



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

RESPONSE REQUIRED

June 27, 2022

Jordan Qualls
234 Two Creeks
Chapel Hill, NC 27517

Conditional Approval

Project ID #: O-12185-22
Facility: Arbor Landing at Compass Pointe
Project Description: Develop a new ACH facility by relocating no more than 20 ACH beds from Ocean Isle Operations for a total of no more than 20 Special Care Unit beds
County: Brunswick
FID #: 220166

Approved Capital Expenditure: \$4,417,660
Conditions of Approval: See Attachment A
Approved Timetable: See Attachment B
Last Date to Appeal: July 27, 2022
Required State Agency Findings: Enclosed

Dear Mr. Qualls:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has conditionally approved the above referenced certificate of need application. 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 an email addressed to the Project Analyst and the Co-signer no later than 35 days from the date of the decision. The certificate of need will not be issued if the response to the conditions in Attachment A has not been received by the Agency.

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 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.

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 G.S.150B, Article 3. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

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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).

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 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,



Kim Meymandi
Project Analyst
Kim.meymandi@dhhs.nc.gov



Lisa Pittman
Assistant Chief
Lisa.pittman@dhhs.nc.gov

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. Hood Creek Properties, LLC (hereinafter the certificate holder) shall materially comply with all representations made in the certificate of need application and any supplemental responses. If representations conflict, the certificate holder shall materially comply with the last made representation.
2. The certificate holder shall develop a new 20-bed ACH facility in Brunswick County by relocating 20 existing ACH beds from Ocean Isle Operations in Brunswick County.
3. Upon completion of the project, Arbor Landing at Compass Pointe shall be licensed for no more than 20 Special Care Unit ACH beds.
4. The certificate holder shall certify at least 20 percent of the total number of licensed adult care home beds in the facility for recipients of State/County Special Assistance with Medicaid and provide care to those recipients commensurate with representations made in supplemental information.
5. Progress Reports:
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic progress reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.
 - b. The certificate holder shall complete all sections of the Progress Report Form.
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.
 - d. The first progress report shall be due on October 1, 2022.
6. For the first two years of operation following completion of the project, Arbor Landing at Compass Pointe 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.
7. 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, the certificate holder 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.

8. Prior to the issuance of the certificate of need, Hood Creek Properties, LLC shall obtain documentation from Hooker Holdings and Jeff Dickerson 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.
9. The certificate holder 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**

Milestone		Date <i>mm/dd/yyyy</i>
1	Financing Obtained	09/02/2022
2	Drawings Completed	11/18/2022
4	Construction / Renovation Contract(s) Executed	02/15/2023
5	25% of Construction / Renovation Completed (25% of the cost is in place)	05/02/2023
6	50% of Construction / Renovation Completed	07/17/2023
7	75% of Construction / Renovation Completed	10/01/2023
8	Construction / Renovation Completed	12/15/2023
12	Building / Space Occupied	12/18/2023
13	Licensure Obtained	01/01/2024
14	Services Offered	01/01/2024
17	First Annual Report Due*	03/31/2025