

**MINUTES**  
**STATE HEALTH FACILITIES COUNCIL**  
**MAY 23, 2012**  
**IOWA LABORATORY FACILITY, CONFERENCE CENTER, ROOM 208**  
**DMACC CAMPUS, ANKENY**

**I. 9:00 AM ROLL CALL**

**MEMBERS PRESENT:** Bill Thatcher, Chairperson, Bob Lundin, Roberta Chambers and Vergene Donovan.

**MEMBER ABSENT:** Marc Elcock.

**STAFF PRESENT:** Barb Nervig and Jim Goodrich; Heather Adams, Counsel for the State

**II. PROJECT REVIEW**

1. Scottish Rite Park, Des Moines, Polk County: Add 10 nursing facility beds in existing space - \$36,700.

Staff report by Barb Nervig. The applicant was represented by Daniel J. Boor, administrator; and Kimberly J. Gahan, chief nursing officer. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

A motion by Chambers, seconded by Donovan, to Grant a Certificate of Need carried 4-0.

2. Covenant Medical Center, Waterloo, Black Hawk County: Expand cardiac catheterization services with 2<sup>nd</sup> lab - \$1,807,944.

Staff report by Barb Nervig. The applicant was represented by Ed McIntosh of Dorsey & Whitney; Jack Dusenbery, CEO; Richard Valente, MD, cardiologist; and Mary Ferrell, Manager of the Cath Lab.

A motion by Lundin, seconded by Chambers, to enter exhibits presented in support of oral testimony into the record carried 4-0. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

A motion by Chambers, seconded by Donovan, to Grant a Certificate of Need carried 4-0.

3. Mercy Medical Center—North Iowa, Mason City, Cerro Gordo County: Expand cardiac catheterization services with 3<sup>rd</sup> lab while renovating space to relocate existing labs- \$8,174,536.

Staff report by Barb Nervig. The applicant was represented by Diane Fischels, COO; Mitch Morrison, Director of Heart Center; Samuel Congello, DO, cardiologist; Matthew Stroup, RN; and Hal Husdon, Director of Construction.

A motion by Donovan, seconded by Chambers, to enter items presented in support of oral testimony into the record carried 4-0. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

A motion by Lundin, seconded by Chambers, to Grant a Certificate of Need carried 4-0.

4. The Finley Hospital, Dubuque, Dubuque County: Initiate cardiac catheterization services with one lab - \$1,894,000.

Staff report by Jim Goodrich. The applicant was represented by Doug Gross of Brown Winick; Kevin Lynch, Chairman of the Board; Tauseef Khan, MD, cardiologist; David Brandon, CEO; Carla Taft, Pulmonary Rehab and Jeannie Beckmann.

A motion by Lundin, seconded by Chambers, to enter slides presented in support of oral testimony into the record carried 4-0. The applicant made a presentation and answered questions posed by the Council.

Mercy Medical Center, represented by Russell Knight, CEO; Karin L. Loukinen, MD, cardiologist and Beverly Uthe, RN, appeared as an affected party in opposition to the proposal.

A motion by Chambers, seconded by Donovan, to enter rebuttal slides presented in support of oral testimony into the record carried 4-0.

A motion by Donovan, seconded by Chambers, to Grant a Certificate of Need carried 4-0.

#### **IV. EXTENSIONS OF PREVIOUSLY APPROVED PROJECTS:**

1. Carrington Place of Toledo, Toledo, Tama County: Add 5 nursing facility beds in existing space - \$25,000.

Staff reviewed the progress on this project. The applicant was represented by Lori Bellinger, administrator. The applicant made a presentation and answered questions posed by the Council.

A motion by Chambers, seconded by Lundin to Grant a five- month extension carried 4-0.

2. Healing Passages Birth and Wellness Center, Des Moines, Polk County: Establish a birth center -- \$75,100.

Staff reviewed the progress on this project. The applicant was represented by Cosette Boone, Kari Ward and Chaden Halfhill. The applicant made a presentation and answered questions posed by the Council.

A motion by Chambers, seconded by Donovan to Grant a five-month extension carried 4-0.

3. Dave's Place Ankeny, Ankeny Polk County: Build a 48-bed intermediate care facility for persons with mental illness (ICF/PMI) – \$8,635,541.

Staff reviewed the progress on this project. The applicant was represented by Doug Gross of Brown Winick. The applicant made a presentation and answered questions posed by the Council.

A motion by Donovan, seconded by Lundin to Grant a one year extension carried 4-0.

**V. REQUEST FOR DETERMINATION OF NON-REVIEWABILITY AND THE DEPARTMENT'S RESPONSE**

The purpose of the Council's review under this portion of the agenda is to determine whether it affirms the Department's determination that a project is or is not subject to review under Iowa Code chapter 135. The Council reviewed the Department's determination as to whether a project is exempt from review.

1. Crow Valley Surgery Center, Bettendorf, Scott County: Add one operating room to existing outpatient surgery center at a cost of \$1,000,000.

Staff report by Barb Nervig. A motion by Lundin, seconded by Chambers, to affirm the Department's determination carried 4-0.

**VI. APPROVE MINUTES OF PREVIOUS MEETING (APRIL 2012)**

A motion by Donovan seconded by Lundin to approve the minutes of the April 4, 2012 meeting passed by voice vote.

The meeting was adjourned at 2:50 PM.

The Council's next scheduled meeting is Friday, October 5, 2012.

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

IN THE MATTER OF THE )  
CERTIFICATE OF NEED EXTENSION FOR )  
  
CARRINGTON PLACE OF TOLEDO )  
  
TOLEDO, IOWA )

**DECISION**

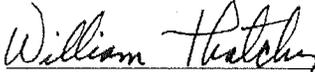
This matter came before the State Health Facilities Council for review on Wednesday, May 23, 2012.

The project, the addition of five nursing facility beds, was originally approved on April 12, 2011 at an estimated cost of \$25,000. A one month extension, until the May Council meeting, was granted on April 4, 2012. The applicant was represented by Lori Ballinger, administrator.

The Council, after reading the extension request and hearing comments by the applicant, voted 4-0 to Grant a five-month Extension of Certificate of Need per Iowa Administrative Code 641—202.13.

The extension is valid for five months from the date of these findings.

Dated this 8<sup>th</sup> day of August 2012

  
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William Thatcher, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

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



the application approved in 2006, Covenant projected that a cath lab at Covenant would adequately serve the community without expansion for the next three years. Now, six years later, Covenant is seeking approval to add a second lab.

4. Since approval of the first lab in April 2006, four additional cardiologists have come to the Waterloo community as part of the Covenant Clinic. The applicant has seen an annual increase in the use of their cath lab.
5. The applicant provided data for three measures, the number of visits, the number of procedures and the number of interventions (a subset of the total number of procedures):

	Cath Lab Visits	Cath Lab Procedures	Interventions
FY 07	261	314	0
FY 08	699	966	196
FY 09	804	1356	251
FY10	1111	2110	425
FY11	1327	2330	597

6. The applicant states that the growth in volume has exceeded the reasonable capacity for one cardiac cath lab. The applicant states that typically an elective cardiac interventional outpatient procedure can be scheduled within a week. However, because of the volume in their one lab, the applicant states that about once a month elective patients' procedures have been delayed or rescheduled to provide emergent catheterization or intervention to more acute patients.
7. In addition, downtime of the lab for scheduled maintenance or due to equipment malfunction totaled approximately 120 hours or five days in 2011.
8. The applicant states that a chief concern driving this application is the increasing age of the current single cath lab and projections of escalated downtime in the next couple of years. The applicant anticipates replacing the current lab in 2014.
9. The current standard of care for patients experiencing chest pain or undergoing an acute heart attack is to receive vessel intervention in a cath lab within 90 minutes from the onset of the heart attack. The applicant states that current data demonstrates performance at Covenant is at 50 minutes. The applicant feels a second lab will help ensure that Covenant can continue to meet this goal.
10. The applicant is located in a metropolitan area, Black Hawk County, which represents 67% the hospital's annual discharges. However, the applicant's secondary service area includes the seven, primarily rural, contiguous counties to Black Hawk.
11. Allen Memorial Hospital is the only other facility located in the applicant's service area that provides cardiac catheterization services. Additional hospitals that provide this service within about 100 miles from Waterloo are located in Cedar Rapids (55 miles), Marshalltown

(58 miles), Iowa City (82 miles), Mason City (83 miles), Dubuque (92 miles), Ames (102 miles) and Fort Dodge (103 miles). Marshalltown and Covenant have one county (Tama) that is part of both service areas; Mason City and Covenant have one county (Butler) that is part of both service areas; and Cedar Rapids and Covenant have two counties (Benton and Buchanan) that are part of both service areas.

12. The applicant states that a second cath lab will improve accessibility by decreasing delays in diagnostic procedures and will eliminate procedures being postponed or delayed because of an emergent procedure.
13. The medical staff and leadership of Covenant Medical Center do not believe there is a less costly or more effective alternative to this proposal. They believe that continuing to offer cardiac catheterization services with only one lab will result in longer waits from diagnosis to scheduled procedures and will result in an increased number of delays due to emergent cases.
14. The applicant provided the following projections of volume after the installation of the proposed second lab. The forecast takes into account the maturing of the physician practices and that the capacity of those providers will be reached.

	Cath Lab Visits	Cath Lab Procedures	Interventions
FY 12	1400	2458	630
FY 13	1490	2704	693
FY 14	1594	2921	748
FY 15	1763	3096	793

15. Allen Hospital in Waterloo provided the following procedure numbers for their two cardiac cath labs. The Allen spokesperson did state they are expecting a bit of a decline in volume, following the national trend. Covenant's numbers are repeated here for comparison purposes.

**Number of Cardiac Catheterization Procedures**

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Covenant</b>	1,356	2,110	2,330	2,458	2,704	2,921
<b>Allen</b>	4,682	4,466	3,709	3,635	3,562	3,491

16. Data from other labs in the state was obtained recently in a survey conducted by IDPH staff and a table with that data is attached to this decision.
17. The Allen spokesperson stated that with referral patterns being pretty set in this market, they do not expect the opening of one more lab will, in itself, shift market share or drive down their volume.
18. Allen Hospital did appear in opposition to Covenant six years ago when Covenant's first lab was before the Council. No affected parties appeared at hearing for the current proposal.

19. The applicant states that although shell facilities for an additional cath lab were anticipated in a previous project, changes to the equipment over the past six years require some retrofitting to accommodate the new machine, primarily driven by needed reinforcement of flooring and overhead beams. The applicant states there will be construction/renovation costs of approximately \$135,000.
20. The applicant plans to purchase the Philips Medical Systems' Allura Xper FD 20, Hemodynamic System from GE (MAC Lab), and Xcelera Cath Lab Management System. The estimated purchase price of the equipment is \$1,672,944.
21. The applicant states funds on hand will be used.
22. This is an established service at Covenant and there is no indication in the application that the addition of a second lab would adversely impact the cost or charge for this service.
23. The applicant states that staffing a cardiac cath lab takes a minimum of three people; Covenant utilizes a four person team in support of cath procedures, two RNs and two techs. While many of the staff are in place, to operate the second lab and maintain 24/7 call team coverage the applicant would add two RNs at 0.6 FTE each and two techs, also at 0.6 FTE each. The applicant does not anticipate difficulty recruiting for any additional positions.

#### CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considers the eighteen criteria listed in Iowa Code § 135.64(1)(a)-(r). In addition, the legislature has provided that the Council may grant a certificate of need only if it finds the following four factors exist:

- a. Less costly, more efficient or more appropriate alternatives to the proposed institutional health service are not available and the development of such alternatives is not practicable;
  - b. Any existing facilities providing institutional health services similar to those proposed are being used in an appropriate and efficient manner;
  - c. In the case of new construction, alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable;
  - d. Patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service.
1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note that when the applicant received approval for their first lab they projected it would adequately serve the community without expansion for three years; it is

now six years later. The Council concludes that the growth in volume of procedures performed in the current aging lab supports the need for a second cath lab. Iowa Code Sections 135.64(1) and 135.64(2)a.

2. The Council concludes that existing facilities providing health services similar to those proposed will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The Council takes note that the other provider of cardiac catheterization services in Waterloo (Allen Memorial Hospital), indicates that with referral patterns being fairly established in this market, the opening of one more lab will not shift market share or decrease their volume. The Council further notes that there are no objectors to the proposal. The Council concludes that a second cath lab at Covenant will enable the applicant to continue to offer the services in an appropriate and efficient manner. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project does not involve new construction as the applicant has existing space that, with minor renovations, will accommodate the new cath lab. Iowa Code Sections 135.64(1) and 135.4(2)c.

4. The Council concludes that patients will experience problems in obtaining care of the type which will be furnished by the proposed changed health service, in the absence of that proposed service. The Council concludes that a second cath lab at Covenant will decrease the number of delays due to downtime and emergent cases. The Council concludes that the addition of a second lab will make it more likely that patients in the area will receive the services they need in a timely and efficient fashion. Iowa Code Sections 135.64(1) and 135.64(2)d.

The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2011), led the Council to find that a Certificate of Need should be awarded.

The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2011).

It is required in accordance with Iowa Administrative Code 641- 202.12 that a progress report shall be submitted to the Iowa Department of Public Health six (6) months after approval. This report shall fully identify the project in descriptive terms. The report shall also reflect an amended project schedule if necessary.

The Certificate of Need is valid for a twelve (12) month period from the date of these findings. This is subject to the meeting of all requirements of the Iowa Department of Public Health. Requests for extension of a Certificate of Need must be filed in writing to the Iowa Department of Public Health from the applicant no later than forty-five (45) days prior to the expiration of the Certificate. These requests shall fully identify the project and indicate the current status of the project in descriptive terms.

**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 8<sup>th</sup> day of August 2012



William Thatcher, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

cc: State Health Facilities Council  
Iowa Department of Inspections and Appeals:  
Health Facilities Division  
Bureau of Radiological Health, IDPH

## 2011 CARDIAC LAB ACTIVITY IN IOWA

Facility	# Cath. Labs	Number of Cath. Lab Visits	Number of Visits per Cath. Lab	Number of Procedures Performed	Number of Interventions Performed	Open Heart Surgery
Allen Memorial Hospital	2	2,093	1,047	3,705	423	Yes
Covenant Medical Center	1	1,327	1,327	2,330	597	No
Mercy Medical Center—North Iowa	2	1,962	981	3,750	440	Yes
Mercy Medical Center--Clinton	2	1,199	600	1,688	279	No
Methodist West	1	180	180	292	50	No
Great River Medical Center*	2	2,041	1,021	5,821	276	No
Mercy Medical Center--Dubuque	2	1,525	763	1,924	585	Yes
Mercy Hospital—Iowa City	3	1,493	498	2,399	347	Yes
University of Iowa Hospitals & Clinics	6	4,435	739	7,673	1,673	Yes
Mercy Hospital—Cedar Rapids	2	802	401	708	266	No
St. Luke's Methodist Hospital	3	1,375	458	2,266	696	Yes
Marshalltown Medical & Surgical Center	1	594	594	869	279	No
Iowa Lutheran Hospital	2	1,015	508	1,688	197	Yes
Iowa Methodist Medical Center	4	1,975	494	3,268	367	Yes
Mercy Medical Center—Des Moines	7	4,758	680	17,374	2,402	Yes
Mercy West Lakes	1	965	965	3,309	390	No
Alegent Health—Mercy Hospital	1	352	352	482	130	No
Jennie Edmundson Memorial Hospital	1	434	434	621	177	No
Genesis Medical Center	8	5,205	651	8,462	2,312	Yes
Trinity Bettendorf	1	572	572	1,572	172	No
Mary Greeley Medical Center	2	1,288	644	3,497	268	No
Ottumwa Regional Health Center^	1					
Trinity Regional Hospital	2	1,492	746	1,308	426	Yes
Mercy Medical Center—Sioux City	3	1,285	428	5,396	399	Yes
St. Luke's Regional Medical Center	1	715	715	1,050	250	No

\* 2010 data

^Ottumwa Regional Health Center submitted no data.

Number per lab assumes equal number per lab

Data from the IDPH survey May 2012

Prepared by CON staff

IOWA DEPARTMENT OF PUBLIC HEALTH  
STATE HEALTH FACILITIES COUNCIL

IN THE MATTER OF THE )  
CERTIFICATE OF NEED EXTENSION FOR )  
 )  
DAVE'S PLACE OF ANKENY, LLC )  
 )  
ANKENY, IOWA )

**DECISION**

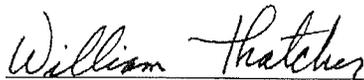
This matter came before the State Health Facilities Council for review on Wednesday, May 23, 2012.

The project, the construction of a 48-bed intermediate care facility for persons with mental illness (ICF/PMI), was originally approved on April 12, 2011 at an estimated cost of \$8,635,541. A one month extension, until the May Council meeting, was granted on April 4, 2012. The applicant was represented by Doug Gross of Brown, Winick.

The Council, after reading the extension request and hearing comments by staff, voted 4-0 to Grant a one year Extension of Certificate of Need per Iowa Administrative Code 641—202.13.

The extension is valid for one year from the date of these findings.

Dated this 8<sup>th</sup> day of August 2012



William Thatcher, 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 APPLICATION OF )  
 )  
THE FINLEY HOSPITAL )  
 )  
DUBUQUE, IOWA )

**DECISION**

This matter came before the State Health Facilities Council for hearing on Wednesday May 23, 2012.

The application proposes the initiation of cardiac catheterization services through the renovation of the existing interventional radiology lab and purchase of new equipment at an estimated cost of \$1,894,000.

The Finley Hospital applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. James Goodrich of the Iowa Department of Public Health summarized the project in relation to review criteria. The applicant was represented by Doug Gross of Brown Winick; Kevin Lynch, Chairman of the Board; Tauseef Khan, MD, cardiologist; David Brandon, CEO; Carla Taft, Pulmonary Rehab and Jeannie Beckmann. The applicant made a presentation and answered questions.

Mercy Medical Center, represented by Russell Knight, CEO; Karin L. Loukinen, MD, cardiologist and Beverly Uthe, RN, appeared as an affected party in opposition to the proposal.

The Council, after hearing the above-mentioned testimony and after reading the record, voted 4-0 to grant a Certificate of Need. As a basis for their decision the Council, considering all the criteria set forth pursuant to Iowa Code Section 135.64 (1 and 2) (2011) made the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. The Finley Hospital is proposing to develop a cardiac catheterization laboratory. The applicant is considering several vendors for this project, including Siemens and Philips, to determine which vendor can provide the technology at the most competitive price. The applicant describes cardiac catheterization as the process of inserting a thin, hollow tube into a blood vessel in the leg and passing it in or around the heart to obtain information about cardiovascular anatomy and/or function. Cardiac catheterization can also be used for percutaneous coronary intervention ("PCI"), a category of methods through which coronary arteries are opened for increased blood flow to the heart.

2. The applicant states that the “hybrid labs”, in which the applicant extends their existing interventional radiology services to include cardiac catheterization, is a way to provide critical services while reducing health costs. The hybrid lab would allow the applicant to expand its existing interventional radiology services to include heart procedures by providing both interventional radiology and cardiac catheterization services in the same lab.
3. The applicant is one of two principal hospitals in Dubuque, the other being Mercy Medical Center. Finley is the largest hospital in the state to not offer a cardiac catheterization lab. Mercy Medical Center currently has two cardiac catheterization laboratories. The applicant states the need for the proposed cardiac catheterization lab is based on (1) the current outmigration of patients from the Dubuque community to receive cardiac care in other communities and the level of underserved need in the community, (2) the higher mortality rates for cardiovascular disease, and (3) the growing and aging population of the Dubuque region.
4. The applicant states the proposed cardiac catheterization lab represents a new service at Finley. Therefore, the applicant does not have historical data for viewing. The applicant does forecast the total number of procedures for the next three years: Year 1: 986, Year 2: 1,326, and Year 3: 1,661. These projections surpass the Iowa Department of Public Health’s volume guidelines for cardiac catheterization at 641—203.2(3)c(1), which provides as follows: *Adult cardiac catheterization laboratories should be projected to operate at a minimum of 300 catheterizations per annum.*
5. The applicant states that more than 22 percent of catheterization lab procedures involving patients from Finley’s service area left the community to receive care in other Iowa catheterization labs. The assumption is made that persons out-migrated due to lack of needed services in the Finley’s service area. The applicant states that a third lab would halt the outmigration to cardiac services outside of the Dubuque region. The applicant states having their own cardiac catheterization lab would eliminate the need to transport patients who experience cardiac events.
6. The applicant states that a third cardiac catheterization lab in the Dubuque region will help reduce the high cardiovascular mortality rates. The applicant claims that cardiovascular mortality rates in its service area are approximately 9.7 higher than the statewide area. In Clayton and Jackson counties (part of Finley’s services area) the cardiovascular rate is even higher; more than 20 percent higher than the statewide average.
7. The applicant claims the data indicates that a significant portion of Dubuque cardiac patients are apparently not receiving necessary treatment. An analysis of this data by Navigant Healthcare indicates that as many as 264 cases of cardiovascular disease are going untreated each year. Since each catheterization cases involves, on average, approximately 3.3 procedures, this equates to approximately 871 cardiac catheterization procedures.
8. The applicant has determined that there is no less costly or more effective alternative than to provide a third catheterization lab in the Dubuque community. The need for the project is

based on the outmigration of patients, the higher mortality rates in this area, and the growing and aging population in this region.

9. The applicant is located in a metropolitan area, Dubuque County, and also claims portions of Clayton, Jackson, Delaware, Jones, Grant (Wisconsin), and Jo Daviess (Illinois) counties within a 30 mile radius of Finley. This service area has an approximate population of 247,281. The U.S. Department of Health and Human Services has designated Finley's services area as a medically underserved area.
10. There are 16 counties that have at least one catheterization lab in the state. As previously mentioned, Mercy Hospital in Dubuque has two cardiac catheterization labs. The applicant claims annually more than 50 percent of all outpatient emergency room visits in Dubuque occur at Finley. Annually, the applicant accounts for approximately 40 percent of all acute care beds in Dubuque. Annually, the applicant states it treats approximately 24,000 patients in its Emergency/Trauma and Convenient Care facilities.
11. The applicant states it has signed a letter of intent with Cardiologists, L.C., based in Cedar Rapids, to provide cardiologists who will serve patients in the proposed cardiac catheterization lab. Beginning in April, Cardiologists, L.C. will provide a full-time cardiologist to oversee operation of the proposed cardiac catheterization lab. Cardiologists, L.C., will provide additional cardiologists based on coverage related to the catheterization lab. Dr. Kahn, a cardiologist who previously practiced in Marshalltown, arrived in Dubuque one month ago.
12. Finley currently offers cardiovascular services in its Emergency Room, surgery center, and Cardiac Rehabilitation Center. Finley also offers diagnostic cardiovascular services, such as cardiac ultrasound, cardiac nuclear medicine, and stress tests. Finley provides a wide range of cardiac services except diagnostic and interventional catheterization, which is essential to diagnosing and treating cardiovascular disease. The proposed catheterization lab at Finley would be used in conjunction with those services currently offered at Finley.
13. There were a total number of 116 persons who sent in letters of support. There were 19 doctors, 72 citizens, 7 medical clinics and 9 nurses. The remainder of letters was a mix of community members (i.e., CEOs, lawyers, private industry, etc.). The letter writers presented the following major justifications for a cardiac catheterization lab at Finley: persons with a preference to Finley Hospital (Finley customers); the current need to transfer to another hospital for the service; outmigration of cardiac patients; and the current delay in receiving the service (caused by transfer).
14. There were a total of 83 letters of opposition to the applicant's proposed catheterization lab. There were 23 doctors, 31 citizens, nine medical clinics and 6 nurses. The remainder of the letters came from a mix of community members. The single most opposing view on developing a cardiac catheterization lab at Finley Hospital was based on the belief that the catheterization labs at Mercy have sufficient capacity to cover Dubuque and the surrounding counties. Another concern of those writing in opposition to the proposal was that an

additional catheterization lab in Dubuque would dilute the number of cardiac catheterization procedures performed thereby affecting the quality of care while performing this procedure.

15. The proposed equipment and renovation of the interventional radiology lab will be purchased with cash on hand and has a useful life of seven to ten years. The applicant does not anticipate an operating deficit as a result of this proposal.
16. The proposed catheterization lab represents a new service at Finley, so Finley does not have historical cost information on which to base its patient charges. The applicant did create a table in the Application for *Certificate of Need* of the various cardiac procedures with a current estimate cost for each procedure. The range of charges for the 17 listed procedures is from \$661 to \$63,200.
17. Per the applicant, operation of the catheterization lab will require a total of six non-physician staff, including three registered nurses and three radiographers. The applicant states this level of staffing will permit Finley to have two "on call" teams to meet the needs of patients. The applicant plans to promote within the hospital several of the registered nurses and radiographers who have experience working with cardiac patients for the catheterization lab. The applicant would then recruit new entry-level personnel to fill the vacated positions. There is no mention of new FTEs required to staff the new catheterization lab.

#### CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considers the eighteen criteria listed in Iowa Code § 135.64(1)(a)-(r). In addition, the legislature has provided that the Council may grant a certificate of need only if it finds the following four factors exist:

- a. Less costly, more efficient or more appropriate alternatives to the proposed institutional health service are not available and the development of such alternatives is not practicable;
  - b. Any existing facilities providing institutional health services similar to those proposed are being used in an appropriate and efficient manner;
  - c. In the case of new construction, alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable;
  - d. Patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service.
1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council concludes that a third cardiac catheterization lab is needed to serve this designated medically underserved area. The Council concludes that the proposal represents an

additional resource for those individuals currently not receiving catheterization services in the Dubuque region. Iowa Code Sections 135.64(1) and 135.64(2)a.

2. The Council concludes that existing facilities providing health services similar to those proposed are currently being used in an appropriate and efficient manner and will not be impacted by this project. The Council concludes that cardiac catheterization services currently offered at the Mercy Medical Center in Dubuque will continue to be utilized at the same rate as prior to the addition of a third cardiac catheterization lab. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project does not involve new construction. Iowa Code Sections 135.64(1) and 135.4(2)c.

4. The Council concludes that patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service. The Council concludes that the Dubuque region will continue to experience outmigration, underserved need, higher mortality rates for cardiovascular disease, and the growing and aging population of the Dubuque region. The Council concludes that some patients in the Dubuque region currently do not have access to the cardiac catheterization lab of their choice. The Council finds that a third catheterization lab offers an appropriate option to those persons not receiving services in the Dubuque region and that in the absence of this project patients will experience serious problems in obtaining cardiac catheterization services. Iowa Code Sections 135.64(1) and 135.64(2)d.

The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2011), led the Council to find that a Certificate of Need should be awarded.

The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2011).

It is required in accordance with Iowa Administrative Code 641- 202.12 that a progress report shall be submitted to the Iowa Department of Public Health six (6) months after approval. This report shall fully identify the project in descriptive terms. The report shall also reflect an amended project schedule if necessary.

The Certificate of Need is valid for a twelve (12) month period from the date of these findings. This is subject to the meeting of all requirements of the Iowa Department of Public Health. Requests for extension of a Certificate of Need must be filed in writing to the Iowa Department of Public Health from the applicant no later than forty-five (45) days prior to the expiration of the Certificate. These requests shall fully identify the project and indicate the current status of the project in descriptive terms.

**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 8<sup>th</sup> day of August 2012

*William Thatcher*

William Thatcher, 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 )  
HEALING PASSAGES BIRTH AND WELLNESS CENTER )  
DES MOINES, IOWA )

**DECISION**

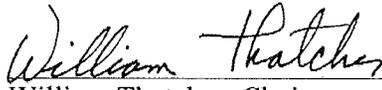
This matter came before the State Health Facilities Council for review on Wednesday, May 23, 2012.

The project, the establishment of a free-standing birth center, was originally approved on April 12, 2011 at an estimated cost of \$75,100. A one month extension, until the May Council meeting, was granted on April 4, 2012. The applicant was represented by Cosette Boone, Kari Ward and Chaden Halfhill.

The Council, after reading the extension request and hearing comments by the applicant, voted 4-0 to Grant a five-month Extension of Certificate of Need per Iowa Administrative Code 641—202.13.

The extension is valid for five months from the date of these findings.

Dated this 8<sup>th</sup> day of August 2012

  
\_\_\_\_\_  
William Thatcher, 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 APPLICATION OF )  
 )  
MERCY MEDICAL CENTER—NORTH IOWA )  
 )  
MASON CITY, IOWA )

**DECISION**

This matter came before the State Health Facilities Council for hearing on Wednesday May 23, 2012.

The application proposes the expansion of cardiac catheterization services with the addition of a third lab and the relocation of the two existing labs at an estimated cost of \$8,174,536.

Mercy Medical Center—North Iowa (“MMC-NI”) applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. Barb Nervig of the Iowa Department of Public Health summarized the project in relation to review criteria. Diane Fischels, COO; Mitch Morrison, Director of Heart Center; Samuel Congello, DO, cardiologist; Matthew Stroup, RN; and Hal Hudson, Director of Construction, were present representing the applicant. The applicant made a presentation and answered questions.

No affected parties appeared at the hearing.

The Council, after hearing the above-mentioned testimony and after reading the record, voted 4-0 to grant a Certificate of Need. As a basis for their decision the Council, considering all the criteria set forth pursuant to Iowa Code Section 135.64 (1 and 2) (2011) made the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Mercy Medical Center—North Iowa (“MMC-NI”) is one of five rural referral hospitals in Iowa. Rural referral hospitals are defined as hospitals not located within a standard metropolitan area meeting specified requirements for discharges, case mix and physician specialists.
2. MMC-NI is the hub of an extensive, owned and managed, referral network covering 14 counties and 200,000 residents in north Iowa. The applicant states the network is ideally positioned to refer patients to the most appropriate level of care. The network includes 8 owned or managed critical access hospitals; nearly 200 employed physicians and mid-level providers delivering care in 46 clinics in 32 north Iowa communities; and a total of 398 physicians and mid-level providers on staff.

3. According to CON records, MMC-NI has been providing cardiac catheterization services since 1988. That first lab was taken out of service in 1993 due to a renovation project; however approval for a second lab was granted a year before that (1992) so at least one lab has been operational since 1988. In December 1996, MMC-NI received approval to replace the first lab that had been out of service and began providing services with two labs.
4. The applicant started performing electrophysiology (EP) procedures in October 2009 which has negatively impacted scheduling and patient flow through the current labs. The applicant states that EP procedures have doubled over the past year due to the addition of a second physician specializing in EP. EP procedures now occupy one cath lab for 3 days per week.
5. The applicant provided the following data regarding the number of procedures performed in their cath labs (these numbers do include the EP procedures; 511 in calendar year 2011).

	# Lab	ACTUAL			PROJECTED			
		FY 2009	FY 2010	FY 2011	# Lab	FY 2012	FY 2013	FY 2014
<b>Mercy North Iowa</b>	2	3,652	3,641	3,750	3	4,211	4,842	5,643

6. The applicant states that currently the wait time for an elective cardiac interventional outpatient procedure is an average of 29 days; the wait time for an elective peripheral vascular outpatient procedure is an average of 17 days. This proposal is intended to decrease the wait time to 10 days for each procedure type.
7. In the most recent 12 months, the applicant identified approximately 30 occasions when an emergent case arrived during regular business hours causing delays in scheduled procedures.
8. Downtime of the current labs for scheduled maintenance or due to equipment malfunction totaled approximately 162 hours (about 7 days) for lab #1 and 113.35 hours (about 5 days) for lab #2 in 2011. The applicant states that these downtime hours are within the norm for labs of this size and complexity.
9. The applicant anticipates replacing the equipment in lab #1 in 3-4 years and the equipment in lab #2 in 8 years.
10. This proposal involves the relocation of the two existing labs and the acquisition of a third cardiac/vascular hybrid procedure room. The applicant states the existing rooms are deficient in overall size, layout, circulation patterns, storage and the ability to accommodate modern technology. The project therefore includes 11,040 square feet of renovated space and relocates the existing two cath lab suites into an improved flow and relationship to the proposed hybrid room. This also involves relocating office and administrative space and construction of additional mechanical space.
11. The hybrid procedure room will provide the opportunity to perform concurrent open surgical and percutaneous coronary and vascular procedures in the same room, technology which is

not currently available. The applicant is not aware of any other true cardiac/vascular, OR-ready, hybrid labs in the state of Iowa. The applicant has not made a final selection of equipment manufacturer or model.

12. The applicant serves a primarily rural population spread across a large 14-county service area in northern Iowa. There are no other facilities located in the applicant's service area that provide cardiac catheterization services. The closest facilities that do provide this service are located in Waterloo (83 miles), Ames (91 miles) and Fort Dodge (95 miles). Fort Dodge and Mason City have one county (Wright) that is part of both service areas and Waterloo and Mason City have one county (Butler) that is part of both service areas.
13. A September 2010 community needs assessment of the area detailed findings from three surveys and focus-group interviews of residents. Five of the top six health issues that were self-reported were clear risk factors for cardiac or vascular disease. Additionally, residents reported difficulties in accessing care across the region and lack of transportation to and from care locations. The applicant feels this proposal addresses these issues through its focus on expanding treatment capabilities while building an extensive rural outreach and screening network for cardiac and vascular disease.
14. The applicant states they engaged in an extensive planning and operations improvement processes related to this project before determining that there are no less-costly or more effective alternatives. Alternatives such as a stand-alone cardiac "hospital within a hospital" or simply adding another lab without improving existing space were considered and discarded due to either higher costs or lack of functionality and flow.
15. MMC-NI's existing cath labs routinely schedule procedures from 7:00 AM until 5:00 PM five days a week. However, approximately 25% of regularly scheduled work days (59 days in the last 12 month) see cases running past 9:00 PM. The combination of long hours and extensive on-call responsibilities has resulted in 30% staff turnover in the past two years.
16. The applicant states the risks of not funding this proposal include loss of physician loyalty, diminished recruiting prospects for key physicians, loss of patient loyalty and continued outmigration for services, continued high levels of staff burnout and stress, and the loss of an opportunity to improve cardiac and vascular care for residents of north Iowa.
17. MMC-NI has been providing cardiac catheterization services since 1988. The referral patterns for cardiac services are well established, however due to the volume in the current labs, the applicant has seen some outmigration for services at a greater transportation cost for residents.
18. The applicant provided the following cath lab volume trends for the last three years and projections of volume after the installation of the proposed third lab.

2009	2010	2011	FY 2012	FY 2013	FY 2014
3,652	3,641	3,750	4,211	4,842	5,643

19. Data from other labs in the state was obtained recently in a survey conducted by IDPH staff and a table with that data is attached to this decision.
20. There were no affected party letters submitted regarding this proposal.
21. The applicant states that the project includes renovation of 11,040 square feet and the relocation of the existing two cath labs. To accommodate this renovation, 5,598 square feet of office and administrative space will be relocated and 5,000 square feet of mechanical space will be constructed. The applicant states there will be construction/renovation costs of approximately \$5,649,597. The construction and relocation of existing labs will be completed in phases to assure availability of services throughout the process.
22. The applicant plans to purchase equipment for a cardiac/vascular hybrid procedure room, a final selection of equipment manufacturer and model has not been made. The estimated purchase price of the equipment is \$2,345,499 for fixed equipment and \$776,197 for movable equipment. The total project cost is \$8,174,536.
23. The applicant plans to borrow the entire amount needed for the proposal. Trinity Health's Home Office will fund this capital project using bond financing and then an inter-company loan will be made to MMC-NI; the current borrowing rate is 4.85%. The applicant does not anticipate an operating deficit as a result of this project.
24. The applicant states that no patient charge increases are expected as a result of this project beyond a normal 1% allowance for inflation. According to the applicant, projected volume increases will generate sufficient incremental revenue to offset the project's costs.
25. The applicant states that that the proposed project will require additional staffing in year one after project completion as follows: 1 vascular surgeon, 3 clinical/ancillary staff including 1 RN and 2 techs. The applicant states that the average time to fill a nursing or clinical/ancillary position is about 4 weeks. The applicant anticipates no difficulties in filling the necessary positions. MMC-NI also notes that they have recruitment advantages of a family practice residency and fellowships in cardiology and interventional cardiology.

#### CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considers the eighteen criteria listed in Iowa Code § 135.64(1)(a)-(r). In addition, the legislature has provided that the Council may grant a certificate of need only if it finds the following four factors exist:

- a. Less costly, more efficient or more appropriate alternatives to the proposed institutional health service are not available and the development of such alternatives is not practicable;
- b. Any existing facilities providing institutional health services similar to those proposed are being used in an appropriate and efficient manner;

- c. In the case of new construction, alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable;
  - d. Patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service.
1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note that the applicant frequently extends hours of operation of the current labs which has resulted in 30% staff turnover in the past two years. The Council further notes that the long wait times for scheduling non-emergent procedures has resulted in some out-migration of patients. The Council concludes that the growth in volume and the addition of EP procedures in the current labs supports the need for a third lab. Iowa Code Sections 135.64(1) and 135.64(2)a.
  2. The Council concludes that existing facilities providing health services similar to those proposed will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The Council takes note that the applicant is the only provider of cardiac catheterization services located in their primary geographic service area. The Council further notes that there are no objectors to the proposal. The Council concludes that a third cath lab at MMC-NI will enable the applicant to offer the services in an appropriate and efficient manner, including reduced wait times for non-emergent procedures. Iowa Code Sections 135.64(1) and 135.64(2)b.
  3. The Council concludes that the proposed project does involve renovation of 11,040 square feet and the relocation of the existing two cath labs and to accommodate this renovation, 5,598 square feet of office and administrative space will be relocated and 5,000 square feet of mechanical space will be constructed. The Council concludes that alternatives to renovation such as keeping the current labs in their current location is not practical due to the lack of space in those labs, the poor patient flow and the impracticality of locating the third lab distant from the existing labs. The Council takes note that the construction and relocation of existing labs will be completed in phases to assure availability of services throughout the process. Iowa Code Sections 135.64(1) and 135.4(2)c.
  4. The Council concludes that patients will experience problems in obtaining care of the type which will be furnished by the proposed changed health service, in the absence of that proposed service. The Council notes that the current wait time for an elective cardiac interventional outpatient procedure is an average of 29 days; the wait time for an elective peripheral vascular outpatient procedure is an average of 17 days; and this proposal is intended to decrease the wait time to 10 days for each procedure type. The Council concludes that a third cath lab at MMC-NI will improve the wait times for scheduling elective procedures and decrease the number of delays due to emergent cases. The Council concludes that the addition of a third lab will make it more likely that patients in the area will receive the services they need in a timely and efficient fashion. Iowa Code Sections 135.64(1) and 135.64(2)d.

The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2011), led the Council to find that a Certificate of Need should be awarded.

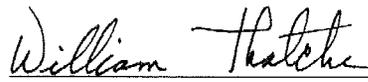
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It is required in accordance with Iowa Administrative Code 641- 202.12 that a progress report shall be submitted to the Iowa Department of Public Health six (6) months after approval. This report shall fully identify the project in descriptive terms. The report shall also reflect an amended project schedule if necessary.

The Certificate of Need is valid for a twelve (12) month period from the date of these findings. This is subject to the meeting of all requirements of the Iowa Department of Public Health. Requests for extension of a Certificate of Need must be filed in writing to the Iowa Department of Public Health from the applicant no later than forty-five (45) days prior to the expiration of the Certificate. These requests shall fully identify the project and indicate the current status of the project in descriptive terms.

**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 8<sup>th</sup> day of August 2012



William Thatcher, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

cc: State Health Facilities Council  
Iowa Department of Inspections and Appeals:  
Health Facilities Division  
Bureau of Radiological Health, IDPH

## 2011 CARDIAC LAB ACTIVITY IN IOWA

Facility	# Cath. Labs	Number of Cath. Lab Visits	Number of Visits per Cath. Lab	Number of Procedures Performed	Number of Interventions Performed	Open Heart Surgery
Allen Memorial Hospital	2	2,093	1,047	3,705	423	Yes
Covenant Medical Center	1	1,327	1,327	2,330	597	No
Mercy Medical Center—North Iowa	2	1,962	981	3,750	440	Yes
Mercy Medical Center--Clinton	2	1,199	600	1,688	279	No
Methodist West	1	180	180	292	50	No
Great River Medical Center*	2	2,041	1,021	5,821	276	No
Mercy Medical Center--Dubuque	2	1,525	763	1,924	585	Yes
Mercy Hospital—Iowa City	3	1,493	498	2,399	347	Yes
University of Iowa Hospitals & Clinics	6	4,435	739	7,673	1,673	Yes
Mercy Hospital—Cedar Rapids	2	802	401	708	266	No
St. Luke's Methodist Hospital	3	1,375	458	2,266	696	Yes
Marshalltown Medical & Surgical Center	1	594	594	869	279	No
Iowa Lutheran Hospital	2	1,015	508	1,688	197	Yes
Iowa Methodist Medical Center	4	1,975	494	3,268	367	Yes
Mercy Medical Center—Des Moines	7	4,758	680	17,374	2,402	Yes
Mercy West Lakes	1	965	965	3,309	390	No
Alegent Health—Mercy Hospital	1	352	352	482	130	No
Jennie Edmundson Memorial Hospital	1	434	434	621	177	No
Genesis Medical Center	8	5,205	651	8,462	2,312	Yes
Trinity Bettendorf	1	572	572	1,572	172	No
Mary Greeley Medical Center	2	1,288	644	3,497	268	No
Ottumwa Regional Health Center^	1					
Trinity Regional Hospital	2	1,492	746	1,308	426	Yes
Mercy Medical Center—Sioux City	3	1,285	428	5,396	399	Yes
St. Luke's Regional Medical Center	1	715	715	1,050	250	No

\* 2010 data

^Ottumwa Regional Health Center submitted no data.

Number per lab assumes equal number per lab

Data from the IDPH survey May 2012

Prepared by CON staff



rooms). It is these 10 rooms (in the 1980 building) that the applicant is proposing to convert back to semi-private rooms.

3. As part of the apartment contract, the applicant offers 10 free days in the Health Care Center each year. If the Health Care Center beds are full, the applicant has an obligation to send their resident to a competing facility for their 10 free days at the expense of Scottish Rite Park. This is the cost the applicant is trying to avoid with this proposal.
4. The applicant states that admission to the Health Care Center for long-term placement is through living independently in the High Rise. The applicant has seen an increase in their apartment census; from 115 apartments occupied in 2008 to 149 occupied today, thus driving the need for additional Health Care Center beds.
5. The applicant states that another reason for adding beds is prior to May 2009, Scottish Rite Park was not Medicare certified which meant residents who lived in the apartments went to another health care facility for skilled care.
6. The applicant indicates utilization of the 41 nursing facility beds increased from 75.68% in 2009 to 85.4% in 2011. The average length of stay in the Health Care Center for long-term care is 3.4 years and for skilled care the average length of stay is 30 days. The Health Care Center has 6-8 skilled care residents on any given day.
7. Scottish Rite Park currently serves an elderly population, providing retirement living for adults age 55 and older.
8. As of May 2009 all of the nursing facility beds are certified for Medicare and Medicaid. The applicant reports that approximately 7% of occupied beds are Medicaid reimbursed. The applicant projects that percentage to increase slightly by 2014 to almost 10%.
9. Overall, the eight-county region, as calculated by the bed need formula, is underbuilt by 1,423 beds. The underbuild for Polk County is 1,084 beds. Polk County has a large number of assisted living units (see table in "18"). See the following table for additional bed information.

**Nursing Facility Beds by County**  
**Number Needed by CON Formula/Number Licensed/Difference**

County	Projected 2016 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 05/12	Difference – Formula vs. Licensed & Approved*
Polk	56,693	3,356	2,272 <sup>1,2</sup>	-1,084
Boone	4,332	310	377	+67
Dallas	6,776	418	494 <sup>3</sup>	+76
Jasper	6,523	463	385 <sup>4</sup>	-78
Madison	2,674	191	190	-1
Marion	6,055	430	242	-188
Story	11,191	828	542 <sup>5,6</sup>	-286

Warren	7,891	450	521	+71
<b>Totals</b>	<b>102,135</b>	<b>6,446</b>	<b>5,023</b>	<b>-1,423</b>

\*A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild  
<sup>1</sup>16 beds approved in August 2011 in Pleasant Hill; <sup>2</sup>25 beds approved in October 2011 in Urbandale; <sup>3</sup>13 beds approved in April 2012 in Dallas Center; <sup>4</sup>24 beds approved in October 2011 in Newton; <sup>5</sup>6 beds approved in November 2010 in Ames; <sup>6</sup>38 beds approved in April 2012 in Ames

10. The bed numbers in the table above and below represent the number of beds in free-standing facilities. In addition to the beds in these tables, the eight-county area has 80 hospital-based NF beds in Story County, 35 hospital-based SNF beds (16 in Polk County and 19 in Story County and 92 hospital-based SNF/NF beds in Marion County).
11. Over the span of the last three years the total number of beds in the eight-county area has decreased by 5 beds. There has been a decrease of 37 beds in Polk County in the last three years. See the following table for additional detail.

**Nursing Facility Beds by County  
Difference in Number Between May 2009 and May 2012**

County	# of NF Beds (facilities) as of 05/09	# of NF Beds (facilities) as of 05/12	Difference in # of NF Beds
Polk	2,268(27)	2,231(28)	-37
Boone	397(4)	377(4)	-20
Dallas	453(8)	481(9)	+28
Jasper	334(6)	361(6)	+27
Madison	209(3)	190(3)	-19
Marion	226(3)	242(4)	+16
Story	498(7)	498(7)	0
Warren	521(6)	521(6)	0
<b>Totals</b>	<b>4,906(64)</b>	<b>4,901(67)</b>	<b>-5</b>

12. There are currently 5,023 licensed and approved nursing facility beds in the eight counties, 535 licensed and approved beds (10.7% of all beds) in dedicated CCDI units.

**Number of CCDI Beds by County**

County	# of CCDI Beds (facilities)
Polk	203 <sup>1</sup> (6)
Boone	56(2)
Dallas	90 <sup>2</sup> (3)
Jasper	18(1)
Madison	18(1)
Marion	32(2)
Story	48(2)
Warren	70(3)
<b>Totals</b>	<b>535(20)</b>

Data Source: Department of Inspections & Appeals –Summary of Long Term Care Facilities

<sup>1</sup>12 CCDI beds approved in October 2011 in Urbandale; <sup>2</sup>3 CCDI beds approved in April 2012 in Dallas Center

13. The applicant indicates that the primary service area for this project is their own campus with a secondary service area of Polk County. In the last three years the applicant has had 143 admissions to the Health Care Center; 104 from their independent living and 39 short-term skilled care admissions from Polk County. The majority (88%) of the residents on campus are from Polk County.
14. The applicant states they have determined there are no less costly or more appropriate alternatives given the target population and the need for services on their campus. The proposed project will allow the applicant to fulfill their obligations to provide health care to their residents on campus.
15. Scottish Rite Park began operations in 1973 with 186 apartments and a 19-bed Health Care Center. Changes have been made to the campus since that time as indicated above. The applicant is well established in the area.
16. There are 25 additional freestanding nursing facilities in Polk County. No letters of objection to this proposal were received.
17. In a recent phone survey of facilities Polk County as a whole reported 86% occupancy. The day the applicant was contacted for this survey in late March 2012, they indicated 11 empty beds in their nursing facility. The 85% occupancy they state in the application for 2011 would equate to 6 empty beds. The applicant states that the proposed additional beds are necessary for them to meet their agreement with their apartment residents. The project is for campus residents; therefore it has little impact on the appropriate and efficient use of other nursing facilities. Additional details from the phone survey are in the following table.

<b>Facility by County</b>	<b>Licensed Beds</b>	<b>Empty Beds</b>	<b>Percent Occupied</b>
<b>POLK COUNTY</b>			
Altoona Nursing and Rehab Altoona	106	9	92%
Bishop Drumm Care Center Johnston	150	2	99%
Calvin Manor Des Moines	59	2	97%
Deerfield Retirement Community Urbandale	30	9	70%
Fleur Heights Ctr. For Wellness & Rehab Des Moines	120	11	91%
Fountain West Health Center West Des Moines	140	34	76%
Genesis Senior Living Center Des Moines	80	10	88%
Iowa Jewish Senior Life Center Des Moines	72	20	72%
Karen Acres Healthcare Center Urbandale	37	1	97%

Kennybrook Village Grimes	34	21	38%
Manorcare Health Services WDM West Des Moines	116	25	78%
Mill Pond Retirement Community Ankeny	60	5	92%
Parkridge Nursing & Rehab Ctr. Pleasant	74	5	93%
Polk City Nursing And Rehab Polk City	68	8	88%
Prime Nursing And Rehab Center Des Moines	44	5	89%
QHC Mitchellville, LLC Mitchellville	65	8	88%
Ramsey Village Des Moines	78	18	77%
Rehabilitation Center Of DsM Des Moines	74	11	85%
Scottish Rite Park Health Care Des Moines	41	11	73%
Sunny View Care Center Ankeny	94	5	95%
Trinity Center At Luther Park Des Moines	120	0	100%
Union Park Health Services Des Moines	83	16	81%
University Park Nursing & Rehab Des Moines	108	1	99%
Urbandale Health Care Center Urbandale	130	38	71%
Valley View Village Des Moines	79	10	87%
Wesley Acres Wesley	80	8	90%
Iowa Lutheran Hospital Des Moines	16	2	88%
<b>TOTALS</b>	<b>2,158</b>	<b>295</b>	<b>86%</b>
<b>BOONE COUNTY</b>			
Eastern Star Masonic Home Boone	76	0	100%
Madrid Home For The Aging Madrid	155	50	68%
Ogden Manor Ogden	46	4	91%
Westhaven Community Boone	100	0	100%
<b>TOTALS</b>	<b>377</b>	<b>54</b>	<b>86%</b>
<b>DALLAS COUNTY</b>			
Adel Assisted Living & Nursing Adel	50	12	76%

Arbor Springs Of WDM LLC West Des Moines	56	0	100%
Edgewater West Des Moines	40	4	90%
Granger Nursing & Rehab Center Granger	67	17	75%
Perry Health Care Center Perry	48	11	77%
Perry Lutheran Home Perry	73	46	37%
Rowley Memorial Masonic Home Perry	57	6	89%
Spurgeon Manor Dallas Center	42	1	98%
The Village At Legacy Pointe Waukee	48	3	94%
<b>TOTAL</b>	<b>481</b>	<b>100</b>	<b>79%</b>
<b>JASPER COUNTY</b>			
Baxter Health Care Center Baxter	44	14	68%
Careage Of Newton Newton	53	23	57%
Heritage Manor Newton	62	17	73%
Nelson Manor Newton	36	2	94%
Newton Health Care Center Newton	70	12	83%
Wesley Park Centre Newton	66	17	74%
<b>TOTALS</b>	<b>331</b>	<b>85</b>	<b>74%</b>
<b>MADISON COUNTY</b>			
QHC Winterset North, LLC Winterset	75	12	84%
QHC Winterset South, LLC Winterset	45	11	76%
West Bridge Care & Rehab Winterset	70	14	80%
<b>TOTALS</b>	<b>190</b>	<b>37</b>	<b>81%</b>
<b>MARION COUNTY</b>			
Griffin Nursing Center Knoxville	75	4	95%
Jefferson Place Pella	36	1	97%
Pella Regional Health Center Pella	63	21	67%
Pleasant Care Living Center Pleasantville	53	9	83%
West Ridge Nursing & Rehab Ctr. Knoxville	78	8	90%

<b>TOTALS</b>	<b>305</b>	<b>43</b>	<b>86%</b>
<b>STORY COUNTY</b>			
Bethany Manor Story City	180	34	69%
Green Hills Health Care Center Ames	40	2	95%
Mary Greeley Medical Center Ames	11	8	27%
Northcrest Health Care Center Ames	54	3	94%
Riverside Manor Ames	37	1	97%
Rolling Green Village Nevada	69	9	87%
Story County Hospital NF Nevada	80	25	69%
The Abington On Grand Ames	70	31	56%
Zearing Health Care, LLC Zearing	40	18	55%
<b>TOTALS</b>	<b>581</b>	<b>131</b>	<b>77%</b>
<b>WARREN COUNTY</b>			
Carlisle Ctr. For Wellness & Rehab Carlisle	101	19	81%
Good Samaritan Society -Indianola Indianola	131	23	82%
Norwalk Nursing & Rehab Ctr. Norwalk	51	12	76%
Regency Care Center Norwalk	101	24	76%
The Village Indianola	54	3	94%
Westview Of Indianola Care Ctr. Indianola	83	18	78%
<b>TOTALS</b>	<b>521</b>	<b>99</b>	<b>81%</b>

18. The following table displays other levels of service available in the eight-county area.

<b>County</b>	<b>RCF Beds (Facilities)</b>	<b>Home Health Agencies</b>	<b>Adult Day Services</b>	<b>Assisted Living Units (Facilities)</b>	<b>ALP/D</b>
Polk	201(5)	11	52(2)	1,151(14)	1,420(14)
Boone	125(1)	1	53(2)	174(3)	0
Dallas	123(2)	2	0	194(4)	32(1)
Jasper	0	2	28(1)	120(2)	0
Madison	18(1)	0	0	15(1)	76(1)
Marion	139(3)	4	0	122(1)	106(2)
Story	24(3)	1	30(1)	482(7)	70(1)
Warren	61(3)	2	0	132(3)	204(2)
<b>TOTALS</b>	<b>691(18)</b>	<b>23</b>	<b>163(6)</b>	<b>2,390(35)</b>	<b>1,776(19)</b>

Data source: DIA web site

19. The applicant states they are currently debt free and have no plans to incur debt. The proposal to add beds in existing space has minimal costs; new call lights and furnishings will be purchased. The applicant states the funds for this proposal are available from cash on hand.
20. There will be a cost savings due to the ability to serve residents on campus as opposed to paying for a room in another facility. The current daily rate for nursing facility care is \$200 and that rate will not change as a result of this proposal.
21. The applicant indicates that the proposal could eventually result in the need for an additional seven FTEs; this would be after 2015 if projections hold true. The increases include .75 FTE administrative, 1 FTE RN, 1 FTE LPN, 2.25 FTEs CNA and .5 FTE each for housekeeping, laundry, maintenance and activities. The applicant has been named one of Iowa's top workplaces for 2011/2012.

#### CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considers the eighteen criteria listed in Iowa Code § 135.64(1)(a)-(r). In addition, the legislature has provided that the Council may grant a certificate of need only if it finds the following four factors exist:

- a. Less costly, more efficient or more appropriate alternatives to the proposed institutional health service are not available and the development of such alternatives is not practicable;
  - b. Any existing facilities providing institutional health services similar to those proposed are being used in an appropriate and efficient manner;
  - c. In the case of new construction, alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable;
  - d. Patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service.
1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council concludes that the option of placing a Scottish Rite Park CCRC resident in an outside facility is more costly and less efficient, and that it is also not a more appropriate alternative given the high utilization rates which exist in the county. The Council concludes that the proposal is an appropriate option to accommodate admissions of residents from Scottish Rite Park who need nursing care. Iowa Code Sections 135.64(1) and 135.64(2)a.

2. The Council concludes that existing facilities providing health services similar to those proposed will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The bed need formula indicates Polk County is underbuilt by 1,084 beds; while the eight-county region is underbuilt by 1,423 beds. The phone survey conducted by Department staff indicates a county wide occupancy of 86% for the free standing nursing facilities Polk County. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council takes note that no opposition to this proposal was received. The Council takes note of the mitigating circumstances of a continuing care retirement community, admission for long-term care is through living independently in the high rise; therefore the Council concludes that Scottish Rite Park has little impact on the appropriate and efficient use of other nursing facilities. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project does not involve construction as the beds will be added in existing space. Iowa Code Sections 135.64(1) and 135.4(2)c.

4. The Council concludes that patients will experience problems in obtaining care of the type which will be furnished by the proposed changed health service, in the absence of that proposed service. The Council takes note that since 2008 the applicant has seen an increase in their apartment census from 115 to 149 and in 2009 the applicant certified their nursing beds for Medicare (skilled care). The Council concludes that the applicant is mindful of these factors and is being proactive in adding beds. The Council further concludes that the increase in apartment occupancy and the ability to serve skilled patients on the campus high occupancy demonstrates that Scottish Rite Park residents will experience problems in obtaining care absent the proposed additional beds. Iowa Code Sections 135.64(1) and 135.64(2)d.

The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2011), led the Council to find that a Certificate of Need should be awarded.

The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2011).

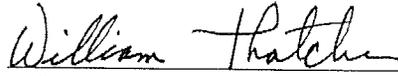
It is required in accordance with Iowa Administrative Code 641- 202.12 that a progress report shall be submitted to the Iowa Department of Public Health six (6) months after approval. This report shall fully identify the project in descriptive terms. The report shall also reflect an amended project schedule if necessary.

The Certificate of Need is valid for a twelve (12) month period from the date of these findings. This is subject to the meeting of all requirements of the Iowa Department of Public Health. Requests for extension of a Certificate of Need must be filed in writing to the Iowa Department of Public Health from the applicant no later than forty-five (45) days prior to the expiration of the Certificate. These requests shall fully identify the project and indicate the current status of the project in descriptive terms.

**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 8<sup>th</sup> day of August 2012



William Thatcher, Chairperson  
State Health Facilities Council  
Iowa Department of Public Health

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