

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 24, 2020

Brian Hill
101 Baines Court
Cary, NC 27511

Conditional Approval

Project ID #: G-11858-20
Facility: Peak Resources - Alamance
Project Description: Relocate no more than 22 NF beds pursuant to Policy NH-6 from Edgewood Place at the Village at Brookwood for a total of no more than 142 NF beds upon project completion
County: Alamance
FID #: 150231

Approved Capital Expenditure: \$565,000
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: May 26, 2020
Required State Agency Findings: Enclosed

Dear Mr. Hill:

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 the capital cost will exceed the approved capital expenditure amount by more than 115%, the applicant must first obtain a new certificate of need.

Response to the conditions in Attachment A should be attached to emails addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision. Failure to respond within this time period may result in the Agency determining 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.

Note: The applicant shall not begin developing this project until after the certificate of need has been issued and the certificate of need will not be issued until the applicant has documented that all conditions that must be met prior to issuance of the certificate of need have been met. Furthermore, if the project requires that plans be submitted to the Construction Section, those plans will not be reviewed or approved until after the certificate of need has been issued.

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

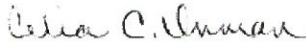
It is requested that a copy of the petition also be served on the Agency.


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,


Celia C. Inman
Project Analyst
Celia.Inman@dhhs.nc.gov


Fatimah Wilson
Team Leader
Fatimah.Wilson@dhhs.nc.gov

Enclosures:

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

cc: Construction Section, DHSR
Nursing Home & Licensure Section, DHSR

Attachment A
Conditions of Approval

- 1. Peak Resources-Alamance, Inc. and Peak of Graham, LLC shall materially comply with all representations made in the application and any supplemental responses. In the event that representations conflict, Peak Resources-Alamance, Inc. and Peak of Graham, LLC shall materially comply with the last made representation.**
- 2. Peak Resources-Alamance, Inc. and Peak of Graham, LLC shall acquire and relocate no more than 22 nursing facility beds from Edgewood Place at the Village at Brookwood for a total of no more than 142 nursing facility beds at Peak Resources-Alamance upon project completion.**
- 3. Upon issuance of the CON, Alamance Extended Care, Inc. shall take appropriate steps to de-license 22 nursing facility beds from Edgewood Place at the Village at Brookwood.**
- 4. For the first two years of operation following completion of the project, Peak Resources-Alamance, Inc. and Peak of Graham, LLC shall not increase private pay charges more than 5% of the projected private pay charges provided in Section Q of the application without first obtaining a determination from the Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.**
- 5. Prior to the issuance of the certificate of need, Peak Resources-Alamance, Inc. and Peak of Graham, LLC shall obtain documentation from Cone Health showing that the purchase transaction between the buyer and seller has been completed and shall provide a copy of the documentation to the Healthcare Planning and Certificate of Need Section.**
- 6. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, Peak Resources-Alamance, Inc. and Peak of Graham, LLC 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.**
- 7. Peak Resources-Alamance, Inc. and Peak of Graham, 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.**

Attachment B
Approved Timetable

1. Construction Contract Executed _____ July 30, 2020
2. 25% of Construction/Renovation Completed _____ August 10, 2020
3. 50% of Construction/Renovation Completed _____ August 20, 2020
4. 75% of Construction/Renovation Completed _____ August 30, 2020
5. Construction/Renovation Completed _____ August 31, 2020
6. Licensure Obtained _____ September 15, 2020
7. Services Offered (required) _____ October 1, 2020
8. First Annual Report Due* _____ December 31, 2021