

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: March 28, 2024

Findings Date: March 28, 2024

Project Analyst: Ena Lightbourne

Co-Signer: Lisa Pittman

Project ID #: G-12458-23

Facility: Heartland Living and Rehab

FID #: 230906

County: Guilford

Applicant(s): Heartland of Greensboro, Inc.

Colfax Realty, LLC

Project: Develop a new replacement nursing facility by relocating no more than 107 nursing facility (NF) beds and 18 adult care home (ACH) beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital

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.

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Heartland of Greensboro, Inc. and Colfax Realty, LLC (hereinafter referred to “the applicant”) propose to develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital located at 1131 North Church Street in Greensboro, to a new facility, Heartland Living and Rehab. The new facility will be located at 9206 W. Market Street in Colfax. Both locations are in Guilford County. Upon project completion, Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds. The remaining 19 ACH beds will be de-licensed.

Need Determination

The proposed project does not involve the addition of any new health service facility beds, services, or equipment for which there is a need determination in the 2023 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

Policies

There are two policies in the 2023 SMFP which are applicable to this review: *NH-8: Innovations in Nursing Home Facility Design* and *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

Policy NH-8: Innovations in Nursing Home Facility Design, on page 24 of the 2023 SMFP, states:

“Certificate of need applicants proposing new nursing home facilities and replacement nursing home facilities shall pursue innovative approaches in environmental design that address quality of care and quality of life needs of the residents. These plans could include innovative design elements that encourage less institutional, more home-like settings, privacy, autonomy and resident choice, among others.”

In Section B, pages 27-29, the applicant describes the innovative approaches in environmental design that it plans to incorporate into the proposed project.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2023 SMFP, states:

“Any person proposing a capital expenditure greater than \$4 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

In approving a certificate of need proposing an expenditure greater than \$5 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178, Certificate of Need shall impose a condition requiring the applicant to develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN 4.

Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 is required to submit a plan for energy efficiency and water conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy-GEN 4. The plan shall not adversely affect patient or resident health, safety, or infection control.”

The capital expenditure of the project is over \$4 million dollars. In Section B, page 31, the applicant describes its plan to assure improved energy efficiency and water conservation.

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 the following:

- The applicant does not propose to develop any beds, services, or equipment for which there is a need determination in the 2023 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with Policies *NH-8* and *GEN-4* based on the following:
 - The applicant adequately demonstrates that the proposal is consistent with Policy *NH-8* because they adequately document the innovative approaches in environmental design to address quality of care and quality of life needs of the residents.
 - The applicant adequately demonstrates that the application includes a written statement describing the project's plan to ensure improved energy efficiency and water conservation.

(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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

Patient Origin

On page 139, the 2023 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*”

The applicant proposes relocating NF beds and ACH beds within Guilford County from Greensboro to Colfax. Thus, the service area for this facility is Guilford County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin.

County	Heartland Living & Rehab Existing Facility Historical Patient Origin	
	Last Full FY 10/01/2022-09/30/2023	
	Patients	% of Total
NF Beds		
Guilford	86	94.5%
Rockingham	2	2.2%
Forsyth	1	1.1%
Chesterfield	1	1.1%
Alamance	1	1.1%
Total	91	100.0%
ACH Beds		
Guilford	7	75.0%
Forsyth	1	25.0%
Total	8	100.0%

Source: Section C, page 33

Heartland Living & Rehab Proposed Facility Projected Patient Origin						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	10/1/25-9/30/26		10/1/26-9/30/27		10/1/27-9/30/28	
	FY2026		FY2027		FY2028	
	NF Beds					
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Guilford	234	80.14%	238	79.60%	238	79.60%
Forsyth	42	14.38%	43	14.38%	43	14.38%
Rockingham	12	4.11%	13	4.35%	13	4.35%
Alamance	4	1.37%	5	1.67%	5	1.67%
Total	292	100.00%	299	100.00%	299	100.00%
ACH Beds						
Guilford	11	78.6%	14	77.8%	14	77.8%
Forsyth	3	21.4%	4	22.2%	4	22.2%
Total	14	100.0%	18	100.0%	18	100.0%

Source: Section C, pages 34-35

In Section C, page 34, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported because the projections are based on the historical experience of the existing facility that is currently in operation.

Analysis of Need

In Section C, pages 36-38, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

Alternative to Closing the Existing Facility (pages 36-37)

The existing facility is located on the Mose H. Cone Memorial Hospital campus who leases the building and land to Heartland of Greensboro, Inc. The hospital has decided to remove the nursing home service line and repurpose the building and the physical plant. The applicant states that the proposal to relocate the facility is needed to avoid the potential closing of the existing facility by the hospital. Closing the existing facility will displace the existing patients and cause a disruption to patient care.

Growing Population of Aging Adults (page 37)

Guilford County is a densely populated area and is the largest county in the proposed service area. The applicant expects the facility's occupancy to continue to grow as the county grows, particularly among the 65+ population. According to data from Healthcare Consulting Group of FORVIS LLP, The Guilford County 65+ population is projected to grow by 15.5 percent by 2028. The applicant states that the provision of nursing facility services will continue to be needed as the service area population grows.

Existing Facility Age (page 37)

The applicant is proposing to construct a new and modern facility that will include private/single-occupancy rooms and modern technology such as virtual care. The existing facilities in Guilford County do not have the much-needed modern technology or amenities the applicant is proposing in the new facility. The applicant states that a modern facility with upgraded amenities and resident care options will continue to be in demand.

Continued Commitment to the Indigent/Medicaid Population (page 38)

The applicant states that it will continue its commitment to provide nursing facility services to underserved groups in Guilford County as the need for placement continues to grow among these groups. The applicant is proposing to transfer all existing Medicaid residents to the new facility and continue to accept new Medicaid residents.

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

- The closing of the existing facility without replacing the facility can potentially interrupt care for nursing facility residents in the service area.

- The growth and aging of the service area population continues to drive the need to enhance access to nursing facility services.
- The applicant’s proposal will meet the growing demand for enhanced nursing facility amenities such as private/single rooms and other modern upgrades.
- The applicant will continue its commitment to serve the underserved.

Projected Utilization

In Section Q, Forms C.1a and C.1b, the applicant provides historical and projected utilization, as illustrated in the following tables.

Heartland Living & Rehab Existing Facility Historical Utilization			
	Last Full FY	Interim Full FY	Interim Full FY
	FY2023	FY2024	FY2025
NF Beds			
Total # of Beds	107	107	107
# of Admissions	277	277	277
# of Patient Days	32,822	32,822	32,822
Average Length of Stay	118	118	118
Occupancy rate	84.0%	84.0%	84.0%
ACH Beds			
Total # of Beds	37	37	37
# of Admissions	8	8	8
# of Patient Days	2,700	2,700	2,700
Average Length of Stay	338	338	338
Occupancy rate	20.0%	20.0%	20.0%

Heartland Living & Rehab Proposed Facility Projected Utilization			
	1st	2nd	3rd
	Full FY	Full FY	Full FY
	FY2026	FY2027	FY2028
	NF Beds		
Total # of Beds	107	107	107
# of Admissions	292	299	299
# of Patient Days	34,573	35,404	35,404
Average Length of Stay	118	118	118
Occupancy rate	88.5%	90.7%	90.7%
	ACH Beds		
Total # of Beds	18	18	18
# of Admissions	14	18	18
# of Patient Days	4,650	5,931	5,931
Average Length of Stay	338	338	338
Occupancy rate	70.8%	90.3%	90.3%

In Section Q and Exhibits C.1, C.4, C.6, and C.7, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The applicant begins with the facility census as of September 30, 2023, and projects Year 1 occupancy based on the transfer of the existing residents to the new facility.
- The applicant utilized a net average fill-up rate of one patient per month during the fill up period. At the end of the first full fiscal year (September 2026) the applicant projects a stabilized occupancy of 90% for the facility.
- The applicant projects that the facility census will remain constant for the second and third year of the project.
- The applicant considered the current and projected population and demographic data for Guilford County in projecting utilization.

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

- The applicant relied on the facility’s most recent historical experience to project fill-up data, occupancy rate, and length of stay.
- The facility will be brand-new with enhanced amenities compared to other nursing facilities. In contrast, the last new nursing facility built in Guilford County was almost 15 years ago over which time the effectiveness and design of nursing facilities has drastically changed. See Exhibit C.4.
- The applicant accounted for the need for replacement facility to project utilization based on the following factors:
 - Serves As an Alternative to Closing the Existing Facility
 - Guilford County’s Growing Population of Aging Adults
 - The Aging of the Existing Facility

- The Need to Continue the Facility’s Commitment to serve the Indigent/Medicaid Population

Access to Medically Underserved Groups

In Section C, pages 43-44, the applicant states:

“The related facilities owned and operated by the owners of the applicant and managed by Century Care Management have a long history of serving the indigent/Medicaid population in the counties served by their Nursing Facilities. The replacement facility will accept both direct admit Medicaid beneficiaries, as well as those patients that transition to Medicaid after their Medicare benefit or Private Pay resources have lapsed. While there will be no formal policy for ‘charity care’, the facility will entertain specific hardships on a case-by-case basis, which could include the disenfranchised and underserved which do not qualify for Medicaid benefits.

...

The applicant currently has in place and will continue to have a strict non-discriminatory policy, which will allow full access to the facility regardless of gender, race, religion, or country of origin.”

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients During the Third Full FY
Low-income persons	64%
Racial and ethnic minorities	51%
Women	62%
Persons with Disabilities	Unable to Estimate
Persons 65 and older	100%
Medicare beneficiaries*	18%
Medicaid recipients	64%

Source: Section C, page 44

*Represents both Medicare and Medicare replacement/Insurance plans which are subsidized by the Medicare Program.

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 applicant’s history providing services to underserved groups.

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.

- (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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

In Section D, page 49, 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 49, the applicant states:

“All existing residents of the current location will be offered accommodations at the newly constructed replacement facility, and will be transferred to the new facility at no cost to the resident. There will be no disruption in patient care, as the existing facility will be operational until the new facility is constructed and licensed for occupancy.”

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

- The applicant is proposing to continue to serve its existing residents by offering accommodation at the new replacement facility.
- The applicant is proposing to reduce the number of ACH beds from 37 to 18 due to the struggle to optimize occupancy. The new replacement facility will provide ACH services on a smaller scale.
- The reduction of ACH beds will not cause a reduction in the availability of services since the facility has never been able to occupy the majority of the 37 ACH beds.

In Section Q, Form C.1b, the applicant provides projected utilization, as illustrated in the following table.

Heartland Living & Rehab (ACH beds) Proposed Facility Projected Utilization			
	1st	2nd	3rd
	Full FY	Full FY	Full FY
	FY2026	FY2027	FY2028
Total # of Beds	18	18	18
# of Admissions	14	18	18
# of Patient Days	4,650	5,931	5,931
Average Length of Stay	338	338	338
Occupancy rate	70.8%	90.3%	90.3%

Access to Medically Underserved Groups

In Section D, pages 52-54, the applicant states that access by underserved groups will not be reduced because all patients will be offered accommodation at the new replacement facility. This includes patients who part of an underserved groups, such as are low-income persons, racial and/or ethnic minorities, women, persons with disabilities, persons 65 and older, or Medicaid/Medicare beneficiaries.

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use NF and ACH services will be adequately met following completion of the project.

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 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.
- The applicant adequately demonstrates that the project will not adversely impact the ability of underserved groups to access these services 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.

The applicant proposes to develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

In Section E, pages 57-58, 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 does not consider this an effective alternative because of the existing and projected demand for NF beds. Also, the facility's building and physical plant is owned by Moses H. Cone Memorial Hospital. The hospital has identified a need to repurpose the physical plant which could possibly result in the hospital ending the lease agreement with the current operator and de-licensing the existing NF and ACH beds.

Construction of a New Facility with the Relocation of all 37 ACH beds-The applicant is proposing to relocate 18 of the 37 existing ACH beds. The applicant states that constructing a smaller unit would be more cost-effective and more conducive to caring for assisted living patients with memory loss or dementia.

More Traditional Construction-The applicant is proposing a highly innovative facility with enhanced infection controls by implementing more private rooms. The proposed construction would be unique to Guilford County.

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

- 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
- 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 the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. Heartland of Greensboro, Inc. and Colfax Realty, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**

- 2. The certificate holder shall develop a new replacement facility by relocating no more than 107 nursing facility beds and 18 adult care home beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab.**
- 3. Upon completion of the project Heartland Living and Rehab shall be licensed for no more than 107 nursing facility beds and 18 adult care home beds.**
- 4. Upon completion of this project the certificate holder shall take the necessary steps to de-license the remaining 19 adult care home beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital.**
- 5. For the first two years of operation following completion of the project, the certificate holder 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. The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
- 7. 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. The first progress report shall be due on October 1, 2024.**
- 8. 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.**
- 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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 4, the applicant projects the total capital cost of the project, as shown in the table below.

Heartland Living & Rehab Projected Capital Cost	
Purchase Price of Land	\$1,400,000
Closing Costs	\$631,844
Site Preparation	\$2,464,500
Construction/Renovation Contract(s)	\$16,311,460
Landscaping	\$400,000
Architect/Engineering Fees	\$500,000
Medical Equipment	\$214,000
Non-Medical Equipment	\$535,000
Furniture	\$642,000
Consultant Fees	\$75,000
Interest during Construction	\$1,500,000
Other	\$200,000
Total	\$24,873,804

In Section Q, 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:

- In Exhibit F.2, the applicant provides a cost estimate for construction and site preparation.
- The projected cost for furniture and equipment is based on the applicant's experience with similar projects.

In Section F, page 61, the applicant projects that start-up costs will be \$100,000 and initial operating expenses will be \$574,195 for a total working capital of \$674,195. On page 62, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs

of the project are based on reasonable and adequately supported assumptions based on the following:

- The applicant defines the initial operating period as the first two quarters of operations and projects that the facility will become profitable by the third quarter based on the average monthly costs and average monthly revenue for the first operating year.
- The applicant assumes an occupancy rate of one patient per month.
- The applicant projects start-up costs based on historical expenses for items such as utilities, supplies, marketing and staff.

Availability of Funds

In Section E, page 59, the applicant states that the capital cost will be funded by Colfax Realty, LLC through a loan and accumulated reserves. On page 62, the applicant states that the working capital cost will be funded by Heartland of Greensboro, Inc. through accumulated reserves. Exhibit F.3 contains a letter from the owner of Heartland of Greensboro, Inc. and Century Care Management stating their commitment to reserve \$6,000,000 to fund the construction cost of the project. In Exhibit F.2, the applicant provides a letter from the Senior Vice President of Pinnacle Financial Partners, stating their consideration to lend the applicant \$21,000,000 to fund the project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the information provided in Section F and Exhibits F.2 and F.3 of the application.

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 second and third full fiscal years following completion of the project, as shown in the table below.

Heartland Living & Rehab	1st Full Fiscal Year	2nd Full Fiscal Year	3rd Full Fiscal Year
	FY2026	FY2027	FY2028
Total Patient Days	39,223	41,335	41,335
Total Gross Revenues (Charges)	\$13,710,043	\$14,434,271	\$14,434,271
Total Net Revenue	\$13,539,408	\$14,259,534	\$14,259,534
Average Net Revenue per Patient Day	\$345	\$345	\$345
Total Operating Expenses (Costs)	\$13,887,301	\$14,007,897	\$14,007,897
Average Operating Expense per Patient Day	\$354	\$339	\$339
Net Income	(\$347,893)	\$251,637	\$251,637

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

- The applicant does not project increases due to inflation for the second and third project years.
- The applicant projects expenses such as staffing, wage-related payroll taxes, and employee benefits based on the historical expenses from the existing facility and the other skilled nursing facilities owned by the applicant.
- The Significant Assumptions for Section Q found at the end of Section Q and the projections and calculations in Exhibit Q.
- 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 and working 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 and working 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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

On page 139, the 2023 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” The applicant proposes relocating NF beds and ACH beds within Guilford County from Greensboro to Colfax. Thus, the service area for this facility is Guilford County. Facilities may also serve residents of counties not included in their service area.

Table 10A on page 150 of the 2023 SMFP shows a total of 2,409 existing and approved NF beds in Guilford County. The table below summarizes the existing and approved NFs and beds as shown in the 2023 SMFP.

Facility	Total Licensed NF Beds	Total Available Beds	Sum Exclusions	Total Planning Inventory
Accordius Health at Greensboro	105	105	0	105
Adams Farm Living & Rehabilitation	120	120	0	120
Ashton Health and Rehabilitation	134	134	0	134
Blumenthal Nursing & Rehabilitation Center	134	134	48	86
Camden Health and Rehabilitation	135	135	0	135
Carolina Pines at Greensboro	126	126	0	126
Clapps Nursing Center Inc	118	118	0	118
Countryside	60	60	0	60
Friends Homes at Guilford	69	69	10	59
Friends Homes West	40	40	30	10
Greenhaven Health and Rehabilitation Center	120	120	0	120
Guilford Health Care Center	110	110	0	110
Heartland Living & Rehab @ The Moses H. Cone Memorial Hospital	107	107	0	107
Kindred Hospital - Greensboro	23	23	23	0
Maple Grove Health and Rehabilitation Center	210	210	0	210
Maryfield Nursing Home	125	125	26	99
Meridian Center	199	199	0	199
River Landing at Sandy Ridge	60	60	32	28
The Shannon Gray Rehabilitation & Recovery Center	150	150	0	150
Well-Spring	70	70	70	0
Westchester Manor at Providence Place	129	129		129
WhiteStone: A Masonic and Eastern Star Community	88	88	8	80

Pages 184-185, Table 11A, of the 2023 SMFP documents that there are a total of 30 ACH facilities in Guilford County. Heartland Living and Rehab has 37 ACH beds. According to Table 11C of the 2023 SMFP, the Guilford County adult care home beds adjusted occupancy rate for 2026 is 57.12%. The applicant is proposing to locate 18 of the 37 existing ACH beds and de-license the remaining 19 ACH beds.

In Section G, page 69, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved NF and ACH services in Guilford County. The applicant states:

“The relocation of these beds from Heartland of Greensboro Inc to the newly constructed replacement facility will not result in an unnecessary duplication of the existing or approved health service, as they are already existing and approved. The

residents of the facility will all be offered accommodations at the new facility and will be transferred to the facility upon completion; at no cost to residents.”

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 and ACH beds in the service area because the applicant is proposing to relocate beds within Guilford County.
- The current residents of the facility will be offered accommodation at the new location.
- The applicant adequately demonstrates that the proposed NF and ACH services are needed in addition to the existing or approved NF and ACH services.

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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

In Section Q, Form H, pages 13-14, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

	Current Staff	Projected FTE Staff		
	as of 09/30/2023	1 st Full FY FY2026	2 nd Full FY FY2027	3 rd Full FY FY2028
Registered Nurses	5.04	7.00	8.00	8.00
Licensed Practical Nurses	8.97	12.00	13.00	13.00
Certified Nurse Aides/Nursing Assistants	43.20	53.00	57.00	57.00
Director of Nursing	1.00	1.00	1.00	1.00
MDS Nurse	1.21	2.00	2.00	2.00
Staff Development Coordinator	0.79	1.00	1.00	1.00
Social Workers	2.68	2.50	2.50	2.50
Activities Director	1.34	1.50	1.50	1.50
Activities Assistance	0.60	0.50	0.50	0.50
Medical Records	0.97	1.00	1.00	1.00
Maintenance/Engineering	2.11	2.00	2.00	2.00
Administrator/CEO	1.00	1.00	1.00	1.00
Marketing Director	0.00	1.00	1.00	1.00
Admissions Coordinator	1.00	1.00	1.00	1.00
Bookkeeper	2.56	2.50	2.50	2.50
Clerical	1.05	1.00	1.00	1.00
TOTAL	73.52	90.00	96.00	96.00

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in F.3a. In Section H, pages 70-71, 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 will fill most positions with existing staff and recruit other positions using the Century Care Management, Inc. website as well as social media and career websites.
- The applicant will establish a relationship with Guilford Technical Community College for the purpose of allowing Heartland Living and Rehab to be used as a training site.
- The applicant is an established provider of nursing facility services and has maintained an on-site training program.
- Facilities owned by the applicant maintain a Staff Development Coordinator position to coordinate ongoing training needs for all clinical and support staff.

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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

Ancillary and Support Services

In Section I, page 72, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 72-73, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 73, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the applicant's plan to maintain a relationship with Moses H. Cone Memorial Hospital for patient referrals and admissions.

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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

In Section K, page 76, the applicant states that the project involves constructing 74,143 square feet of new space. Line drawings are provided in Exhibit K.1.

On pages 77-78, the applicant identifies the proposed site and provides information about the current owner, zoning and special use permits for the site, and the availability of water, sewer and waste disposal and power at the site. Supporting documentation is provided in Exhibit K.4. The site appears to be suitable for the proposed nursing facility based on the applicant's representations and supporting documentation.

On page 76, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal because the applicant is proposing to design an innovative facility that will have more private/single-occupancy rooms which will set the standard for other providers in the service area.

On page 77, 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 proposed facility will benefit from the applicant's existing cost-saving advantages that will subsequently reduce operating costs.
- There will be no impact to Medicare and Medicaid patients because benefits are provided at the same costs, regardless of the setting of care.

In Exhibit K.3, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

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, pages 80-81, the applicant provides the historical payor mix during CY 2021 for the proposed services, as shown in the tables below.

Heartland Living and Rehab Existing Facility Historical Payor Mix (NF Beds) Last Full FY, 10/01/22-09/30/23	
Payor Source	% of Total
Self-Pay	0.6%
Medicare*	6.3%
Medicaid*	68.1%
Insurance*	10.3%
Other (Hospice, PACE)	14.7%
Total	100.0%

*Including managed care plans.

Heartland Living and Rehab Existing Facility Historical Payor Mix (ACH Beds) Last Full FY, 10/01/22-09/30/23	
Payor Source	% of Total
Self-Pay	94.1%
Medicare*	0.0%
Medicaid*	0.0%
Insurance*	0.0%
Other (PACE)	5.9%
Total	100.0%

*Including managed care plans.

In Section L, page 81, the applicant provides the following comparison.

Heartland Living & Rehab	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area*
Female	62.0%	52.0%
Male	38.0%	48.0%
Unknown	0.0%	0.0%
64 and Younger	0.0%	84.0%
65 and Older	100.0%	16.0%
American Indian	1.0%	0.5%
Asian	0.0%	5.0%
Black or African-American	47.0%	33.3%
Native Hawaiian or Pacific Islander	0.0%	0.0%
White or Caucasian	49.0%	45.2%
Other Race	2.0%	16.0%
Declined / Unavailable	0.0%	0.0%

*The percentages can be found online using the United States Census Bureau's QuickFacts which is at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>.

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 82, the applicant states:

“No, However the applicant currently (and intends to continue to) provides services to the entire resident population of Guilford County and surrounding areas without regard to payer source, gender, race, and ethnicity.”

In Section L, page 82, 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 83, 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.

Heartland Living and Rehab Proposed Facility Projected Payor Mix (NF & ACH) 3rd Full FY, FY 2028	
Payor Source	% of Total
Self-Pay	15.0%
Charity Care	0.0%
Medicare*	6.0%
Medicaid*	64.0%
Insurance **	12.0%
Other (Hospice/PACE)	3.0%
Total	100.0%

*Includes any managed care plans.

**Insurance includes Medicare Advantage Plans paid by private insurance companies

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 15.0% of total services will be provided to self-pay patients, 6.0% to Medicare patients and 64.0% to Medicaid patients.

On page 82, the applicant provides the assumptions and methodology used to project payor mix during first three full fiscal years of operation following completion of the

project. The projected payor mix is reasonable and adequately supported based on the following:

- Facility's historical payor mix.
- The existing residents will be transferred to the proposed facility.

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 Section L, page 85, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

In Section M, page 86, the applicant describes the extent to which health professional training programs in the area will 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 will access to the facility for training purposes based

the applicant's proposal to make the facility available as a training location for local training programs and community colleges.

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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. Upon project completion Heartland Living and Rehab will be licensed for 107 NF beds and 18 ACH beds.

On page 139, the 2023 SMFP defines the service area for nursing home beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” The applicant proposes relocating NF beds and ACH beds within Guilford County from Greensboro to Colfax. Thus, the service area for this facility is Guilford County. Facilities may also serve residents of counties not included in their service area.

Table 10A on page 150 of the 2023 SMFP shows a total of 2,409 existing and approved NF beds in Guilford County. The table below summarizes the existing and approved NFs and beds as shown in the 2023 SMFP.

Facility	Total Licensed NF Beds	Total Available Beds	Sum Exclusions	Total Planning Inventory
Accordius Health at Greensboro	105	105	0	105
Adams Farm Living & Rehabilitation	120	120	0	120
Ashton Health and Rehabilitation	134	134	0	134
Blumenthal Nursing & Rehabilitation Center	134	134	48	86
Camden Health and Rehabilitation	135	135	0	135
Carolina Pines at Greensboro	126	126	0	126
Clapps Nursing Center Inc	118	118	0	118
Countryside	60	60	0	60
Friends Homes at Guilford	69	69	10	59
Friends Homes West	40	40	30	10
Greenhaven Health and Rehabilitation Center	120	120	0	120
Guilford Health Care Center	110	110	0	110
Heartland Living & Rehab @ The Moses H Cone Memorial	107	107	0	107
Kindred Hospital - Greensboro	23	23	23	0
Maple Grove Health and Rehabilitation Center	210	210	0	210
Maryfield Nursing Home	125	125	26	99
Meridian Center	199	199	0	199
River Landing at Sandy Ridge	60	60	32	28
The Shannon Gray Rehabilitation & Recovery Center	150	150	0	150
Well-Spring	70	70	70	0
Westchester Manor at Providence Place	129	129		129
WhiteStone: A Masonic and Eastern Star Community	88	88	8	80

Pages 184-185, Table 11A, of the 2023 SMFP documents that there are a total of 30 ACH facilities in Guilford County and Heartland Living and Rehab has 37 ACH beds. According to Table 11C of the 2023 SMFP, the Guilford County adult care home beds adjusted occupancy rate for 2026 is 57.12%. The applicant is proposing to locate 18 of the 37 existing ACH beds and de-license the remaining 19 ACH beds.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 87, the applicant states:

“While the proposed project does not increase the number of NF beds in Guilford County, the state-of-the-art facility planned by the applicants is sure to have a competitive advantage in the service area when attracting patients.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 87, the applicant states:

“The new facility will have access to a seasoned management company which provides oversight and infrastructure support. This cost efficiency will help the applicant provide a much-needed service to the community at reasonable cost.”

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 87, the applicant states:

“The facility will be equipped with the latest point of care patient delivery technology and medical equipment. The innovative design and state-of-the-art technology will certainly enhance the quality of care at Heartland of Greensboro, Inc.”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 88, the applicant states:

“The construction of the replacement facility will continue to provide services to the underserved and indigent population of Guilford County through the Medicaid benefits programs.”

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, Form O, page 15, 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 eight of these types of facility located in North Carolina.

In Section O, page 90, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care had not occurred in any of these facilities. In Exhibit O, the applicant provides the recent survey history for all Century Management facilities. The applicant states that the facilities “*are in full compliance after clearing any survey deficiencies.*” 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 had 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 eight 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 develop a new replacement facility by relocating no more than 107 NF beds and 18 of the 37 ACH beds from Heartland Living and Rehab at The Moses H. Cone Memorial Hospital to a new facility, Heartland Living and Rehab. The Criteria and Standards for Nursing Facility or Adult Care Home Services, promulgated in 10A NCAC 14C .1100, are not applicable to this review because the applicant does not propose to add new NF beds to an existing facility or to develop a new facility pursuant to a need determination in 2023 SMFP.