

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
Phone: 919-855-3875
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January 18, 2012

Doug Whitman
Development Director
Long Term Care Management Services
2334 S. 41st Street
Wilmington, NC 28403


RE: Exempt from Review / Bermuda Commons Nursing and Rehabilitation Center (Liberty Commons Nursing and Rehabilitation Center of Davie County LLC) / Relocate 10 adult care home beds to new space and convert five semi-private adult care rooms to five private skilled nursing rooms in existing space / Davie County

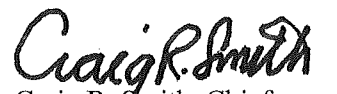
Dear Mr. Whitman:

In response to your letter dated December 19, 2011, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(e) and N.C.G.S 131E-176(16)(b). Therefore, Bermuda Commons Nursing and Rehabilitation Center may proceed to develop the above referenced project without first obtaining a certificate of need. However, you need to contact the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.G.S. §131E-181(b): "*A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.*"

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


Gebrette Miles,
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR





Long Term Care Management Services

Caring with Excellence

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December 19, 2011

Craig Smith, Section Chief
Gebrette Miles, Analyst
NC Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Exempt from Review/ Bermuda Commons Nursing and Rehabilitation Center (Liberty Commons Nursing and Rehabilitation Center of Davie County LLC), License #NH0560, located in Advance, Davie County; construction of addition for existing 10 adult care beds, and conversion of adult care rooms to skilled nursing rooms to convert skilled nursing semi-private beds to skilled nursing private beds; no change in bed count

Dear Mr. Smith and Ms. Miles:

I am writing to request a letter from the Certificate of Need Section acknowledging that the above referenced proposal is exempt from certificate of need review. Pursuant to North Carolina General Statutes § 131E-176(b), "New institutional health service" is defined as either "a) the construction, development, or other establishment of a new health service facility, or b) the obligation by any person of a capital expenditure exceeding two million dollars (\$2,000,000) to develop or expand a health service or a health service facility, or which relates to the provision of a health service."

So long as the proposed project costs do not exceed two million dollars (including all expenses identified in the aforementioned statute), thereby not falling under the definition as a "new institutional health service," this proposal would then not fall under the requirements of North Carolina General Statutes § 131E-178(d), which states that "No person shall offer or develop a new institutional health service without first obtaining a certificate of need from the Department." The details of our proposal are as follows.

This building is licensed for a total of 127 beds as follows: 117 skilled nursing facility beds and 10 adult care beds. The bed count in this proposal will remain the same for skilled (117 beds) and for adult care (10 beds). We currently have no adult care residents living in our 10 licensed

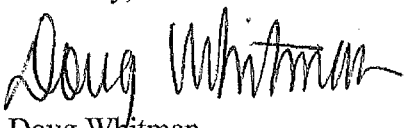
adult care beds, so we have 10 empty adult care beds at this time. We would propose to do two things:

1. Phase One: After the appropriate approvals by the Construction Section and Licensure Section, we propose to convert our adult care beds (5 adult care semi-private rooms with 10 adult care beds) to 5 skilled nursing private rooms, placing our 10 licensed adult care beds on temporary hold until construction of a new addition is complete. We would relocate 5 skilled nursing beds from other skilled nursing semi-private rooms by simply changing 5 skilled nursing semi-private rooms to skilled nursing private rooms. This would allow the facility to offer 10 additional skilled nursing private rooms, which will better serve the needs of our skilled nursing residents. The cost to accomplish this Phase One room conversion portion of the proposal would be minimal and would be based on any changes that the Construction Section will require us to make. This will not increase the bed count.
2. Phase Two: On October 27, 2011, our architect submitted schematic drawings to the Construction Section (Project #NH-2359) proposing to construct a new 10-bed adult care wing at Bermuda Commons and relocate our 10 adult care beds to the new wing. After plans are approved by the Construction Section, local building permit approval is obtained, and financing is secured, we plan to proceed with construction. The cost to construct this addition will be well under two million dollars. This will not increase the bed count.

The total cost of both phases of this project is well under two million dollars. The purpose of this request is to create more skilled nursing private beds to meet the demand of our residents. We believe that the proposal falls outside the scope of a requirement for a certificate of need and respectfully request that the North Carolina Department of Health and Human Services provide a letter recognizing the project as being exempt from a certificate of need requirement.

Thank you for your consideration of this matter. If you should have any further questions regarding our proposal, please feel free to contact me.

Sincerely,



Doug Whitman
Development Director
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910.512.2988