

**MINUTES**  
**STATE HEALTH FACILITIES COUNCIL**  
**Wednesday, April 27, 2016**  
**Lucas State Office Building**  
**321 East 12<sup>th</sup> Street**  
**Sixth Floor, ICN Room**  
**Des Moines, Iowa**

**Electronic Meeting**

This electronic meeting of the State Health Facilities Council was held in accordance with Iowa Code section 21.8 entitled “Electronic Meetings.” The Code states that a governmental body may conduct a meeting by electronic means only if circumstances are such that a meeting in person is impossible or impractical and access is provided to the public. An in-person meeting of the Council to handle this limited agenda is impractical due to the schedules of the Council members and the resources of the Department. This electronic meeting originated in the 6<sup>th</sup> Floor ICN Room, Lucas State Office Building, 321 E. 12<sup>th</sup> Street, Des Moines and public access to the meeting was provided at this location. Notices and agendas were posted in the building and posted on the Department’s web site under the Certificate of Need Program.

**9:05 AM ROLL CALL**

**MEMBERS PRESENT VIA PHONE:** Bob Lundin, Chairperson, Roberta Chambers, Connie Schmett, Amy Skinner, and Roger Thomas.

**STAFF PRESENT:** Becky Swift and Martha Gelhaus, Heather Adams, Counsel for the State (present in conference room).

**OTHERS PRESENT:** Alissa Smith of Dorsey & Whitney, representing Prairie Ridge Care Center and Noah Brennecke representing Community Living Solutions/Crystal Height Care Center (present in the conference room).

**OTHERS PRESENT VIA PHONE:** Doug Gross of Brown Winick Law.

**I. REQUEST FOR DETERMINATION OF NON-REVIEWABILITY AND THE DEPARTMENT’S RESPONSE**

1. **Burlington Care Center, Burlington, Des Moines County:** Replacement of a 72-bed SNF.

Staff report by Becky Swift. The applicant was represented by Doug Gross of Brown Winick. A motion by Chambers, seconded by Skinner to affirm the Department’s determination carried 5-0.

2. Hawkeye Care Center, Dubuque, Dubuque County: Replacement of an 80-bed SNF

Staff report by Becky Swift. A motion by Schmett, seconded by Thomas to affirm the Department's determination carried 5-0.

3. Hegg Memorial Hospital, Rock Valley, Sioux County: Modernization of hospital

Staff report by Becky Swift. A motion by Thomas, seconded by Skinner to affirm the Department's determination carried 5-0.

## **II. PROJECT REVIEW**

1. Crystal Heights Care Center, Oskaloosa, Mahaska County: Re-review of project approved 5/6/2015 for a 14 bed rehabilitation center addition at a cost of \$2,022,905. Cost Over-run of \$443,751.00 (22% of approved \$2,022,905).

Staff report by Becky Swift. The applicant was represented by Noah Brennecke of Community Living Solutions. A motion by Skinner, seconded by Thomas to approve the cost overrun carried 5-0.

2. Prairie Ridge Care Center, Orange City, Sioux County: Re-review of project approved 5/6/2015 for the addition of 12 skilled nursing beds at a cost of \$21,456. Cost Over-run of \$169,272 (789% of approved \$21,456)

Staff report by Becky Swift. The applicant was represented by Alissa Smith of Dorsey & Whitney. A motion by Skinner, seconded by Schmett to approve the cost overrun carried 5-0.

## **III. EXTENSIONS OF PREVIOUSLY APPROVED PROJECTS**

1. Crystal Heights Care Center, Oskaloosa, Mahaska County: 14 bed Rehabilitation Center Addition - \$2,022,905

Staff report by Becky Swift. The applicant was represented by Noah Brennecke of Community Living Solutions. A motion by Thomas, seconded by Skinner to grant a twelve-month extension carried 5-0.

2. Prairie Ridge Care Center, Orange City, Sioux County: Addition of 12 skilled nursing facility beds - \$21,456

Staff report by Becky Swift. The applicant was represented by Alissa Smith of Dorsey & Whitney. A motion by Schmett, seconded by Chambers to grant a twelve-month extension carried 5-0.

#### **IV. APPROVE MINUTES OF PREVIOUS MEETING (February 24 & 25, 2016)**

A motion by Chambers, seconded by Skinner to approve the minutes of February 24, 2016 carried 5-0.

A motion by Thomas, seconded by Chambers to approve the minutes of February 25, 2016 carried 5-0.

Discussion of the October 2016 State Health Facilities Council meeting ensued. Becky Swift made a recommendation to hold a two-day, rather than one-day, meeting in October, and suggested that October 27 be added as the second day. Council members confirmed this date. The October meeting will be held on Wednesday and Thursday, October 26 and 27, 2016, in the conference room of the State Laboratory Facility.

The next meeting of the Health Facilities Council will be held on Thursday and Friday, July 7 and 8, 2016, in the conference room of the State Laboratory Facility on the campus of Des Moines Area Community College.

A motion made by Schmett, seconded by Thomas to adjourn passed unanimously by voice vote. The meeting adjourned at 9:53 am.



5. The applicant reports that architectural plans have been submitted to the State Fire Marshal Division and the local municipality for review and that they have been approved. The projected date of completion is November 30, 2016.

### CONCLUSION

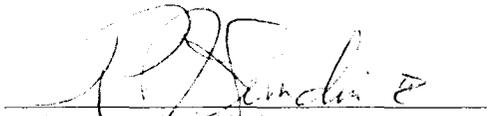
The Council concludes that the proposed change to the originally approved project represents an increase of approximately 22% in the cost of the project but does not substantially alter the nature and scope of the originally approved project.

Pursuant to 641 IAC 202.14, the Council therefore approves the request to modify the Certificate of Need originally granted May 6, 2015 to \$2,466,656 as the approved cost of the project.

The decision of the Council may be appealed pursuant to Iowa Code section 135.70(2015).

**No changes that vary from or alter the terms of the approved application including a change in the approved dollar cost shall be made unless requested in writing to the department and approved. Failure to notify and receive permission of the department to change the project as originally approved may result in the imposition of sanctions provided in Iowa Code section 135.73 (Iowa Administrative Code [641]202.14).**

Dated this 6<sup>th</sup> day of June 2016

  
\_\_\_\_\_  
Robert Lundin, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

cc: State Health Facilities Council  
Iowa Department of Inspections and Appeals:  
Health Facilities Division



5. The Council granted a 12-month extension.
6. A revised Exhibit 3 outlining the cost over-run was submitted on April 12, 2016. The applicant reports the cause of the cost over-run is a result of the denial of the original project plan by the DIA and the need to modify rooms to accommodate the additional furniture necessary for the conversion of rooms from private to semi-private.
7. The estimated total cost of the project is now \$190,728, a 789% increase in the original total project costs.
8. The applicant reports that architectural plans have been submitted to the State Fire Marshal Division for review and that they have been approved. The projected date of completion is August 15, 2016.

#### CONCLUSION

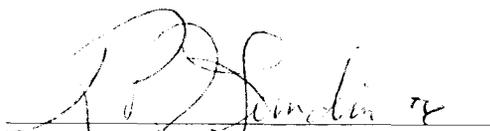
The Council concludes that while the proposed change to the originally approved project represents an increase of approximately 789% in cost and does alter the project to some extent, it is still within the original nature and scope of the approved proposal.

Pursuant to 641 IAC 202.14, the Council therefore approves the request to modify the Certificate of Need originally granted May 6, 2015 to \$190,728 as the approved cost of the project.

The decision of the Council may be appealed pursuant to Iowa Code section 135.70(2015).

**No changes that vary from or alter the terms of the approved application including a change in the approved dollar cost shall be made unless requested in writing to the department and approved. Failure to notify and receive permission of the department to change the project as originally approved may result in the imposition of sanctions provided in Iowa Code section 135.73 (Iowa Administrative Code [641]202.14).**

Dated this 6<sup>th</sup> day of June 2016

  
Robert Lundin, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

cc: State Health Facilities Council  
Iowa Department of Inspections and Appeals:  
Health Facilities Division

**IOWA DEPARTMENT OF PUBLIC HEALTH  
STATE HEALTH FACILITIES COUNCIL**

IN THE MATTER OF THE )  
CERTIFICATE OF NEED EXTENSION FOR )  
CRYSTAL HEIGHTS CARE CENTER )  
OSKALOOSA, IOWA )

**DECISION**

This matter came before the State Health Facilities Council for review on Wednesday, April 27, 2016. The applicant was represented by Noah Brennecke, Community Living Solutions.

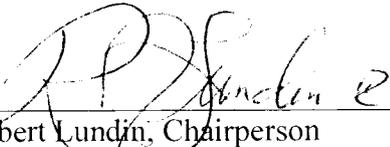
The project, the addition of a 14 bed skilled rehabilitation center, was originally approved on May 6, 2015, at an estimated cost of \$2,022,905.

The project sponsor submitted a revised Exhibit 3 outlining a cost over-run in April 2016. This request proposed an increase in cost of \$443,751.00 (22% of the approved \$2,022,905) which required further review and approval by the Council. The Council voted to grant a modification to the original Certificate of Need.

The Council, after reading the extension request and hearing comments by staff and the applicant, voted 5-0 to Grant an Extension of Certificate of Need per Iowa Administrative Code 641—202.13. The decision is based upon the finding that progress is being made.

The extension is valid for twelve months.

Dated this 6<sup>th</sup> day of June 2016

  
\_\_\_\_\_  
Robert Lundin, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

cc: Health Facilities Council  
Department of Inspections & Appeals, Health Facilities Division

**IOWA DEPARTMENT OF PUBLIC HEALTH  
STATE HEALTH FACILITIES COUNCIL**

IN THE MATTER OF THE )  
CERTIFICATE OF NEED EXTENSION FOR )  
PRAIRIE RIDGE CARE CENTER )  
ORANGE CITY, IOWA )

**DECISION**

This matter came before the State Health Facilities Council for review on Wednesday, April 27, 2016. The applicant was represented by Alissa Smith, Dorsey & Whitney.

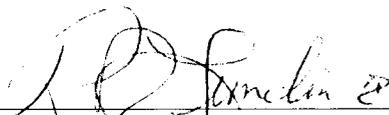
The project, the addition 12 skilled nursing facility beds, was originally approved on May 6, 2015 at an estimated cost of \$21,456.

The project sponsor submitted a revised Exhibit 3 outlining a cost over-run in April 2016. This request proposed an increase in cost of \$169,272 (789% of the approved \$21,456) which required further review and approval by the Council. The Council voted to grant a modification to the original Certificate of Need.

The Council, after reading the extension request and hearing comments by staff and the applicant, voted 5-0 to Grant an Extension of Certificate of Need per Iowa Administrative Code 641—202.13. The decision is based upon the finding that progress is being made.

The extension is valid for twelve months.

Dated this <sup>TH</sup> 6 day of June 2016

  
\_\_\_\_\_  
Robert Lundin, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

cc: Health Facilities Council  
Department of Inspections & Appeals, Health Facilities Division