

## **REQUIRED STATE AGENCY FINDINGS**

### **FINDINGS**

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: April 22, 2025

Findings Date: April 22, 2025

Project Analyst: Crystal Kearney

Co-Signer: Gloria C. Hale

Project ID #: O-12613-25

Facility: Woodbury Wellness Center

FID #: 923206

County: Pender

Applicant(s): Avant & Nunn, LLC  
Woodbury Wellness Center, Inc.

Project: Relocate 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds upon project completion

## **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

Avant & Nunn, LLC and Woodbury Wellness Center, Inc. (hereinafter collectively referred to as “the applicant”) propose to relocate 43 nursing facility (NF) beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 adult care home (ACH) beds at Woodbury Wellness Center upon project completion.

The applicant does not propose to:

- develop any beds or services for which there is a need determination in the 2025 SMFP
- acquire any medical equipment for which there is a need determination in the 2025 SMFP
- offer a new institutional health service for which there are any policies in the 2025 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- (2) Repealed effective July 1, 1987.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 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

Woodbury Wellness Center and Pender Memorial Hospital (Pender Memorial) are both located in Pender County. Pender Memorial is currently licensed for 43 NF beds. Upon approval of this project, Pender Memorial will no longer operate any NF beds as part of its hospital.

Woodbury Wellness Center is an existing skilled nursing facility located in Hampstead which is currently licensed for 112 NF beds and 100 ACH beds. Upon approval of this application, Woodberry Wellness Center will operate no more than 155 NF beds and 68 ACH beds. The applicant proposes a reduction in ACH beds to accommodate the additional NF beds. Both the operator of Woodbury Wellness Center and the owner of the land and building, Avant & Nunn, LLC, are under common ownership.

### **Patient Origin**

On page 141, the 2025 SMFP defines the service area for nursing facility beds as “... *the county in which the bed is located. Each of the 100 counties in the state is a separate service area.*” Thus, the service area for this facility is Pender County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates historical and projected patient origin.

Woodbury Wellness Center Entire Facility				
County	Historical Last Full FY 10/01/2023 to 9/30/2024		Third Full FY of Operation following Project Completion 3 <sup>rd</sup> Full FY 10/1/2027 to 9/30/2028	
	Patients	% of Total	Patients	% of Total
Onslow	223	35.6%	291	36.33%
Pender	243	38.8%	309	38.58%
New Hanover	100	16.0%	125	15.61%
Duplin	15	2.4%	16	2.00%
Brunswick	6	1.0%	8	1.00%
Other States	5	0.8%		
Other Counties and Virginia * (less than 5 total residents each)	34	5.4%	52	6.49%
<b>Total</b>	<b>626</b>	<b>100.0%</b>	<b>801</b>	<b>100.00%</b>

Source: Section C, page 31 & 33

\*Category includes: Bladen, Sampson, Columbus, Craven, Jones, Lenior, Lincoln, Randolph, Burke, Cumberland, Durham, Forsyth, Franklin, Johnston, Mecklenburg, Pitt, Scotland, Wake, Carteret, and Nash counties

In Section C, pages 30-32, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported because the applicant bases its assumptions on the historical patient origin of the facility, most recently identified in Woodbury Wellness Center's license renewal application for 2024 which is provided in Exhibit C.3.

### **Analysis of Need**

In Section C.4, pages 33-36, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

### **Population Growth for the Service Area**

In Section C, pages 34-35, the applicant states,

- The applicant states that the population of Woodbury Wellness Center is largely originating from the contiguous counties of Pender, Onslow, and New Hanover which have strong population growth.
- The applicant states that the percentage population growth in the over 65 population, which includes those most likely to eventually require nursing facility services, is expected to increase 19.49% between 2024 and 2030 for Pender, Onslow, and New Hanover counties combined, compared to 17.2% statewide.
- The applicant states that Pender County alone is expected to grow by 23.07% in the population over 65.
- The applicant states that since Pender County is a growing coastal county contiguous to its neighboring high growth counties of Onslow and New Hanover, it has become a popular retirement destination, as evidenced by its population projections.

### **Nursing Facility Occupancy in Pender County**

In Section C, pages 35-36, the applicant states,

- The two operational Pender County nursing facilities are operating at over 90% occupancy.

### **Need for Serving Medicaid Recipients**

- The applicant states there is a growing need for the placement of indigent /underserved/Medicaid beneficiaries within Pender County and that 67% of Woodbury Wellness Center's current residents are Medicaid beneficiaries.
- The applicant states that it is committed to continuing to serve the Medicaid population of Pender County and surrounding areas by accepting even more Medicaid residents.
- The applicant states that the relocation of these 43 NF beds will allow Woodbury Wellness Center to further position itself for the surge in both the elderly and the indigent population of Pender County and the surrounding areas.
- The applicant states that Woodbury Wellness is committed to continuing to serve the Medicaid population of Pender County and surrounding areas by accepting even more Medicaid residents.
- The applicant states that the relocation of these 43 NF beds will allow Woodbury Wellness to further position itself for the surge in both the elderly and the indigent population of Pender County and the surrounding areas.

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

- The applicant states that Pender County's over 65 populations of Onslow, New Hanover and Pender counties combined and are projected to grow at higher rates than the over 65 population of the state as a whole.
- The applicant states that based on the statistics of the aging population, there is a growing need for the placement of indigent/underserved/Medicaid beneficiaries within Pender County.

### **Project Utilization**

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

Historical and Projected Utilization Woodbury Wellness Center				
	Last Full FY 2024	1 <sup>st</sup> Full FFY 2026	2 <sup>nd</sup> Full FFY 2027	3 <sup>rd</sup> Full FFY 2028
<b>Nursing Home-All Beds</b>				
Total # of Beds	112	155	155	155
# of Admissions	414	488	554	554
# of Patient Days	38,187	44,989	51,100	51,100
Average Length of Stay	92.2	92.2	92.2	92.2
Occupancy Rate	93.4%	79.5%	90.3%	90.3%
<b>Adult Care Home - All Beds</b>				
Total # of Beds	100	68	68	68
# of Admissions	44	37	37	37
# of Patients Days	23,296	23,296	23,296	23,296
Average Length of Stay	529.5	629.6	629.6	629.6
Occupancy Rate	63.8%	93.9%	93.9%	93.9%
<b>Adult Care Home – Special Care Unit Beds</b>				
Total # of SCU Beds	30	30	30	30
# of Admissions	14	13	13	13
# of Patient Days	10,133	10,133	10,133	10,133
Average Length of Stay	723.8	779.5	779.5	779.5
Occupancy Rate	92.5%	92.5%	92.5%	92.5%

Source: Section Q, Form C.1a & C.1b pages 86-87

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

- The applicant states that the project’s fiscal year is based on the federal fiscal year of October 1 through September 30.
- The applicant states that the assumptions made for the total number of patients are based on the current 90 NF beds occupancy as of September 30, 2024, plus a fill-up rate average of 3 admissions/month for the relocated 43 NF beds during year one, until occupancy reaches 90%. The applicant states that during the last full fiscal year ending September 30, 2024, the facility incurred 414 admissions for the fiscal year. This equates to over 34 admissions per month.
- The applicant states that the proposed additional NF beds will be licensed and operational October 1, 2025.

- The applicant states that Woodbury Wellness Center's projected utilization is based on its most recent historical census.
- The applicant states that ACH non-SCU beds' occupancy will be 93.9% by the end of the first project year.

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

- The applicant applies a very conservative growth rate given the facility's historical admission rate.
- The service area's over 65 population is growing at a faster rate than statewide.
- The only other NF in the county has limited capacity.

### **Access to Medically Underserved Groups**

In Section C, page 41, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients
Low income persons	67.6%
Racial and ethnic minorities	23.0%
Women	64.0%
Persons with disabilities	Unable to estimate
Persons 65 and older	100.0%
Medicare beneficiaries*	16.8%
Medicaid recipients	67.6%

Includes Managed Medicare beneficiaries

The applicant states that it is extremely difficult to estimate the number of patients with disabilities. However, Woodbury Wellness Center is fully equipped to provide services to disabled patients.

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

- The applicant currently provides services to medically underserved groups.
- The applicant states, on pages 40-41, that it will continue to provide services to medically underserved groups and states it has a strict non-discrimination policy.

### **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.

- (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 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

In Section D, pages 47-48, the applicant explains why it believes the needs of the population presently utilizing the services to be reduced will be adequately met following completion of the project. The applicant states:

- The 43 NF beds proposed to be relocated from Pender Memorial Hospital have been unoccupied since July 2024 due to a flooding incident which required all of the NF residents to be transferred. Therefore, there will be no displacement of residents upon relocation of the NF beds.
- In addition, the proposal includes reducing the number of ACH beds from Woodbury Wellness Center from 100 to 68, a reduction of 32 beds. Woodbury Wellness Center has struggled to fully occupy all of its ACH beds and is taking the opportunity to convert existing facility space from ACH beds to NF beds, while reconfiguring some of its patient rooms to semi-private/dual occupancy NF rooms. The applicant further states it will continue to care for its existing ACH residents for as long as needed.

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

- There will be no NF services at Pender Memorial Hospital since the facility transferred its NF patients and the beds remain unoccupied.
- In Section Q, Forms C.1a and C.1b, the applicant states that Woodbury Wellness Center's occupancy of its ACH, non-SCU beds was 63.8% with 100 beds in FFY 2024 and its projected occupancy in its first full year of operation upon completion of this project will be 92.5% with 68 beds.
- The applicant states it will continue to care for its existing ACH residents until they discharge or transfer to skilled nursing care.
- The applicant states that ACH occupancy in Pender County is roughly 69%, therefore adequate capacity exists to provide needed ACH services.

In Section Q, Form D.1, the applicant provides historical and projected utilization, as illustrated in the following table for Pender Memorial Hospital and Woodbury Wellness Center.

Historical and Projected Health Service Facility Bed Utilization Pender Memorial Hospital	Last Full FY 2023	1 <sup>st</sup> Full FY 2026*
<b>Nursing Home – All Beds</b>		
Total # of Beds, including all those in a SCU	43	0
# of Admissions	37	0
# of Patient Days	12,393	0
Average Length of Stay	334.9	0
Occupancy Rate	79.0%	0%
<b>Adult Care Home – All Beds</b>		
Total # of Beds, including all those in a SCU	0	0
# of Admissions	0	0
# of Patient Day	0	0
Average Length of Stay	0	0
Occupancy Rate	0.0%	0%

\*The applicant states, in Section D, page 47 that Pender Memorial will have no NF beds as a result of this application.

Historical and Projected Utilization Woodbury Wellness Center	Last Full FY 2024	Interim Full FY 2025	1 <sup>st</sup> Full FY 2026
<b>Nursing Home – All Beds</b>			
Total # of Beds, including all those in a SCU	112	112	155
# of Admissions	414	414	488
# of Patient Days	38,187	38,187	44,989
Average Length of Stay	92.2	92.2	92.2
Occupancy Rate	93.4%	93.4%	79.5%
<b>Adult Care Home – All Beds</b>			
Total # of Beds, including all those in a SCU	100	100	68
# of Admissions	44	44	44
# of Patient Day	23,296	23,296	23,296
Average Length of Stay	529.5	529.5	529.5
Occupancy Rate	63.8%	63.8%	93.9%

In Section Q, Form D, the applicant provides the assumptions and methodology used to project utilization, which are summarized below:

- The applicant utilized data from the last Full FY, 10/01/2023 to 9/30/2024, to begin its projected utilization.
- The applicant states that 43 NF (unoccupied) beds will be relocated within Pender County to Woodbury Wellness Center from Pender Memorial Hospital which will result in no remaining NF beds.
- The applicant accounts for the reduction of 32 ACH beds at Woodbury Wellness Center.
- The applicant holds ACH admissions and patient days of care steady from the last full fiscal year, FY 2024, through the first full fiscal year of operation, FY 2026, after project completion.



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

- The NF beds at Pender Memorial Hospital have been unoccupied since July 2024.
- The applicant conservatively projects no growth in ACH bed utilization based on its historical low occupancy rates.

### **Access to Medically Underserved Groups**

In Section D, pages 48-49, the applicant states,

*“Due to the fact that the 43 NF beds proposed to be relocated are unoccupied beds from Pender Memorial Hospital, there would be absolutely no impact to any of the groups ...”*

In addition, in Section C, pages 40-41, the applicant states that Woodbury Wellness Center will continue to provide services to medically underserved groups.

The applicant adequately demonstrates that the needs of medically underserved groups that will continue to use Woodbury Wellness Center will be adequately met following completion of the project for the following reasons:

- The applicant states that there would be an extremely positive impact on these groups by having access to an existing nursing facility within the community.
- The applicant states that Woodbury Wellness Center has adequate capacity to continue caring for all existing and potential ACH residents.

### **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 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.

## CA

The applicant proposes to relocate 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

In Section E, page 52, the applicant describes the alternatives it considers 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:

- **Status Quo-** The applicants considered not exploring the relocation of these 43 Nursing Facility beds. However, the applicant states that demand for NF services is high in the county and is expected to continue. Therefore, this is not the most effective alternative.
- **Accommodate all Existing and Relocated Beds** – the applicant considered relocating the 43 NF beds from Pender Memorial Hospital, operating all of its existing ACH beds, and constructing a new ACH facility on adjacent property to Woodbury Wellness Center. However, the applicant concluded this would be too costly and there would be excess ACH bed capacity. Therefore, this is not the most effective alternative.

On page 52, the applicant states that its proposal is the most effective alternative because of the demand for NF services within Pender County and at Woodbury Wellness Center. In addition, the proposed project will allow the applicant to use existing space and maximize ACH bed capacity.

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

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

1. **Avant & Nunn, LLC and Woodbury Wellness Center, Inc (hereinafter collectively 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 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center.**
  - 3. The certificate holder shall delicense no more than 32 ACH beds at Woodbury Wellness Center upon project completion.**
  - 4. Upon completion of this project, Woodbury Wellness Center shall be licensed for no more than 155 NF beds and 68 ACH beds.**
  - 5. The certificate holder shall certify at least 67.6 percent of the total number of licensed nursing home beds in the facility for participation in the Medicaid program and shall provide care to Medicaid recipients commensurate with representations made in the application.**
  - 6. 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.**
  - 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 December 1, 2025.**
  - 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 relocate 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

**Capital and Working Capital Costs**

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

Projected Capital Cost			
	Applicant 1 Avant & Nunn, LLC	Applicant 2 Woodbury Wellness Center, Inc.	Total
Medical Equipment	\$22,000	0	\$22,000
Non Medical Equipment	\$43,000	0	\$43,000
Furniture	\$86,000	0	\$86,000
Other (Contingency)	\$25,000	0	\$25,000
<b>Total Capital Cost</b>	<b>\$176,000</b>	<b>\$0</b>	<b>\$176,000</b>

In Section Q, Form F.1a, 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 because the applicant clearly explains the capital cost by providing a per-bed cost breakdown of each line item in Exhibit F.1.

In Section F, page 55, the applicant states there will be no start-up costs or initial operating expenses because Woodbury Wellness Center is an existing operational facility.

**Availability of Funds**

The applicant states, on page 53, that the capital cost of this project will be funded through existing cash and cash equivalents.

Sources of Capital Cost Financing		
Type	Avant & Nunn, LLC	Total
Loans	\$0	\$0
Accumulated reserves or OE *	\$176,000	\$176,000
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
<b>Total Financing</b>	<b>\$176,000</b>	<b>\$ 176,000</b>

\* OE = Owner's Equity

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the following:

- The applicant provides a letter, dated February 1, 2025, from a member/shareholder of the applicant regarding the availability of funds and a commitment to use those funds for the proposed project.
- The applicant provides a balance sheet for the facility for the year ending December 31, 2024 in Exhibit F.2 which shows there are adequate funds available to finance 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 table below.

<b>Projected Revenues and Net Income upon Project Completion Woodbury Wellness Center</b>			
	<b>1<sup>st</sup> Full Fiscal Year</b>	<b>2<sup>nd</sup> Full Fiscal Year</b>	<b>3<sup>rd</sup> Full Fiscal Year</b>
Total Patient Days All Beds	68,285	74,396	74,396
Total Gross Revenues (Charges)	\$20,571,726	\$22,835,570	\$22,835,570
Total Net Revenue	\$20,788,240	\$23,052,084	\$23,052,084
Average Net Revenue per Patient Day	\$304.43	\$309.86	\$309.86
Total Operating Expenses (Costs)	\$18,444,293	\$19,774,492	\$19,774,492
Average Operating Expense per Patient Day	\$270.11	\$265.80	\$265.80
Net Income	\$2,343,948	\$3,277,592	\$3,277,592

Source: Section Q, Form C.1b and Form F.2b

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

- The applicant states that all revenue is reflected net of contractual adjustments on Form F.2b which is projected at per diem for each payor source.
- The applicant states that the expenses for Full Fiscal Years 1, 2, and 3 have been estimated using historical expense statistics from the existing facility, adjusted for occupancy increases, staffing, etc. The expenses are estimated based on expenses incurred for the fiscal year ending September 30, 2024.
- 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
- Supplemental information requested by the Agency

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 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

On page 141, the 2025 SMFP defines the service area for nursing home beds as “*A nursing home facility’s service area is 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 within Pender County. Thus, the service area for this facility is Pender County. Facilities may also serve residents of counties not included in their service area.

On page 162 of the 2025 SMFP, Table 10A documents that there are three existing or approved facilities in Pender County that offer NF services. The table below summarizes the existing and approved facilities with NF beds as shown in the 2025 SMFP.

Pender County Inventory of Existing/Approved NF Beds				
Facility	Total Licensed NF Beds	CON Bed Transfer	Total Available Beds	Total Planning Inventory
Pender Memorial Hospital	43	0	43	43
The Laurels of Pender	98	0	98	98
Woodbury Wellness Center	112	0	112	112
<b>Totals</b>	<b>253</b>	<b>0</b>	<b>253</b>	<b>253</b>

On page 201 of the 2025 SMFP, Table 11A documents that there are three existing or approved facilities in Pender County that offer ACH services. The table below summarizes the existing and approved facilities with ACH beds as shown in the 2025 SMFP.

Facility	Total Licensed ACH Beds in NF	Total Licensed Beds in Adult Care Facilities	Total Licensed Beds	Total Planning Inventory
Arbor Landing at Hampsted	0	19	19	19
Poplar Grove	0	60	60	60
Woodbury Wellness Center	100	0	100	100
<b>Totals</b>	<b>100</b>	<b>79</b>	<b>179</b>	<b>179</b>

In Section G, pages 62-63, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved services in Pender County. On page 62, the applicant states:

*“The relocation of beds from Pender Memorial Hospital to Woodbury Wellness Center will have no effect on the inventory of available beds within Pender County.*

...

*By relocating these 43 NF beds within Pender County to an existing nursing facility, the applicant will be providing expanded access to nursing facility services for the population of Pender County and the surrounding areas. Woodbury Wellness Center will provide continued availability of nursing facility services within Pender County, with a continued focus on community referral efforts.”*

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 Pender County because the beds are proposed to be relocated within Pender County.
- The applicant adequately demonstrates that the proposed beds to be relocated are needed in addition to the existing or approved NF beds.

### **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.

The applicant proposes to relocate 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

In Section Q, Form H, pages 12-13, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

<b>Position</b>	<b>Current Staff 10/1/2024</b>	<b>1<sup>st</sup> Full FY 2026</b>	<b>2<sup>nd</sup> Full FY 2027</b>	<b>3<sup>rd</sup> Full FY 2028</b>
Nursing Administrative	9.22	10.00	10.00	10.00
Registered Nurses	11.74	13.50	15.00	15.00
Licensed Practical Nurses	23.29	26.0	29.00	29.00
Certified Nurses Aides/ Nursing Assistants	61.41	69.00	76.00	76.00
Director of Nursing	1.00	1.00	1.00	1.00
Assistant Director of Nursing	1.00	1.00	1.00	1.00
MDS Nurse	1.75	2.00	2.00	2.00
Alzheimer's Unit Coordinator	1.00	1.00	1.00	1.00
Social Workers	3.25	4.00	4.00	4.00
Activities Assistance	4.25	5.00	5.00	5.00
Medical Records	3.71	4.00	4.00	4.00
Maintenance Assistance	2.70	2.70	2.70	2.70
Administrator/CEO	1.00	1.00	1.00	1.00
Marketing Director	1.20	1.20	1.00	1.00
Admission Coordinator	1.00	1.00	1.00	1.00
Clerical	4.77	4.77	4.77	4.77
<b>Total</b>	<b>132.30</b>	<b>147.18</b>	<b>158.48</b>	<b>158.48</b>

The assumptions and methodology used to project staffing are provided in supplemental information.

Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 64-65, the applicant describes the methods to be used to recruit or fill new positions and its proposed 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:

- In supplemental information, the applicant states it used “hours per patient day” to estimate proper staffing levels.
- The applicant describes the methods used by the facility to recruit or fill vacant or new positions.

### **Conclusion**

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 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 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

#### **Ancillary and Support Services**

In Section I, page 66, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 66-67, 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 based on the following:

- The applicant provides a listing of each ancillary and support service it will provide and states it is already providing these services.
- The applicant has extensive experience and relationships with existing ancillary and support service providers in the service area since it is an established nursing facility.

#### **Coordination**

In Section I, page 67, 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 following:

- The applicant states that the facility has longstanding relationships with other local providers within the community (hospitals, other nursing facilities, home health agencies, etc.) due to its extensive experience providing skilled nursing and other healthcare support services in the service area.
- The applicant provides documentation from several providers who have provided letters of support for this project that confirm these existing relationships.

## **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.

- (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

- (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.

NA

The applicant proposes to relocate 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

In Section K, page 69, the applicant states that the project does not involve constructing new space or renovating existing space. Existing space used for ACH beds will be reconfigured for NF beds. Therefore, Criterion (12) is not applicable to this review.

- (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 73-74, the applicant provides the historical payor mix for both NF and ACH beds at Woodbury Wellness Center during the last Full FY (10/1/2023 to 9/30/2024) before submission of application , as shown in the table below.

Woodbury Wellness Center		
Payor Source Last Full FY 10/1/2023 to 9/30/2024	NF Beds % of Patients	ACH Beds % of Patients
Self-Pay	14.1%	82.9%
Charity Care	0%	0%
Medicare*	16.8%	0%
Medicaid*	67.6%	17.1%
Insurance*	0%	0%
Workers Compensation	0%	0%
TRICARE	0%	0%
Other (describe)	1.5%	0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\*Including any managed care plans  
Source: Section L, pages 73-74

In Section L, page 74, the applicant provides the historical payor mix at Pender Memorial Hospital for the NF beds which will be relocated, as shown in the table below.

<b>Pender Memorial Hospital</b> <b>Last Full FY before Submission of Application</b> <b>01/01/2023 to 12/3/2023</b>	
<b>Payor Source</b>	<b>Percentage of Total Patients Served</b>
Self-Pay	0%
Charity Care	0%
Medicare*	4.1%
Medicaid*	65.8%
Insurance*	0%
Workers Compensation	0%
TRICARE	0%
Other (describe)	30.1%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans  
Source: Section L, page 74

In Section L, page 75, the applicant provides the following comparison.

<b>Last Full FY before Submission of the Application</b>		
<b>Woodbury Wellness Center</b>	<b>% of Total Patients Served</b>	<b>% of the Population of the Service Area*</b>
Female	64%	49.6%
Male	36%	50.4%
Unknown	0%	0%
64 and Younger	6%	81.8%
65 and Older	94%	18.2%
American Indian	1%	1.0%
Asian	2%	0.9%
Black or African-American	20%	12.5%
Native Hawaiian or Pacific Islander	0%	0.1%
White or Caucasian	77%	83.0%
Other Race	0%	2.5%
Declined/Unavailable	0%	0%

\*The percentages can be found online using the United States Census Bureau's Quick Facts  
Source: Section L, page 75

Last Full FY before Submission of the Application		
Pender Memorial Hospital NF Beds	% of Total Patients Served	% of the Population of the Service Area*
Female	56%	49.6%
Male	44%	50.4%
Unknown	0%	0%
64 and Younger	Unable to verify	81.8%
65 and Older	Unable to verify	18.2%
American Indian	Unable to verify	1.0%
Asian	Unable to verify	0.9%
Black or African-American	Unable to verify	12.5%
Native Hawaiian or Pacific Islander	Unable to verify	0.1%
White or Caucasian	Unable to verify	83.0%
Other Race	Unable to verify	2.5%
Declined/Unavailable	Unable to verify	0%

\*The percentages can be found online using the United States Census Bureau's Quick Facts

Source: Section L, page 75

The Agency reviewed the:

- Application
- Exhibits to the application

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 76, the applicant states that Woodbury Wellness Center will provide services to the entire resident population of Pender County and the surrounding areas without regard to payer source, gender, race, and ethnicity.

In Section L, page 76, 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 77, 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 tables below.

Woodbury Wellness Center – NF & ACH Beds	
Payor Category	% of Total Patients Served
Self-Pay	35.6%
Charity Care	0%
Medicare *	11.5%
Medicaid *	51.8%
Insurance *	0%
Workers Compensation	0%
TRICARE	0%
(Other) Hospice	1.0%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans

Source: Table on page 77 of the application

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 35.6% of total services will be provided to self-pay patients, 0% to charity care patients, 11.5% to Medicare patients and 51.8% to Medicaid patients.

Woodbury Wellness Center – NF Beds	
Payor Category	% of Total Patients Served
Self-Pay	14.1%
Charity Care	0%
Medicare *	16.8%
Medicaid *	67.6%
Insurance *	0%
Workers Compensation	0%
TRICARE	0%
(Other) Hospice	1.5%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans

Source: Table on page 77 of the application

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 14.1% of total services will be provided to self-pay patients, 0% to charity care patients, 16.8% to Medicare patients and 67.6% to Medicaid patients.

Woodbury Wellness Center – ACH Beds	
Payor Category	% of Total Patients Served
Self-Pay	82.9%
Charity Care	0%
Medicare *	0%
Medicaid *	17.1%
Insurance *	0%
Workers Compensation	0%
TRICARE	0%
(Other) Hospice	0%
<b>Total</b>	<b>100.0%</b>

\*Including any managed care plans

Source: Table on page 77 of the application

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 82.9% of total services will be provided to self-pay patients, 0% to charity care patients, 0% to Medicare patients and 17.1% to Medicaid patients.

In Exhibit L.1, 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 based on the following:

- The applicant assumes that the payor source by percentage of total patients served will equal the payor source proportionate to the total number of patient days for the third full fiscal year.
- The applicant reasonably assumes that the proportion of residents relying on Medicaid will remain the same as the proportion of beds available for the third full fiscal year.
- The applicant proposes no changes in its projected payor mix from its historical payor mix.

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 77, the applicant 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 relocate 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

In supplemental information, the applicant provides a letter to Cape Fear Community College indicating that the college has existing access to the facility for training purposes and confirming the facility will continue to be available to the college for use as a clinical training site.

**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 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

On page 141, the 2025 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 within Pender County. Thus, the service area for this facility is Pender County. Facilities may also serve residents of counties not included in their service area.

Table 10A on page 162 of the 2025 SMFP shows there are three existing and approved facilities in Pender County that offer NF services for a total of 253 existing and approved NF beds. The table below summarizes the existing and approved NF beds as shown in the 2025 SMFP.

Pender County Inventory of Existing/Approved NF Beds				
Facility	Total Licensed NF Beds	CON Bed Transfer	Total Available Beds	Total Planning Inventory
Pender Memorial Hospital	43	0	43	43
The Laurels of Pender	98	0	98	98
Woodbury Wellness Center	112	0	112	112
<b>Totals</b>	<b>253</b>	<b>0</b>	<b>253</b>	<b>253</b>

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 81, the applicant states:

*“While the proposed project does not increase the number of NF beds in Pender County, Woodbury Wellness Center will continue to be a strong competitor within the market, as referenced by its historically strong occupancy. The majority of NF residents are covered by third party government payer sources (Medicare, Medicare Advantage, Medicaid). Over 67% of the current residents of Woodbury Wellness Center are Medicaid beneficiaries. There continues to be a strong need for Medicaid beneficiaries within the service area, and this project will allow Woodbury Wellness Center to continue to serve an increased number of these patients.”*

Regarding the impact of the proposal on cost effectiveness, in Section N, page 81, the applicant states:

*“Over 67% of the current residents of Woodbury Wellness Center are Medicaid beneficiaries. There continues to be a strong need for Medicaid beneficiaries within the service area, and this project will allow Woodbury Wellness Center to continue to serve an increased number of these patients.”*

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 81, the applicant states:

*“Woodbury Wellness Center has a strong reputation within the community, primarily because of the excellent patient care that has been delivered over the past 25 years. As seasoned operators Woodbury Wellness Center will continue this reputation upon approval of this project. The facility is already equipped with the latest patient delivery technology and medical equipment.”*

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 81, the applicant states:

*“The majority of residents of Woodbury Wellness Center are Medicaid beneficiaries, and this project will allow the facility to continue serving a majority of its patients to Medicaid beneficiaries. Additionally, since the 43 NF beds proposed to be relocated are not currently operational, Woodbury Wellness Center will be able to further expand these services to the indigent population of Pender County.”*

See also Section 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

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 A, page 21, the applicant states that it owns and operates Woodbury Wellness Center. In Section O, page 83, the applicant states that neither it or a related entity owns, operates or manages any other nursing facilities in the state. Therefore, the applicant identifies only one of this type of facility located in North Carolina.

In Section O, pages 83-84, the applicant states that, during the 18 months immediately preceding the submittal of the application, one incident related to quality of care occurred at this facility in July 2024. On page 84, the applicant states that the facility submitted a plan of correction and has remained back in full compliance. 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, one incident occurred related to quality of care and the facility is back in compliance. After reviewing and considering the information provided by the applicant and by the Nursing Home Licensure and Certification Section and considering the quality of care provided at the facility, 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 43 NF beds from Pender Memorial Hospital for a total of no more than 155 NF beds and 68 ACH beds at Woodbury Wellness Center upon project completion.

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 develop new NF or ACH beds pursuant to a need determination in the 2025 SMFP.