



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

March 11, 2024

Susan M. Fradenburg

SFradenburg@Foxrothschild.com

Exempt from Review

Record #: 4392
Date of Request: March 1, 2024
Facility Name: Hillcrest Raleigh at Crabtree Valley
FID #: 923281
Business Name: Hillcrest Raleigh at Crabtree, LLC
Business #: 3531
Project Description: Revised renovations and expansion of a nursing facility on the same site with no change in the number of licensed beds
County: Wake

Dear Susan M. Fradenburg:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(e)(1). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

It should be noted that this determination is binding only for the facts represented by you. 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 the Agency. 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 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Crystal Kearney, Project Analyst

Micheala Mitchell, Chief

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



230 N. Elm St.
Suite 1200
Greensboro, NC 27401
☎ 336.378.5200 📠 336.378.5400
WWW.FOXROTHSCHILD.COM

Susan M. Fradenburg
Direct No: 336.378.5482
Email: SFradenburg@Foxrothschild.com

March 1, 2024

Via email and U.S. Mail

Mr. Mike McKillip, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health
and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Prior Written Notice of Exempt Nursing Home Renovation Project
Hillcrest Raleigh at Crabtree Valley – NH 0428
FID #923281
Revisions to Record #3839

Dear Mike:

Our firm represents Hillcrest Raleigh at Crabtree Valley (“Hillcrest Raleigh”) in Wake County. On March 21, 2022, you determined that Hillcrest Raleigh’s proposed renovation and expansion was exempt from certificate of need review in accordance with G.S. 131E-184(e)CON review. *See Exhibit A.* Hillcrest Raleigh’s construction project has experienced some delay but they are now ready to move forward with the construction with some slight changes to the plan.

Hillcrest Raleigh still has 134 nursing facility beds and is still planning to add to existing space by constructing private rooms and new common areas with the construction of a two-story skilled care nursing home addition. The main revision to the proposal is that rather than 48 new single occupancy rooms and associated bathrooms/showers, and nursing support space, there will be 32 new single occupancy rooms.

The remainder of the March 2022 proposal will remain materially the same. Specifically, the 32 beds will be developed on the existing nursing home site as an expansion to the existing building. The 32 beds will come from existing semi-private rooms and the total number of licensed nursing facility beds will remain at 134 nursing facility beds. The construction will still utilize a neighborhood design and includes new open living/dining spaces with the resident’s

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California Nevada Colorado New Jersey Delaware New York District of Columbia North Carolina Florida Oklahoma Georgia Pennsylvania Illinois Massachusetts South Carolina Minnesota Texas Missouri Washington



Mr. Mike McKillip, Project Analyst
March 1, 2024
Page 2

rooms being located around the common area. The renovations will be designed to be residential in appearance. The proposed renovations will enhance residents' living experience and improve their quality of life. A proposed updated site plan for the new construction is attached as Exhibit B. The portion of the plan in red shows the site for the construction.

The proposed capital expenditure for this project will exceed two million dollars and total current costs are roughly estimated to be around \$10 million, which includes the cost of construction, furniture, fixtures, and other miscellaneous costs such as landscaping, storm water drainage and containment design, planning and a contingency. The proposed capital expenditure will be used solely to renovate and expand the existing nursing home facility on the same site. In accordance with this exemption request Hillcrest Raleigh will continue to operate 134 nursing facility beds following the completion of the renovation project.

Hillcrest Raleigh's project as revised is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(e) because the proposed capital expenditure is solely for the purposes of renovating, replacing on the same site, or expanding an existing nursing home facility. The proposed capital expenditure will be used to construct 32 new private rooms and to renovate, replace, and expand residential living and common areas to improve the quality of life. The project will not result in a change in bed capacity, the addition of a health service facility, an increase in the number of nursing facility beds or adult care home beds, the acquisition of major medical equipment, or any other new institutional health service.

We look forward to receiving your letter confirming that Hillcrest Raleigh's revised renovation and expansion for its existing nursing facility involving the construction of 32 private nursing beds from existing semi-private beds on the same site remains exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(e).

If you have any questions or need additional information, please let me know.

Very truly yours,

A handwritten signature in black ink that reads "Susan M. Fradenburg". The signature is written in a cursive, flowing style.

Susan M. Fradenburg

Enclosures

Exhibit A



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

March 21, 2022

Susan Fradenburg
Susan.fradenburg@foxrothschild.com

Exempt from Review

Record #: 3839
Date of Request: March 3, 2022
Facility Name: Hillcrest Raleigh at Crabtree Valley
FID #: 923281
Business Name: Hillcrest Raleigh at Crabtree, LLC
Business #: 3531
Project Description: Renovation and expansion of the nursing facility on the same site with no change in the number of licensed beds
County: Wake

Dear Ms. Fradenburg:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(e). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

It should be noted that this determination is binding only for the facts represented by you. 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 the Agency. 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 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. McKillip".

Michael J. McKillip
Project Analyst

A handwritten signature in black ink, appearing to read "Micheala Mitchell".

Micheala Mitchell
Chief

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

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



Fox Rothschild LLP
ATTORNEYS AT LAW

230 N. Elm St.
Suite 1200
Greensboro, NC 27401
Tel 336.378.5200 Fax 336.378.5400
www.foxrothschild.com

SUSAN M. FRADENBURG
Direct No: 336.378.5482
Email: SFradenburg@Foxrothschild.com

March 2, 2022

Via email and U.S. Mail

Mr. Mike McKillip, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health
and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Prior Written Notice of Exempt Nursing Home Renovation Project
Hillcrest Raleigh at Crabtree Valley – NH 0428
FID #923281

Dear Mike:

Our firm represents Hillcrest Raleigh at Crabtree Valley (“Hillcrest Raleigh”) in Wake County. Hillcrest Raleigh currently has 134 nursing facility beds. Hillcrest Raleigh is planning to add to existing space by constructing private rooms and new common areas which will improve the quality of life for residents. The renovations and expansion will all occur at the existing nursing home site.

In particular, the plans for the project include the construction of a two-story skilled care nursing home addition with a total of 48 new single occupancy rooms and associated bathrooms/showers, and nursing support space. The 48 beds will be developed on the existing nursing home site as an expansion to the existing building. The 48 beds will come from existing semi-private rooms and the total number of licensed nursing facility beds will remain at 134 nursing facility beds. The new construction will utilize a neighborhood design and includes new open living/dining spaces with the residents’ rooms being located around the common area. The renovations will be designed to be residential in appearance. The proposed renovations will enhance residents’ living experience and improve their quality of life. A proposed site plan for the new construction is attached as Exhibit A.

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The proposed capital expenditure for this project will exceed two million dollars and total current costs are roughly estimated to be around \$16 million, which includes the cost of construction, furniture, fixtures, and other miscellaneous costs such as landscaping, storm water drainage and containment design, planning and a contingency. The proposed capital expenditure will be used solely to renovate and expand the existing nursing home facility on the same site. In accordance with this exemption request Hillcrest Raleigh will continue to operate 134 nursing facility beds following the completion of the renovation project.

Hillcrest Raleigh's project is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(e) because the proposed capital expenditure is solely for the purposes of renovating, replacing on the same site, or expanding an existing nursing home facility. The proposed capital expenditure will be used to construct 48 new private rooms and to renovate, replace, and expand residential living and common areas to improve the quality of life. The project will not result in a change in bed capacity, the addition of a health service facility, an increase in the number of nursing facility beds or adult care home beds, the acquisition of major medical equipment, or any other new institutional health service.

We look forward to receiving your letter confirming that Hillcrest Raleigh's renovation and expansion of its existing nursing facility by constructing 48 private nursing beds from existing semi-private beds on the same site is exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(e).

If you have any questions or need further information, please let me know.

With kindest regards, I am

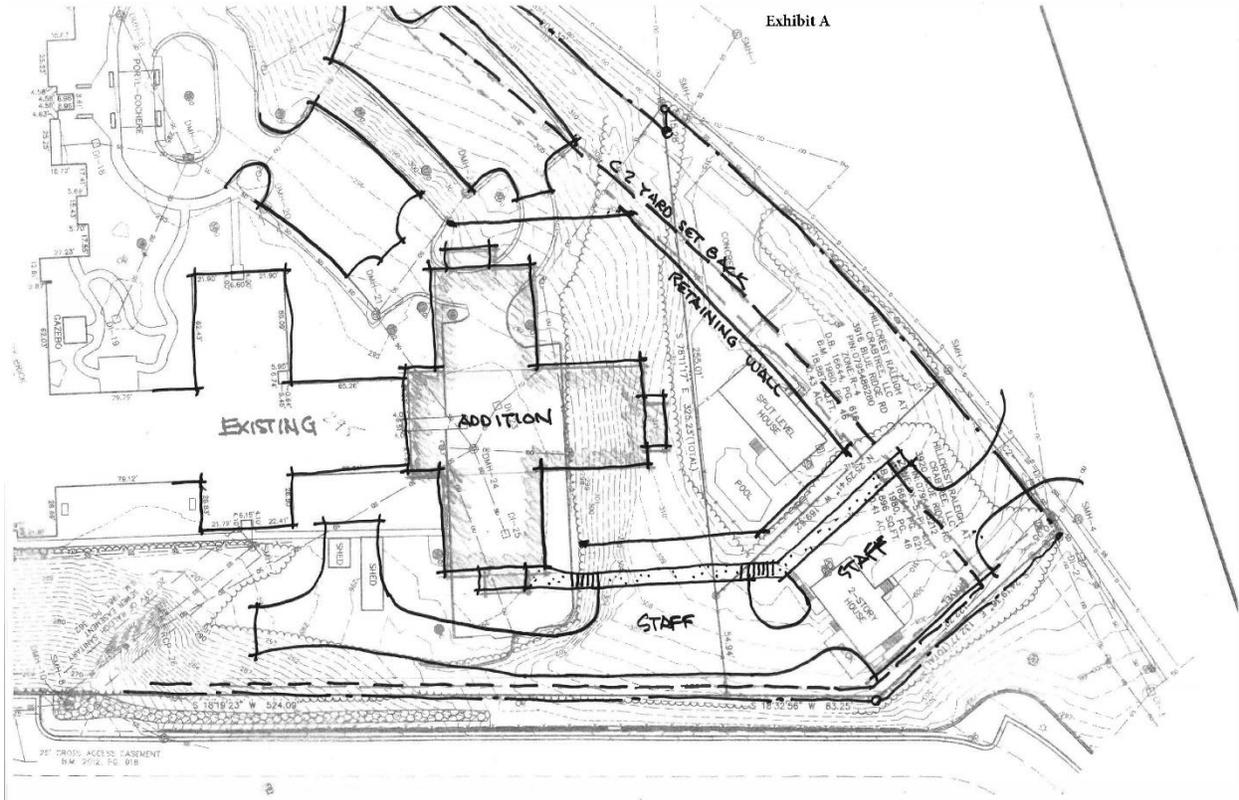
Very truly yours,



Susan M. Fradenburg

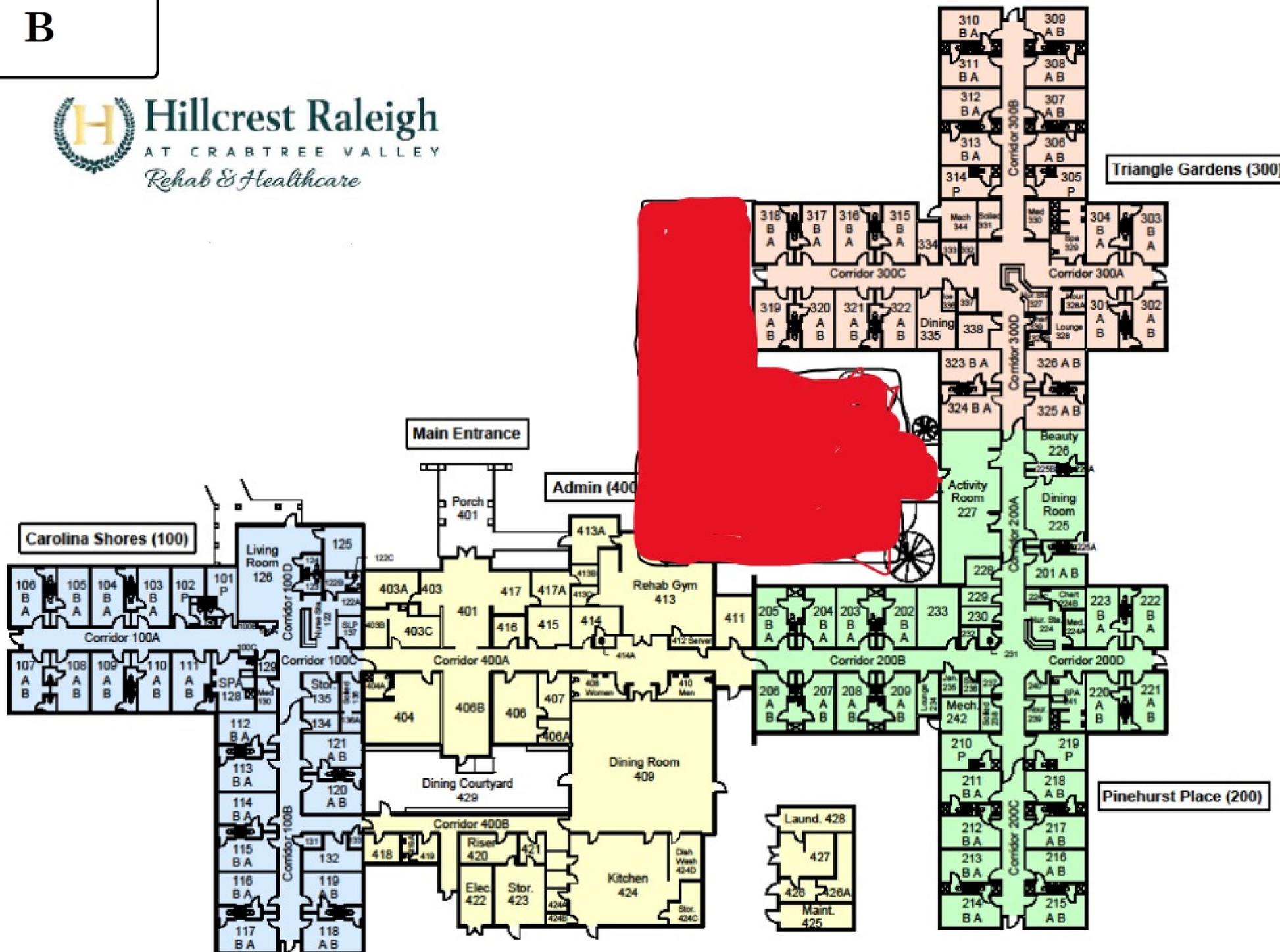
Enclosure

Exhibit A
Proposed Site Plan



EXHIBIT

B



From: [Mckillip, Mike](#)
To: [Stancil, Tiffany C](#)
Subject: FW: [External] Notice of Exemption - Hillcrest Raleigh
Date: Friday, March 1, 2024 2:29:41 PM
Attachments: [Hillcrest Raleigh exemption notice letter renovation 3.2024-C.pdf](#)

Happy Friday, Tiffany! Exemption request that can be given to Crystal. Thanks.

Michael Mckillip

Team Leader, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need
[NC Department of Health and Human Services](#)

Office: 919-855-3877 (I am in the office on Wednesday and Friday, and can best be reached by email on Monday, Tuesday and Thursday.)
mike.mckillip@dhhs.nc.gov

809 Ruggles Drive, Edgerton
2704 Mail Service Center
Raleigh, NC 27699

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From: Fradenburg, Susan M. <SFradenburg@foxrothschild.com>
Sent: Friday, March 1, 2024 12:46 PM
To: Mckillip, Mike <mike.mckillip@dhhs.nc.gov>
Subject: [External] Notice of Exemption - Hillcrest Raleigh

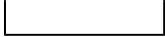
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Please see attached.

Have a good weekend.

Susan M Fradenburg (she/her)

Partner



230 N. Elm St.

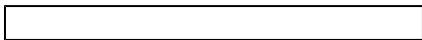
Suite 1200

Greensboro, NC 27401

(336) 378-5482 - direct

(336) 378-5400 - fax

SFradenburg@foxrothschild.com



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