

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: May 19, 2022

Findings Date: May 19, 2022

Project Analyst: Ena Lightbourne

Co-Signer: Gloria C. Hale

Project ID #: B-12182-22

Facility: The Laurels of Summit Ridge

FID #: 923279

County: Buncombe

Applicant(s): The Laurels of Summit Inn, Inc.
Summit Ridge Senior Leasing, LLC

Project: Relocate no more than 8 Nursing Facility (NF) beds from The Laurels of GreenTree Ridge for a total of no more than 68 NF beds and 23 Adult Care Home (ACH) beds upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living)

REVIEW CRITERIA

G.S. 131E-183(a): The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

NA

The Laurels of Summit Inn, Inc. and Summit Ridge Senior Leasing, LLC, collectively referred to as “the applicant”, propose to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to the Laurels of Summit Ridge in Buncombe County, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

The applicant does not propose to:

- Develop any beds or services for which there is a need determination in the 2022 SMFP

- Acquire any medical equipment for which there is a need determination in the 2022 SMFP
- Offer a new institutional health service for which there are any applicable policies in the 2022 SMFP

Therefore, Criterion (1) is not applicable to this review.

- (2) Repealed effective July 1, 1987.
- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

Patient Origin

On page 145, the 2022 SMFP defines the service area for NF beds as “*the county in which the bed is located.*” Thus, the service area for this facility consists of Buncombe County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin.

County	The Laurels of Summit Ridge Historical Patient Origin	
	Last Full FY Admitted 10/1/2020-9/30/2021	
	Patients	% of Total
Buncombe	297	90.0%
Burke	1	0.3%
Haywood	4	1.2%
Henderson	8	2.4%
Macon	3	0.9%
Madison	3	0.9%
McDowell	9	2.7%
Transylvania	2	0.6%
Yancey	6	1.8%
Total*	333	100.0%

Source: Section C, page 26

*Totals may not foot due to rounding.

The Laurels of Summit Ridge Projected Patient Origin						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2023- 12/31/2023 (CY 2023)		01/01/2024- 12/31/2024 (CY 2024)		01/01/2025- 12/31/2025 (CY 2025)	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Buncombe	364	90.0%	364	90.0%	364	90.0%
Burke	1	0.3%	1	0.3%	1	0.3%
Haywood	5	1.2%	5	1.2%	5	1.2%
Henderson	9	2.4%	9	2.4%	9	2.4%
Macon	3	0.9%	3	0.9%	3	0.9%
Madison	3	0.9%	3	0.9%	3	0.9%
McDowell	11	2.7%	11	2.7%	11	2.7%
Transylvania	2	0.6%	2	0.6%	2	0.6%
Yancey	7	1.8%	7	1.8%	7	1.8%
Total*	405	100.0%	405	100.0%	405	100.0%

Section C, pages 28-29

*Totals may not foot due to rounding.

In Section C, page 28, the applicant provides the assumptions and methodology used to project its patient origin. On page 28, the applicant states:

“The relocation of a relatively small number of nursing facility beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge is not anticipated to alter the historical patient origin experience at either facility.”

The applicant's assumptions are reasonable and adequately supported based on the following:

- The applicant assumes that the patient origin will reflect the historical experience after the relocation of the eight NF beds and the transfer of 29 ACH beds from the Laurels of Summit Ridge to Buncombe Senior Living (Approved Project ID# B-11270-16 and Material Compliance approval dated February 15, 2022).
- The applicant used the total projected days of care for each year, illustrated in Form C.1b of the application, and divided by 365 to get total projected residents then projected patient origin based on historical patient origin.

Analysis of Need

In Section C, pages 30-35, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

Need for Added NF Capacity at The Laurels of Summit Ridge (pages 31-32)

The applicant states that although The Laurels of Summit Ridge is a combination facility, the facility has a greater need for nursing home beds. According to the most recent License Renewal Application (LRA), the facility provided 18,000 days of care to NF residents and 5,300 days to ACH residents. on page 31, the applicant states: *"On September 30, 2021, The Laurels of Summit Ridge was providing service to 60 NF residents in its 60 NF-licensed beds."* The additional eight NF beds will meet the growing demand for NF services at The Laurels of Summit Ridge.

North Carolina and Buncombe County Population / Population Growth / Aging Population (pages 32-34)

The applicant states that the current demand for NF services will continue in the years ahead and this proposal is the appropriate response to patient demand in the future. The applicant cites data from the North Carolina Office of State Budget Management (NCOSBM) to illustrate the projected population growth in North Carolina and Buncombe County and provides supporting documentation is Exhibit C.4. According to the data, North Carolina and Buncombe County will continue to see significant population growth over the next ten years, particularly among the 65+ age cohort (group most likely to use NF services).

Optimal Use of the Physical Facility at The Laurels of Summit Ridge (page 34)

The applicant states that the relocation of the eight NF beds to the Laurels of Summit Ridge and the 29 ACH beds to Buncombe Senior Living will allow an increase in NF bed capacity and accommodate additional relocated NF bed capacity within the facility.

Added Capacity in the Zip Code Area (pages 34-35)

The applicant is proposing to relocate the eight NF beds from ZIP code 28803 to The Laurels of Summit Ridge in ZIP code 28805. The applicant states that there is one NF bed per 294 residents in ZIP code 28805 and one NF bed per 124 residents in ZIP code 28803. The

applicant states that this proposal will result in more NF beds in a ZIP code area that has fewer NF beds per total population.

The information is reasonable and adequately supported based on the following:

- The facility’s current need for additional NF bed capacity.
- The projected population growth in North Carolina and Buncombe County.
- The limited NF bed capacity in the facility’s ZIP code.

Projected Utilization

In Section Q, pages 84 and 86, the applicant provides historical and projected utilization, as illustrated in the following table.

The Laurels of Summit Ridge Historical and Projected Utilization						
	Last Full FY	Interim Full FY	Partial Year	1st Full FY	2 nd Full FY	3 rd Full FY
	01/01/21-12/31/21	01/01/22-6/30/22	7/01/22-12/31/22	CY 2023	CY 2024	CY 2025
NF Beds						
# of Beds	60	60	68	68	68	68
# of Admissions	332	180	180	375	375	375
# of Patient Days	19,603	10,386	11,559	24,076	24,076	24,076
Average Length of Stay	59.05	57.70	64.22	64.20	64.20	64.20
Occupancy Rate	89.5%	94.8%	93.1%	97.0%	97.0%	97.0%
ACH Beds						
# of Beds	52	52	23	23	23	23
# of Admissions	26	13	13	30	30	30
# of Patient Days	5,068	3,077	3,128	6,800	6,800	6,800
Average Length of Stay	194.92	236.69	240.62	226.67	226.67	226.67
Occupancy Rate	26.7%	32.4%	74.5%	81.0%	81.0%	81.0%

In Section Q, pages 85 and 87, and supplemental information provided to the Agency, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

NF Beds

- The applicant begins with the facility’s historical utilization data for the last full fiscal year. The applicant identifies the historical monthly days of care for the first six months of CY 2021 then calculates the monthly occupancy rate using the following formula:

$$\text{Available Days in the Calendar Month} \times \text{Bed Count} = \text{Available Days}$$

(31 days x 60 beds = 1,860 Available Days)
Actual Days of Care / Available Days = Occupancy Rate

January 2021 – June 2021	January	February	March	April	May	June	Total
# of NF Beds	60	60	60	60	60	60	
Days of Care	1,428	1,465	1,512	1,602	1,654	1,606	9,267
Calendar Month Days	31	28	31	30	31	30	181
Occupancy Rate	76.77%	87.20%	81.29%	89.00%	88.92%	89.22%	

The Laurels of Summit Ridge Historical Utilization (Nursing Facility Beds) 01/01/2021-06/30/2021	
Total Days of Care	9,267
Total Available Days	10,860*
Occupancy Rate	85.33%**

*Total Calendar Days x Bed Count (181 x 60 = 10,860)

**Total Days of Care / Total Available Days = Occupancy Rate (9,267 / 10,860 = 85.33%)

In supplemental information, the applicant states that the occupancy rate of 85.33% was below the utilization levels prior to the COVID-19 pandemic and concludes that the first six months of CY 2021 continued to be impacted.

- The applicant identifies the historical monthly days of care for the second six months of CY 2021 using the formula stated above.

July 2021 – December 2021	July	August	September	October	November	December	Total
# of NF Beds	60	60	60	60	60	60	
Days of Care	1,725	1,547	1,687	1,830	1,762	1,785	10,336
Calendar Month Days	31	31	30	31	30	31	184
Occupancy Rate	92.74%	83.17%	93.72%	98.39%	97.89%	95.97%	

The Laurels of Summit Ridge Historical Utilization (Nursing Facility Beds) 07/01/2021-12/31/2021	
Total Days of Care	10,336
Total Available Days	11,040*
Occupancy Rate	93.62%**

*Total Calendar Days x Bed Count (184 x 60 = 11,040)

**Total Days of Care / Total Available Days = Occupancy Rate (10,336 / 11,040 = 93.62%)

Based on the increase in the occupancy rate during the second half of CY 2021, the applicant concluded that utilization began to “rebound” from the pandemic during this period.

- To begin its projections for CY 2022, the applicant identifies the actual occupancy rate for January 2022 as 96.88%, based on the facility’s actual data. The applicant combined it with the average occupancy rate for the most recent six months (July 2021 – January 2022). The average occupancy rate was 94.33% and the monthly occupancy rate remained at or above 96% for the most recent four months (October 2021 - January 2022). Therefore, the applicant projects that utilization for the first six months of CY 2022 will remain constant at the historical occupancy rate of 95.6%.

January 2022 – June 2022	(Actual) January	(Projected) Feb-June	Total
Days of Care	1,802	8,584	10,386
Available Days	1,860	9000	10,860
Occupancy Rate	96.88%	95.4%	95.6%*

*Total Actual Days of Care / Total Available Days = Occupancy Rate (10,386 / 10,860 = 95.6%)

- In Section P, page 82, the applicant proposes that services will be offered beginning July 1, 2022. The applicant projects utilization for the second six months of CY 2022 based on the addition of the eight NF beds transferred from the Laurels of GreenTree Ridge. The applicant maintains the historical occupancy rate of 95.6% and assumes a ramp-up period. However, the applicant conservatively projects an overall occupancy rate of 92.4%, which is lower than the historical occupancy rate during the second six months of CY 2021.

The Laurels of Summit Ridge Projected Utilization (Nursing Facility Beds) 07/01/2022-12/31/2022	
Total Days of Care	11,559
Available Days (68 Beds)	12,512*
Overall Occupancy Rate	92.4%**

*Total Calendar Days x Bed Count (184 x 68 = 12,512)

**Actual Days of Care / Available Days = Occupancy Rate (11,559 / 12,512 = 92.4%)

The Laurels of Summit Ridge Projected Utilization (Nursing Facility Beds) 07/01/2022-12/31/2022	
Available Days - 60 Beds	11,040
Occupancy Rate	95.6%
Days of Care - 60 Beds	10,554
Available Days - 8 Beds	1,472
Occupancy Rate	68.3%
Days of Care - 8 Beds	1,005
Total Available Days - 68 Beds	12,512
Overall Occupancy Rate	92.4%
Total Days of Care - 68 Beds	11,559

- The applicant projects that the occupancy rate to maintain at 97% for the first three years of the project based on the facility’s historical experience. The average monthly occupancy rate from October 2021 through January 2022 was 97.28%.

ACH Beds

- The applicant begins with the facility’s historical utilization data for the last full fiscal year, as stated in the December 31, 2020 License Renewal Application. During FY 2020, the facility reported 45 admissions. At the end of the fiscal year, the facility had 13 adult care residents and 52 ACH beds.
- During CY 2021, the facility reports a total of 26 admissions based on internal data.
- The applicant projects the interim year as the first six months of 2022 prior to the transfer of the 29 ACH beds to Buncombe Senior Living. Although the Laurels of Summit Ridge was temporarily approved in July 2021 and February 2022 to use the facility’s licensed ACH beds in NF rooms due to the COVID-19 pandemic State of Emergency, the applicant’s projections are based on 52 ACH beds.
- The applicant projects utilization for the second six months 2022 after the transfer of 29 ACH beds to Buncombe Senior Living.

- The applicant reasonably projects 30 admissions and an occupancy rate of 81.0% for the first three full fiscal years of the project based on historical utilization.

Projected utilization is reasonable and adequately supported based on the following:

- The applicant projects utilization based on the historical experience of the facility.
- The applicant accounts for the projected population growth in the service area and the need for additional NF bed capacity at the facility due to high demand.

Access to Medically Underserved Groups

In Section C, page 39, the applicant states:

“Access to nursing facility beds by medically underserved groups is expected to be similar to the current access with the relocation of the eight (8) nursing facility beds to The Laurels of Summit Ridge. The addition may allow increased access to these groups by offering additional capacity at The Laurels of Summit Ridge.”

The applicant provides the estimated percentage for each medically underserved group during the third full fiscal year, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients
Low income persons (Including Medicaid)	61.0%
Racial and ethnic minorities	
Women	51%
Persons with Disabilities	
Persons 65 and Older	87%
Medicare beneficiaries	23%
Medicaid recipients	61%

Source: Section C, page 40

On page 40, the applicant states:

“The applicants utilized historical and recent experiences to estimate the percentage of total patients for each group listed in the above table during the third full fiscal year...The current license renewal application does not require reporting on race or disability of individuals served; thus, historical data is not currently available for these groups.”

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The Laurels of Summit Ridge is an existing facility currently serving medically underserved groups.
- The applicant's projections are based on historical and recent experiences at the facility.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [with disabilities], and other underserved groups and the elderly to obtain needed health care.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

According to the most recent LRA, The Laurels of GreenTree Ridge is licensed for 98 NF beds and two ACH beds. In Section A, page 22, the applicant states that due to the COVID-19 pandemic State of Emergency, the facility was temporarily approved to be licensed for 100 NF beds. The applicant is proposing to relocate eight nursing beds to The Laurels of Summit Ridge for a total of 92 NF beds at The Laurels of GreenTree Ridge.

In Section D, page 45, the applicant explains why it believes the needs of the population presently utilizing the services to be relocated will be adequately met following completion of the project. On page 45, the applicant states:

...the beginning census at The Laurels of GreenTree Ridge on October 1, 2020 was 79 nursing home patients. With the relocation of 8 the nursing facility beds to The Laurels of Summit Ridge, sufficient beds will remain at The Laurels of GreenTree Ridge to serve the patients continuing to use the facility.

...

...the beds to be relocated per this Application will continue to be available in Buncombe County at The Laurels of Summit Ridge to meet the needs of future patients seeking nursing facility care in Buncombe County.”

The information is reasonable and adequately supported based on the following:

- The proposal involves relocating beds from a facility that will have sufficient bed capacity upon project completion.
- The beds will be relocated within Buncombe County, which will continue to meet the needs of NF residents in the county.

In Section Q. page 88, the applicant provides projected utilization, as illustrated in the following table.

The Laurels of GreenTree Ridge Historical and Projected Utilization				
	Last Full FY	Interim Partial Full FY	Partial Year	1st Full FY
	01/01/21- 12/31/21	01/01/22- 6/30/22	7/01/22- 12/31/22	01/01/23- 12/31/23
NF Beds				
# of Beds	98	98	90	90
# of Admissions	343	175	175	350
# of Patient Days	31,387	16,142	15,725	31,356
Average Length of Stay	91.51	92.24	89.86	89.59
Occupancy Rate	87.75%	90.25%	95.74%	95.45%
ACH Beds				
# of Beds	2	2	2	2
# of Admissions	0	0	0	0
# of Patient Days	0	0	0	0
Average Length of Stay	0	0	0	0
Occupancy Rate	0	0	0	0

In Section Q, page 89, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The applicant begins with the facility’s historical utilization data for the last full fiscal year.
- The applicant projects the interim partial year as the first six months prior to the relocation of the eight NF beds and projects the partial year as the first six months after the relocation of the eight NF beds.

- The applicant conservatively projects 90 NF beds after the relocation of the eight NF beds although the facility will continue to operate 92 NF beds.
- Based on the facility's current utilization, the applicant projects an increase in the occupancy rate after the relocation of the eight NF beds.
- The applicant does not project utilization for the two ACH beds temporarily approved to be used as NF beds. The beds have not been historically used as ACH beds; therefore, there is no historical or projected ACH utilization to report.

Projected utilization is reasonable and adequately supported based on the following:

- Projected utilization is based on the historical experience at the facility.
- The applicant reasonably projects an increase in the occupancy rate after the relocation of the eight NF beds because the facility will have less beds.

Access to Medically Underserved Groups

In Section D, page 45, the applicant states:

“As evidenced by the 2022 license renewal application, 18,488 (61%) of the total census days were reimbursed by Medicaid and 9,655 (32%) were reimbursed by Medicare at The Laurels of GreenTree Ridge. Additionally, as of September 30, 2021, 61 (61%) of the residents were women over 65 at The Laurels of GreenTree Ridge.”

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use nursing facility services will be adequately met following completion of the project for the following reasons:

- The Laurels of GreenTree Ridge is an existing facility currently serving medically underserved groups.
- The applicant projections are based on the historical experience at the facility.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion. The applicant adequately demonstrates that the needs of the population currently using the services to be reduced, eliminated or relocated will be adequately met following project completion for all the reasons described above.

- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

In Section E, page 49, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

Maintain the Status Quo-The applicant states that maintaining the status quo was a less effective alternative because the proposal meets the needs of the population served at The Laurels of Summit Ridge and will not adversely impact The Laurels of GreenTree Ridge.

Apply to Transfer/Relocate Fewer NF Beds-The applicant states that this was not an effective alternative based on the facility's utilization and need for greater access to NF beds.

Obtain NF Beds from a Facility other than Laurels of GreenTree Ridge-The applicant states that this alternative was considered, however, the applicant was unable to find a facility in Buncombe County willing to sell NF beds for relocation to The Laurels of Summit Ridge.

On page 49, the applicant states that the proposal is the most effective alternative because it would meet the needs of the patient population served by The Laurels of Summit Ridge.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- Based on the facility's current utilization, the applicant's proposal will provide greater access to NF beds.
- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria. Therefore, the application can be approved.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. The Laurels of Summit Inn, Inc. and Summit Ridge Senior Leasing, LLC (hereinafter 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 relocate no more than eight nursing facility (NF) beds from The Laurels of GreenTree Ridge to the Laurels of Summit Ridge in Buncombe County, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).**
- 3. Upon completion of the project, The Laurels of Summit Ridge shall be licensed for no more than 68 NF beds and 23 ACH beds.**
- 4. Upon completion of the project, The Laurels of GreenTree Ridge shall be licensed for no more than 90 NF beds and 2 ACH beds.**
- 5. For the first two years of operation following completion of the project, the certificate 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.**
- 6. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic 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. Progress reports shall be due on the first day of every fourth month. The first progress report shall be due on July 1, 2022. The second progress report shall be due on November 1, 2022 and so forth.**
- 7. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**

8. **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.**
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.**

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

Capital and Working Capital Costs

In Section Q, page 90, the applicant projects the total capital cost of the project, as shown in the table below.

The Laurels of Summit Ridge Capital Costs	
Construction/Renovation Contract(s)	\$15,000
Architect/Engineering Fees	\$4,500
Furniture	\$28,113
Other	\$2,744
Total	\$50,357

In Section Q, page 91, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant’s proposal includes the relocation of beds to an existing building which only requires costs associated with minor electrical work and adding furniture.
- Other costs include architecture/engineering fees and the cost for cubicle curtains and curtain tracks.

On page 53, the applicant states that there will be no start-up or initial operating costs associating with this project.

Availability of Funds

In Section F, page 51, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing

Type	The Laurels of Summit Inn, Inc.	Summit Ridge Senior Leasing, LLC	Total
Loans	\$0	\$0	\$0
Accumulated reserves or OE *	\$50,357	\$0	\$50,357
Bonds	\$0	\$0	\$0
Other (Specify)	\$0	\$0	\$0
Total Financing	\$50,357	\$0	\$50,357

* OE = Owner’s Equity

Exhibit F.2 contains a letter dated February 14, 2022, from Laurel Health Care Company, the applicant’s management company, stating its commitment to funding the proposed project. The letter states that Laurel Health Care Company will not impose any obligation for return or repayment of these funds. The applicant provides a bank statement from Laurel Health Care Company confirming an available balance of \$1,569,759 in the company’s checking account.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the tables below.

The Laurels of Summit Ridge Nursing Facility Beds	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
	CY 2023	CY 2024	CY 2025
Total Patient Days	24,076	24,076	24,076
Total Gross Revenues (Charges)	\$8,639,546	\$8,769,634	\$8,781,089
Total Net Revenue	\$8,581,503	\$8,710,609	\$8,721,979
Average Net Revenue per Patient Day	\$356	\$362	\$362
Total Operating Expenses (Costs)	\$7,933,590	\$8,104,277	\$8,273,956
Average Operating Expense per Patient Day	\$330	\$337	\$344
Net Income	\$647,913	606,333	\$448,023

The Laurels of Summit Ridge (Entire Facility)	1 st Full Fiscal Year	2 nd Full Fiscal Year	3 rd Full Fiscal Year
	CY 2023	CY 2024	CY 2025
Total Patient Days	30,876	30,876	30,876
Total Gross Revenues (Charges)	\$9,967,586	\$10,097,674	\$10,109,129
Total Net Revenue	\$9,892,417	\$10,021,524	\$10,032,892
Average Net Revenue per Patient Day	\$320	\$325	\$325
Total Operating Expenses (Costs)	\$9,008,095	\$9,196,037	\$9,383,491
Average Operating Expense per Patient Day	\$292	\$298	\$304+
Net Income	\$884,322	\$825,487	\$649,401

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Form F.2b. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant projects gross revenue based on actual facility charges and published rates for payor sources.
- Projected revenue includes anticipated COVID-related funds over the next several years.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.

- The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.
 - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

On page 145, the 2022 SMFP defines the service area for NF beds as “*the county in which the bed is located.*” Thus, the service area for this facility consists of Buncombe County. Facilities may also serve residents of counties not included in their service area.

Based on data reported in Table 10A, page 150 of the 2022 SMFP, Buncombe County currently has 20 nursing facilities with a total of 1,950 licensed nursing care beds, with 322 excluded from the planning inventory, as summarized below:

Facility	Total Available NF Beds	Sum of Exclusion	Total Planning Inventory
Accordius Health at Asheville	77	0	77
Aston Park Health Care Center, Inc.	120	0	120
Black Mountain Neuro-Medical Treatment Center	156	156	0
Brian Center Health and Rehabilitation/Weaverville	122	0	122
Brooks-Howell Home	58	1	54
Carolina Pine at Asheville	120	0	120
Deerfield Episcopal Retirement Community, Inc.	62	31	31
Emerald Ridge Rehabilitation and Care Center	100	0	100
Flesher's Fairview Health Care Center, Inc.	106	0	106
Givens Health Center	70	12	58
Givens Highland Farms	60	0	60
Mountains Ridge Health and Rehab	97	0	97
NC State Veterans Home-Black Mountain	100	100	0
Pelican Health at Asheville	106	0	106
Pisgah Manor Health Care Center	118	4	113
StoneCreek Health and Rehabilitation	120	0	120
The Laurels of GreenTree Ridge	98	0	98
The Laurels of Summit Ridge	60	0	60
The Oaks at Sweeten Creek	100	0	100
Western North Carolina Baptist Home	100	18	87
Total	1,950	322	1,629

In Section, G, page 61, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved nursing facility services in Buncombe County. The applicant states:

“The proposal to relocate 8 currently existing nursing facility beds in the same service area and included in the SMFP inventory will not duplicate a service; rather, the relocation will allow more efficient utilization of the 8 nursing facility beds...”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- The proposal would not result in an increase in NF beds in Buncombe County.
- The applicant’s proposal is based on the need for additional NF bed capacity at the facility and in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

In Section Q, page 121, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE Staff	Projected FTE Staff
	(As of 01/01/2022)	2nd Full Fiscal Year (CY 2024)
Registered Nurses	7.0	7.0
Licensed Practical Nursing	12.0	15.0
Certified Nursing Aides/Nursing Assistants	40.0	40.0
Director of Nursing	1.0	1.0
Assistant Director of Nursing	1.0	1.0
MDS Nursing	2.0	2.0
Physical Therapists	2.0	2.0
Physical Therapy Assistant	1.0	1.0
Speech Therapist	0.5	0.5
Occupational Therapists	1.5	1.5
Occupational Therapy Aides	1.0	1.0
Cook	2.5	2.5
Dietary Aide	4.5	4.5
Social Workers	2.0	2.0
Activities Director	1.0	1.0
Medical Records	1.0	1.0
Laundry and Lined	1.0	1.0
Housekeeping	5.0	5.0
Central Sterile Supply	1.0	1.0
Maintenance/Engineering	1.0	1.0
Administrator/CEO	1.0	1.0
Business Office	1.0	1.0
Clerical	2.0	2.0
Other	1.0	1.0
TOTAL	93.0	96.0

The assumptions and methodology used to project staffing are provided in Section Q, page 122. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in F.3b. In Section H, pages 63-64, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant states its staffing pattern will remain largely the same except to add some new LPN positions to accommodate additional staffing needs.
- Laurel Health Care Holdings, Inc., the parent company of the applicant, is an existing provider of nursing facility services across several states, including North Carolina, with extensive experience in recruiting staff.

- The applicant does not anticipate difficulty in recruiting staff because experienced staff will be recruited within The Laurels of Summit Ridge and/or GreenTree Ridge which will not require training.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

Ancillary and Support Services

In Section I, page 65, the applicant identifies the necessary ancillary and support services for the proposed services. On page 65, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available because all ancillary and support services are already provided by the facility.

Coordination

In Section I, page 66, the applicant describes its existing and proposed relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The Laurels of Summit Ridge and The Laurels of GreenTree Ridge receive referrals from Mission Hospital and Advent Health.
- The applicant has pre-existing relationships with local health care providers.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application.

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
 - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
 - (iii) would cost no more than if the services were provided by the HMO; and
 - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by

other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

In Section K, page 68, the applicant states that the project involves renovating 2,048 square feet of existing space. Line drawings are provided in Exhibit K.2.

On page 69, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant is utilizing an existing space to accommodate the eight relocated beds.
- The relocation project will require minor renovations.

On page 69, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The purpose of the project is to better serve the population in Buncombe County at minimal costs.
- The applicant's proposal to relocate existing beds within the county requires nominal capital costs.

On page 69, the applicant states that the project requires minor modifications to existing space and therefore has no construction plans for which energy saving features will be incorporated.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs

identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

- (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

In Section L, page 71, the applicant provides the historical payor mix during FY 2021 for the proposed services, as shown in the table below.

The Laurels of Summit Ridge Historical Payor Mix 10/01/2020-09/30/2021	
Payor Category	Nursing Facility Services as Percent of Total
Self-Pay	4.14%
Charity Care	0.00%
Medicare*	22.79%
Medicaid*	60.10%
Insurance*	0.00%
Workers Compensation	0.00%
TRICARE	0.00%
Other	12.97%
Total	100.00%

*Including any managed care plans.

In Section L, page 72, the applicant provides the following comparison.

The Laurels of Summit Ridge	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	50.00%	52.10%
Male	50.00%	47.90%
Unknown	NA	NA
64 and Younger	13.33%	79.50%
65 and Older	86.66%	20.50%
American Indian	NA	0.50%
Asian	NA	1.40%
Black or African-American	NA	6.30%
Native Hawaiian or Pacific Islander	NA	0.20%
White or Caucasian	NA	83.40%
Other Race	NA	2.20%
Declined / Unavailable	NA	NA

In Section C, page 39, the applicant states that the LRA does not require reporting on race nor disability, therefore, there is no historical data to report.

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the applicant adequately documents the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. Therefore, the application is conforming to this criterion.

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and ... persons [with disabilities] to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 73, the applicant states that the facility is under no obligation to provide uncompensated care, community service or access by minorities and persons with disabilities.

In Section L, page 73, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

In Section L, page 74, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

The Laurels of Summit Ridge Projected Payor Mix CY 2025	
Payor Category	Nursing Facility Services as Percent of Total
Self-Pay	4.0%
Charity Care	0.0%
Medicare*	23.0%
Medicaid*	61.0%
Insurance*	0.0%
Workers Compensation	0.0%
TRICARE	0.0%
Other	12.0%
Total	100.0%

Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 4% of total services will be provided to self-pay patients, 23% to Medicare patients and 61% to Medicaid patients.

On page 74, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported. The applicant projects payor mix is based on the prior experience at The Laurels of Summit Ridge with the potential increase in Medicaid patients.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reasons stated above.

- (d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

In supplemental information provided to the Agency, the applicant adequately described the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

In Section M, page 76, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- Buncombe and Henderson County facilities owned by Laurel Health Care Holdings, Inc., have existing agreements with A-B Tech Community College.

- The applicant is proposing to add The Laurels of Summit Ridge to the agreement with A-B Tech Community College.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (15) Repealed effective July 1, 1987.
 - (16) Repealed effective July 1, 1987.
 - (17) Repealed effective July 1, 1987.
 - (18) Repealed effective July 1, 1987.
- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes to relocate no more than eight NF beds from The Laurels of GreenTree Ridge to The Laurels of Summit Ridge, for a total of no more than 68 NF beds and 23 ACH beds at The Laurels of Summit Ridge, upon completion of this project and Project ID# B-11270-16 (relocate 29 ACH beds to Buncombe Senior Living).

On page 145, the 2022 SMFP defines the service area for NF beds as “*the county in which the bed is located.*” Thus, the service area for this facility consists of Buncombe County. Facilities may also serve residents of counties not included in their service area.

Based on data reported in Table 10A, page 150 of the 2022 SMFP, Buncombe County currently has 20 nursing facilities with a total of 1,950 licensed nursing care beds, with 322 excluded from the planning inventory, as summarized below.

Facility	Total Available NF Beds	Sum of Exclusion	Total Planning Inventory
Accordius Health at Asheville	77	0	77
Aston Park Health Care Center, Inc.	120	0	120
Black Mountain Neuro-Medical Treatment Center	156	156	0
Brian Center Health and Rehabilitation/Weaverville	122	0	122
Brooks-Howell Home	58	1	54
Carolina Pine at Asheville	120	0	120
Deerfield Episcopal Retirement Community, Inc.	62	31	31
Emerald Ridge Rehabilitation and Care Center	100	0	100
Flesher's Fairview Health Care Center, Inc.	106	0	106
Givens Health Center	70	12	58
Givens Highland Farms	60	0	60
Mountains Ridge Health and Rehab	97	0	97
NC State Veterans Home-Black Mountain	100	100	0
Pelican Health at Asheville	106	0	106
Pisgah Manor Health Care Center	118	4	113
StoneCreek Health and Rehabilitation	120	0	120
The Laurels of GreenTree Ridge	98	0	98
The Laurels of Summit Ridge	60	0	60
The Oaks at Sweeten Creek	100	0	100
Western North Carolina Baptist Home	100	18	87
Total	1,950	322	1,629

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 77, the applicant states:

“The relocation of 8 nursing facility beds within the same service area will have a limited, but positive, impact on competition in the service area. The relocation of the 8 nursing facility beds will increase the efficiency of the operations of both The Laurels of Summit Ridge and The Laurels of GreenTree Ridge which will have a positive impact on cost effectiveness, quality, and access to nursing facility beds in the service area.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 77, the applicant states:

“Operations at both facilities will become more cost-effective, which will ultimately reduce the cost of providing care...”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 77, the applicant states:

“Operations at both facilities will...enhance the quality of the services provided by allowing for reinvestment of cost savings into the facilities, such as renovations or home-like improvements...”

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 77, the applicant states:

“Operations at both facilities will... allow for the opportunity to increase access to medically underserved groups.”

See also Sections L and C of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services and the applicant’s record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described above.

- (19) Repealed effective July 1, 1987.

- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

In Section Q, page 123, the applicant identifies the nursing facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of seven of this type of facility located in North Carolina.

In Section O, page 80, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to immediate jeopardy had not occurred in any of these facilities. According to the files in the Nursing Home Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care have not occurred in any of these facilities. After reviewing and considering information provided by the applicant and by the Nursing Home Licensure and Certification Section and considering the quality of care provided at all seven facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

NA

The applicant proposes to relocate eight existing nursing NF beds from their current location to an existing facility. The Criteria and Standards for Nursing Facility or Adult Care Home Services, promulgated in 10A NCAC 14C .1100, are not applicable to the review because the applicant is not proposing to add new NF or ACH beds to an existing facility or to develop a new facility.