

# Public Support Swayed Nursing Home Choice

BY SUSAN USHER

An overwhelming display of public support prompted a Cardinal Health Board evaluation committee to override a staff recommendation last Wednesday and approve Beverly Enterprises' application to build a nursing home at Supply.

Following a hearing at Southport City Hall that lasted almost six hours, the project evaluation committee voted 4-2, with one abstention, in support of Beverly over Autumn Corp. Autumn is the Rocky Mountain-based firm whose Shallotte project application was recommended by the staff of the regional health planning agency. Both companies plan to build 100 long-term care beds, the maximum allowed by the state.

The committee's recommendation was to go to the full Cardinal board of directors Wednesday at a meeting in Lumberton, accompanied possibly by a minority report submitted by Project Evaluation Committee Chairman Wayne Burgess of Richmond County and Wade Avant of Columbus County, who voted against the motion made by Linda Pearce of New Hanover County.

"It's still up in the air between Beverly and Autumn Corp.," said Burgess. He explained that if the committee's vote is unanimous the board will follow its recommendation. That is less likely to happen on a split vote, he added, predicting a close vote by the full board.

In his own summary regarding Beverly's presentation, Burgess noted that unlike several other board members, "It hasn't changed my opinion on Autumn, but I must say that Beverly has made an excellent presentation and shown excellent community support."

A recommendation from the full Cardinal board will be forwarded to the N.C. Division of Facility Services, which makes the final decision on which application is approved.

Both Beverly and Autumn received support for their projects from towns, civic organizations and the medical community. Proponents debated the advantages and disadvantages of locating the home in Shallotte or Supply—factors such as transportation in emergency and non-emergency situations and accessibility to visitors such as family members and volunteers, medical and ministerial personnel.

In addition to the numerous letters of support read to the committee by John F. Holden of Holden Beach,

Beverly also could claim nearly half of those in the almost full former courtroom as its supporters.

Holden had letters of support for a Supply location from towns and emergency groups scattered from Boiling Spring Lakes to Calabash; numerous businesses, seven of eight physicians on the hospital and several ministers, including the pastor of Shallotte's First Baptist Church. He implied support from Ocean Isle Beach, which in fact had not supported a Supply site.

One petition alone had more than 150 names.

Also speaking on Beverly's behalf were Fred Lesh, owner of the property; Robert Sellers, chairman of the county hospital authority; Dr. Michael Bauerschmidt on behalf of the hospital's medical staff; Wilson Arnold of Supply on behalf of the Atlantic Telephone Membership Corp. board of directors; Dewey Sellers of the Supply community; Grace Peoples of the Holden Beach Senior Citizens; Bill Lovelace of the Holden Beach Property Owners Association; and Alice Wright of Sunset Harbor.

Holden said the rescue squads and fire departments he contacted supported the location in part because locating the nursing home away from the hospital would put a greater strain on the rescue squads to provide non-emergency transport to the hospital for testing and the like.

Rev. Ned Eaddy of the Brunswick Christian Center echoed the reasoning of the hospital's medical staff, saying the nursing home's proximity to the hospital would make it convenient for ministering to the spiritual needs of the residents.

He said he felt it would be "a real miscarriage of justice to locate it off in a corner somewhere where it would serve only a few people."

Those supporting the Autumn Corp. proposal, however, argued differently.

Shallotte Mayor Beamon Hewett said the nursing home's location in that town would be convenient to the rescue squad and for visits from family and volunteers who come to town regularly to shop.

"We're trying to establish the fact that it is most needed in Shallotte. From the Lockwood Folly River to the South Carolina line there are 24,000 people. Shallotte is in the center of this population," he said. He also been advised by Mayor



STAFF PHOTOS BY SUSAN USHER  
**HOLDEN BEACH DEVELOPER**  
John F. Holden documented widespread support for a Supply location with a stack of letters.



**SHALLOTTE MAYOR** Beamon Hewett said Shallotte was the hub of the 24,000-population area that most needs a nursing home.

LaDane Bullington that Ocean Isle Beach was supporting a location "southwest of Supply."

"She told me they wanted it in Shallotte," he said. Autumn also had letters of support from five physicians.

"We're definitely endorsing Autumn Care," he added on behalf of the Shallotte town board.

Warren "Bud" Knapp of Carolina Shores also spoke for the Autumn project, noting the number of senior citizens in the Calabash-Carolina Shores area.

### Beverly's Plans

Beverly Enterprises of California, the nation's largest nursing home company, also has regional office in Rockville, Maryland, and operates 10% of all North Carolina nursing home beds.

It has an option to buy, at a listed purchase price of \$158,334, a tract adjoining the hospital that is owned by pharmacist Fred Lesh. Lesh serves on the Brunswick County Hospital Authority, operates the Brunswick Hospital pharmacy and serves on the Brunswick County Board of Health. He said Beverly received the option because he felt it would offer the best quality of care, but Autumn spokesman James R. Smith said several firms sought the option, with the highest bidder getting it.

Beverly proposes to build a \$1.7 million project with 50 skilled and 50 intermediate beds, and expects to

save money for both institutions by sharing water and sewer facilities with the hospital. It had the second highest development costs of any project considered, ranged near the middle of the group in per diem charges, staffing ratios and percent of administrative costs. It is 1.5 miles from the Supply fire department and at least six miles from the nearest rescue squads.

The 31,175 square-foot project has a total cost per square foot of \$54.53 and cost per bed of \$17,000. It would be financed through 20 percent cash and 80 percent financing at 13 percent interest.

Beverly projects a patient mix of 10% private pay, 2% Medicare and 88% Medicaid and would seek VA certification.

Eighteen percent of Beverly's stock is owned by Hospital Corporation of America (HCA), which has leased the Brunswick Hospital from the Brunswick County Hospital Authority.

### Autumn's Plans

Autumn Corp. proposes to build a \$1.79 million project that includes 50 skilled, 50 intermediate and 10 home for the aged beds at the intersection of Shallotte Avenue and Mulberry Street in Shallotte. It has an option to buy the land from White Investments (R.D. (Deedy) White III and partners) at a listed cost of \$150,000. The 32,816 square foot facility will cost \$53.59 per square foot, or second lowest of all applicants, or \$15,989 per

bed, third lowest of all applicants. The entire cost would be financed at 13.5% interest.

The facility would be located one-half mile from the fire department, with a hydrant less than 500 feet away, and about one mile from the rescue squad. It would be served by municipal paved road, city water and sewer, and offer fewer ancillary services than Beverly. Autumn proposed more staff per bed than any applicant.

Autumn anticipates a patient mix of 14% private pay, 3% Medicare, 80% Medicaid and unlike Beverly, includes 3% for bad debt and charity care write-offs.

Both Autumn and Beverly would provide a similar range of services.

While Autumn Corp. also had expressed interest in an option on the Supply tract owned by Lesh, the firm is one of three that had ultimately proposed to build in or just outside the Town of Shallotte. The town is considered the hub of a growth area initially identified by the Brunswick County Board of Health in October as the most suitable location for the nursing home.

However, in December the health board rejected the idea of the growth loop and instead gave its support to a Supply location for the proposed facility.

### Britthaven's Move

Rather than promoting Brittaven's application, Robert Hill Jr., vice president of the family-owned Hookerton firm, extended its support to 1) a Shallotte location; 2) the ranking system used by the staff (though some factors "may not be entirely fair to all the applicants") and 3) a North Carolina company, any one or combination of Triad Medical Services, Autumn Corp. and Unifour Medical Management. Of those three, only Autumn Corp. proposes to build in the Shallotte area.

Hill said Brittaven's application had not been withdrawn, but that the firm was backing away from the local project while pursuing state approval of a 62-bed project in Hoke County.

### Southport's Needs

While considerable oral and writ-

ten support was expressed last Wednesday for developing at least some skilled nursing beds to Ocean Trail Convalescent Center in Southport, Cardinal identified two ways for that community to help meet local demand for long-term care beds while still allowing construction elsewhere of the 100 beds identified by the state as needed in the county.

If Ocean Trail's proposal for 40 skilled care beds and 16 intermediate care beds were approved, the staff analysis indicated, three-fourths of the county's nursing home beds would be concentrated within one community.

Cardinal Health Systems Analyst Craig Smith said that Doshier Memorial Hospital in Southport, because it has less than 50 beds and is in a rural area, qualifies for participation in a "swing-bed" program, which allows some beds under specific circumstances to be used for skilled nursing care rather than hospital care.

Also, Ocean Trail, which presently provides no skilled-care beds, could convert as many as 10 beds per year to that purpose by notifying the certificate-of-need section of the N.C. Division of Facility Services.

Cardinal's staff, which includes Executive Director Larry Crumbliss and health system analysts Craig Smith, Lydia Hayes, Kelly Rowan and Al Connor, had ranked the six projects numerically based on analysis of factors related to nursing home operations such as financial performance, costs, staffing plans and the like.

They ranked Autumn at the top, followed by Triad, which operates Ocean Trail Convalescent Center in Southport; Beverly Enterprises; Health Care and Retirement Corp. of America and last, Unifour Medical Management of Hickory, which proposed to operate a nursing home in the Bolivia area developed as part of a retirement community to be known as Cypress Springs. Cypress Springs and the Ocean Trail project were the only combination of two projects that could have been approved.

## Commissioners Endorse Supply Location

(Continued From Page 1-A)

Sons has written Cardinal seeking clarification of whether a conflict of interest exists for him in voting because of the hospital's relationship to HCA and Beverly Enterprises. Sons is an employee of Hospital Corporation of America, which leases the hospital. HCA owns 18 percent of Beverly's common stock, but not because it wants to, he indicated.

He said that while the hospital and nursing home would benefit from the close proximity, that those with the most to gain are the patients.

HCA bought Hospital Affiliates International, inheriting its management contract with Brunswick County Hospital. HAI also owned nursing homes, which HCA proceeded to

market, since it is not in the nursing home business and doesn't want to be, Sons said.

The "several, several million dollar" sale was to Beverly Enterprises, which offered a combination of cash and stock, not agreeing to cash only, he said.

"Anything I do here I know is not going to affect any decision Beverly makes," said Sons. "On the other hand, I do know the perception exists."

If Cardinal agrees there is no conflict of interest, he continued, "Most likely I will sit there and keep my mouth shut."

Sons clarified questions raised by the hospital's plans to double the

capacity of its sewer plant, which will be shared with Beverly Enterprises' nursing home if it is built.

An Autumn Corp. spokesman, James R. Smith, raised the question of the system discharging directly into Doe Creek, a tributary of Lockwood Folly River.

The hospital had applied for, and received, with "reluctance" on the part of the state, he said, a permit to discharge directly into the creek with its new system, but under very restrictive effluent standards and monitoring.

"Some time ago," he continued, the hospital abandoned the idea of direct discharge because of the possibility of an equipment

breakdown and potential pollution of the stream.

He reaffirmed that the hospital has never and does not intend to ever pollute the streams or to discharge directly into Doe Creek.

Instead the hospital is doubling the capacity of its drain field line, using land that could otherwise be developed, working with an extension specialist and state solid and hazardous waste officials in designing the system.

In response to questions about transportation of patients between the nursing home and adjacent hospital, Sellers and Sons have said a van system could be worked out for non-emergency transport with a gurney.

## Flood Insurance Study Introduced At Meeting

BY TERRY POPE

While homes at Ocean Isle Beach would have to be built taller, building requirements at Sunset Beach would become more relaxed under new federal flood insurance standards discussed during a public meeting Tuesday night in Bolivia.

County and town officials gathered in the public assembly building at the county complex to review the flood insurance program at a public meeting conducted by the Federal Emergency Management Agency, who administers the federal insurance program.

There were few questions and comments from the audience of about 50

who gathered to review the results of the study completed in 1982 for FEMA.

As a result of the detailed flood study, the minimum building level at Sunset Beach would decrease from 14 feet to 13 feet while Ocean Isle's requirements may increase from one to three feet higher than the present level. Federal officials surveyed 30 transects along the Brunswick County coast in preparing the 2½-year study.

For the first time, the impact of wave actions in areas zoned "V" for "coastal high hazard zones" was used in determining minimum building levels. Areas with higher sand dunes

could cause a reduction in those standards in the V zones, said Carol Campbell, a specialist in the Atlanta regional FEMA office.

Both county and town officials must pass or adopt new floodplain management ordinances that meet at least the minimum standards for flood hazard reduction set forth by FEMA. The agency's recommendations will be published in local newspapers within the next one to two months, Campbell said.

Residents and town officials will then have a 90-day appeal period in which to comment or to introduce evidence contradicting the agency's findings. James Watt, a specialist with FEMA's Washington, D.C. office, said the agency welcomes new

evidence against the study. Floodplain studies have been changed before based on new evidence, he added.

Jack Cook, mayor of Caswell Beach, said he plans to question the zoning of the Ft. Caswell Baptist Assembly and the Caswell dunes area of the beach strand. According to the study, the assembly is zoned under less stringent standards while Cook feels the dunes area should also fall under the same zoning.

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