



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

April 19, 2018

Susan M. Fradenburg
300 N. Greene Street, Suite 1400
Greensboro, NC 27401

No Review

Record #: 2560
Facility Name: Hillcrest Convalescent Center, Inc.
FID #: 943259
Business Name: Hillcrest Convalescent Center, Inc.
Business #: 936
Project Description: Offer outpatient physical therapy services at 4215 University Drive in Durham
County: Durham

Dear Ms. Fradenburg:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of March 29, 2018 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Construction and Nursing Home Licensure and Certification Sections, DHSR to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

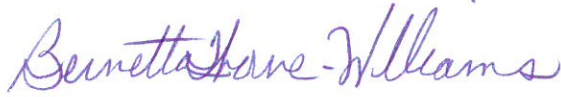
LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Bernetta Thorne-Williams
Project Analyst



Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR

March 29, 2018

Via E-Mail and Federal Express

Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704



Re: No Review Request - Hillcrest Convalescent Center additional physical therapy location

Dear Martha:

We are writing on behalf of Hillcrest Convalescent Center, Inc. ("Hillcrest") regarding the opening of a new therapy location. The project should be deemed exempt from certificate of need review as it does not meet the definition of a new health service facility. The additional location will be operated through Hillcrest Convalescent Center. Hillcrest will provide physical and outpatient rehabilitation and therapy at a leased space at 4215 University Drive, Durham, NC. The cost of the project is less than two million dollars (\$2,000,000.00).

The additional location for outpatient therapy does not meet the definition of a new institutional health service under 13E-176(16). Specifically,

1. The additional location is not a new institutional health service under N.C.G.S. § 131E 176(16)a. because Hillcrest is an existing health service facility that already provides physical and outpatient rehabilitation and therapy.
2. The additional location is not a new institutional health service under N.C.G.S. § 131E 176(16)b. because the total capital expenditure for the additional location will not exceed \$2 million. See Exhibit A (showing cost for project is \$257,509.00).

Martha Frisone, Chief

March 29, 2018

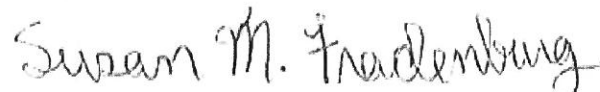
Page 2

3. The additional location is not a new institutional health service under N.C.G.S. § 131E 176(16)c. because there will not be a change in bed capacity.
4. The additional location is not a new institutional health service under N.C.G.S. § 131E 176(16)e. because it does not constitute a change in a project that was subject to certificate of need review.
5. The additional location is not a new institutional health service under N.C.G.S. § 131E 176(16)f1., or p. because Hillcrest does not propose to acquire any equipment referenced in N.C.G.S. § 131E 176(16)f1. or any major medical equipment for the additional location.
6. The additional location is not a new institutional health service under N.C.G.S. § 131E 176(16)q. because the location is in the same service area where Hillcrest currently operates.

Based on the information submitted, please confirm in writing that Hillcrest's opening of an additional location at 4215 University Drive, Durham, NC at which it will provide physical and outpatient rehabilitation and therapy is not subject to certificate of need review. If you have any questions regarding this request, please let me know.

Very truly yours,

Smith Moore Leatherwood LLP



Susan M. Fradenburg

SMF/mp
Enclosure

AIA® Document G702™ - 1992

Application and Certificate for Payment

PROJECT: Hillcrest

VIA ARCHITECT:

APPLICATION NO: 002

PERIOD TO: February 02, 2018

CONTRACT FOR: General Construction

CONTRACT DATE: October 31, 2017

PROJECT NOS: / 21755 /

Distribution to:

OWNER:

ARCHITECT:

CONTRACTOR:

FIELD:

OTHER:

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been with the Contract Documents, that all amounts have been paid Work for which previous Certificates for Payment were issued and Owner, and that current payment shown is now due.

1. ORIGINAL CONTRACT SUM
2. NET CHANGE BY CHANGE ORDERS
3. CONTRACT SUM TO DATE (Line 1 ± 2)
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)
5. RETAINAGE:
 - a. 5 _____ % of Completed Work

7,201.10

Total Retainage (Lines 5a + 5b or Total in Column I of G703)

6. TOTAL EARNED LESS RETAINAGE

(Line 4 Less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate)

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6)

ARCHITECT'S CERTIFICATE FOR

In accordance with the Contract Documents, based on on-site

data the

the Contractor is

entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED

amount

differs from the amount applied. Initial all figures on this

changed to conform with the amount certified.)

Application

0.00 By:

0.00

0.00

0.00

TOTALS

J. NOTARY

MY COMMISSION EXPIRES 8/11/2018

aug. 2018

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Williams, Bernetta

From: Susan Fradenburg <Susan.Fradenburg@smithmoorelaw.com>
Sent: Tuesday, April 10, 2018 1:39 PM
To: Williams, Bernetta
Subject: [External] Hillcrest Convalescent Center -- Physical Therapy Location
Attachments: GREENSBORO-#1329928-v1-No_review_request_outpatient_therapy_hillcrest.pdf

CAUTION: External email. Do not click links or open attachments unless verified. Send all suspicious email as an attachment to [Report Spam](#).

Bernetta, as a follow-up to our March 29, 2018 No Review Request I am writing to confirm there will be no medical diagnostic equipment acquired by Hillcrest and no procedures performed at the location that would render the location a "Diagnostic Center" as defined by N.C. Gen. Stat. § 131E- 176 (7a).

Please let me know if you need any further information from us.

Thank you for your assistance.

Susan M. Fradenburg
Smith Moore Leatherwood LLP
300 North Greene Street, Suite 1400
Greensboro, NC 27401
Direct: 336.378.5482 | vCard
www.smithmoorelaw.com

**SMITHMOORE
LEATHERWOOD**
ATTORNEYS AT LAW

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