15. Final Annual Report Due _____ January 1, 2023

