

Petition

Bell House
Attention: Jeni Kirk
2400 Summit Avenue
Greensboro, NC 27405
July 30, 2012

NC Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Petition for Adjustment to Need Determination for Guilford County

Dear Sir or Madam:

My name is Jeni Kirk and I am the Executive Director for the Bell House, which is a 22 bed assisted living residence located in Greensboro, NC. I am sending this letter to petition for an adjustment to the Need Determination for Skilled Nursing Beds in Guilford County. My goal with this letter is to be very concise on our reasons for this adjustment, but please know that I am available to answer any questions or provide additional insight to this great organization and our basis for this petition. Please feel free to call me at 336.621.0938 or you can email me at jkirk@bellhouseinc.org. I would also encourage you to visit our website at www.bellhouseinc.org to learn more about this very unique home that was founded in 1979.

Chapter 10 of the 2012 State Medical Facilities Plan notes a current inventory surplus of nursing home beds in Guilford County relative to the population that would utilize these beds. At the Bell House we specifically care for a unique population of residents unlike any other in the county and possibly the State. We therefore respectfully request that special consideration be given for the allowance of an additional 40 skilled nursing beds for Guilford County in the upcoming State Medical Facilities Plan. We request that these beds be specifically earmarked toward servicing adults with physical disabilities caused by orthnerologically-based abnormalities, such as cerebral palsy and spina bifida.

As noted, the Bell House was opened in 1979 with a simple, yet unique, mission: to serve as a residence solely for adults with physical disabilities caused by orthnerologically-based abnormalities, such as cerebral palsy and spina bifida. Prior to opening, individuals with these conditions were relegated to nursing homes or were bravely cared for at home until their needs eventually surpassed their families' ability to provide for them. Bell House has operated at full capacity since it opened in 1979 and we believe we are the only facility that serves such a unique population in the state.

Thanks to a very generous donation of 6.78 acres of land surrounding Bell House and an anonymous gift of \$1,000,000; Bell House has launched the We Are Able Capital Campaign with a goal of \$4,000,000. We have plans to expand our facility to almost double its current size, which will enable us to invite many others on our waiting list to live here. With the expansion, there will be room for more people, more enrichment activities, and best of all, greater independence in a home-like environment.

Due to the economic background of our resident population, we are almost entirely dependent on government funding to support our organization. These revenue sources in aggregate provide approximately \$115 per resident per day. The acuity needs for the majority of our residents is high and would most likely fall under a skilled level, but due to our current reimbursement scheme and licensing structure we have always struggled financially. Recently we have started to rely on our investments to sustain operations due to stagnant revenue growth and escalating operating costs, which we understand is normal for this type of sector and a facility that is approximately 33 years old.

Prior to breaking ground on our new facility our Board has worked tirelessly on trying to ensure an operating model is in place to sustain continued operations for this growing home. Our Board under the direction of our Chairman, Steve Fleming created a strategic plan to evaluate the various options available to our organization. These options included the acquisition of additional assisted living beds in order to meet our current waiting list as well as enhance our staffing efficiency by serving a larger census base.

However, within the last four months we were made aware that one of our funding sources was being restructured effective August 15, 2012. The Community Alternatives Program "CAP", which is currently being utilized by 3 of our residents and represents approximately 15% of our total revenue, will be phased out. The loss of this revenue is detrimental to the sustainability of this organization. In addition, we also receive an annual grant under the Congregate Housing Service Program "CHSP" that represents another 15% of our annual revenue. This grant was first established in 1979 as a demonstration program and was not intended to continue indefinitely. Every year we anxiously await notification from Congress on whether they will continue to appropriate the funding needed for the upcoming year. In today's uncertain times the likelihood of this continued funding is minimal at best.

When we were notified about the CAP program being restructured our board pulled together again to reevaluate our options for the future. Our research has showed that we are able to find funding for bricks and mortar (new construction), but these funding sources expect the organization to be self sustaining. We have recently talked with local organizations (nursing homes, CCRCs, etc) in regards to partnering/sharing of services. A common theme that arises from these conversations is that our current licensure does not truly represent the acuity level of the population we serve. They have been hesitant at best to enter into any type of relationship. This is due to the likelihood that under our

current model we will require annual funding from them to sustain our operations. Our treasurer has run some preliminary calculations that show that under a skilled model our residents' case mix would generate a revenue stream under the Medicaid Reimbursement Program that would sustain our operations.

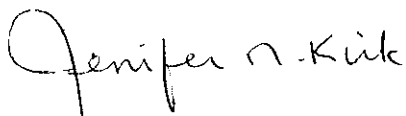
We currently have enough savings to sustain our annual budgetary short fall for 3 years. If these additional beds were made available to Guilford County and we were able to acquire them we feel confident that we would be able to construct our new facility within this time frame. This would then allow us to continue to provide excellent services and care to this very distinct population that we have grown to love over these past 30 years.

Although we are trying to remain positive about our future we believe that without this adjustment to the Need Determination we will most likely have to close the Bell House. At that time the majority of these residents would be redirected to a nursing center, group home or back to their family.

I truly believe in my heart that our organization currently meets and exceeds the 3 core principles stated in the Medical Facilities Plan. The Bell House is a home with a mission to advance the independence of adults with physical disabilities. Bell House is committed to providing quality professional care in an atmosphere where the dignity, development, health and happiness of the residents and program participants are recognized and encouraged. We focus attention on the capabilities of each resident and program participant and challenge them to expand their ideas, develop their interests, pursue their dreams and live the most responsive, independent and self-sufficient life possible.

I am asking for your consideration to allow me the opportunity to continue a dream that our founder Marie Bell started in 1979. All she wanted was a home where her daughter could live and thrive and be surrounded by people who share her same challenges. This is the Bell House and with your approval we will have an opportunity to expand our mission to serve even more of this very unique population.

Sincerely,



Jeni Kirk
Executive Director

Cc Steve Fleming, President
Arnie Thompson, Treasurer

Petition Requirements:

1. Name, address email address and phone number of petitioner.

Bell House
Attention: Jeni Kirk
2400 Summit Avenue
Greensboro, NC 27405
336.621.0938
jkirk@bellhouseinc.org.

2. A statement of the requested adjustment, citing the provision or need determination in the Proposed State Medical Facilities Plan for which the adjustment is proposed.

We respectfully request for the allowance of an additional 40 skilled nursing beds for Guilford County that are specifically earmarked toward servicing adults with physical disabilities caused by orthnerologically-based abnormalities, such as cerebral palsy and spina bifida. This requested adjustment is based upon our review of Chapter 10 of the 2012 State Medical Facilities Plan.

3. Reasons for the proposed adjustment,

Under our current assisted living license we currently have enough savings to sustain our annual budgetary short fall for 3 years. If these additional beds were made available to Guilford County and we were able to acquire them we feel confident that we would be able to construct our new facility within this time frame. This would then allow us to continue to provide excellent services and care to this very distinct population that we have grown to love over these past 30 years.

- 3a. Statement of the adverse effects on the population of the affected area that are likely to ensue if the adjustment is not made.

We believe that without this adjustment to the Need Determination we will most likely have to close the Bell House. At that time the majority of these residents would be redirected to a nursing center, group home or back to their family.

3b. A statement of alternatives to the proposed adjustment that were considered and found not feasible.

Our Board under the direction of our Chairman, Steve Fleming created a strategic plan to evaluate the various options available to our organization. These options included the acquisition of additional assisted living beds in order to meet our current waiting list as well as enhance our staffing efficiency by serving a larger census base. However, within the last four months we were made aware that one of our funding sources was being restructured effective August 15, 2012. The Community Alternatives Program "CAP", which is currently being utilized by 3 of our residents and represents approximately 15% of our total revenue, will be phased out. The loss of this revenue is detrimental to the sustainability of this organization.

We have recently talked with local organizations (nursing homes, CCRCs, etc) in regards to partnering/sharing of services. A common theme that arises from these conversations is that our current licensure does not truly represent the acuity level of the population we serve. They have been hesitant at best to enter into any type of relationship. This is due to the likelihood that under our current model we will require annual funding from them to sustain our operations.

4. Evidence that health service development permitted by the proposed adjustment would not result in unnecessary duplication of health resources in the area.

The Bell House was opened in 1979 with a simple, yet unique, mission: to serve as a residence solely for adults with physical disabilities caused by orthnerologically-based abnormalities, such as cerebral palsy and spina bifida. Bell House has operated at full capacity since it opened in 1979 and we believe we are the only facility that serves such a unique population in the state.

5. Evidence that the requested adjustment is consistent with the three Basic Principles governing the development of the North Carolina State Medical Facilities Plan: Safety and Quality, Access and Value.

The Bell House is CARF Accredited and is a home with a mission to advance the independence of adults with physical disabilities. Bell House is committed to providing quality professional care in an atmosphere where the dignity, development, health and happiness of the residents and program participants are recognized and encouraged. We focus attention on the capabilities of each resident and program participant and challenge them to expand their ideas, develop their interests, pursue their dreams and live the most responsive, independent and self-sufficient life possible.

Due to the economic background of our resident population, we are almost entirely dependent on government funding to support our organization. These revenue sources in aggregate provide approximately \$115 per resident per day, which until recent budget cuts we have been able to cover our costs with this revenue stream