

MINUTES
STATE HEALTH FACILITIES COUNCIL
APRIL 17, 2007
LUCAS STATE OFFICE BUILDING
5TH FLOOR CONFERENCE ROOMS 517-518
DES MOINES, IA

I. 8:30 AM ROLL CALL,

MEMBERS PRESENT: Cynthia Beauman, Chairperson, Gary Butz, Chuck Follett, Karen Hope and Sid Scott.

STAFF PRESENT: Barb Nervig; Heather Adams, Counsel for the State.

II. PROJECT REVIEW

1. Stoddard Cancer Care Service, Des Moines & Fort Dodge, Polk & Webster Counties:
Replace a Linear Accelerator at Iowa Methodist Medical Center (IMMC) and Relocate a Linear Accelerator from IMMC to Establish Radiation Therapy Services at Trinity Regional Medical Center - \$7,180,000.

Staff reported that the applicant has asked for an extension of the review period and to place their application on the June 19, 2007 agenda of the Council. The applicant, represented by Doug Gross of Brown Winick, made a formal request for the delay. The applicant indicated the additional time will allow further review of the number of patients and another opportunity to pursue collaboration with the Webster City provider.

Ed McIntosh of Dorsey & Whitney representing Mary Greeley Medical Center, an affected party, appeared at the hearing and stated no objection to the request for an extension of the review period.

A motion by Butz, seconded by Scott, to Grant an extension of the review period to the June 19, 2007 meeting carried 5-0.

2. Regency Hospital of Council Bluffs, Council Bluffs, Pottawattamie County: Develop 35-Bed Long-Term Acute Care Hospital within a Hospital at Jennie Edmundson Hospital - \$3,015,456.

Staff report by Barb Nervig. The applicant was represented by D. Leslie Boney, David Holcomb, and Jim Chambers, M.D. The applicant made a presentation and answered questions posed by the Council.

Marcia Stark representing Wellmark presented comments as an affected party and stated they were neutral on this proposal. Select Medical, represented by Ed McIntosh of Dorsey & Whitney, Tom Theroult and Steve Long, appeared as an affected party in opposition to the proposal.

A motion by Follett, seconded by Butz, to Grant a Certificate of Need failed 2-3. Scott, Hope and Beauman voted no.

III. REHEARING

Continuing Care Hospital at St. Luke's, Cedar Rapids, Linn County: Develop 28-Bed Long-Term Acute Care Hospital within a Hospital at St. Luke's Hospital- \$1,190,000.

Staff report by Barb Nervig. The applicant was represented by John Sheehan, Joe Linn, Lori Townsend, Michelle Niermann, Lyndean Brick and Doug Gross and Katie Cownie of Brown, Winick. The applicant made a presentation and answered questions posed by the Council.

Marcia Stark representing Wellmark presented comments as an affected party and stated they were neutral on this proposal.

A motion by Scott, seconded by Hope, to Grant a Certificate of Need carried 5-0.

IV. EXTENSION OF PREVIOUSLY APPROVED PROJECT:

ChildServe Habilitation Center, Johnston, Polk County: Add 20 Pediatric Skilled Beds - \$750,000.

Staff recommended a 5-month extension to coincide with the September meeting. A motion by Scott, seconded by Follett to Grant a five-month extension carried 5-0.

V. REQUESTS FOR DETERMINATIONS OF NON-REVIEWABILITY AND THE DEPARTMENT'S RESPONSES

1. The New Homestead, Guthrie Center, Guthrie County: Construct a Replacement Nursing Facility with No New Health Services or Additional Bed Capacity.

Staff report by Barb Nervig. A motion by Hope, seconded by Scott to support the Department's determination carried 5-0

2. Great River Medical Center, Burlington, Des Moines County: Replace .3 Tesla Magnetic Resonance Imaging (MRI) Machine with a 1.5 Tesla MRI- >\$1,500,000.

Staff report by Barb Nervig. A motion by Butz, seconded by Follett to support the Department's determination carried 5-0

VI. APPROVE MINUTES OF PREVIOUS MEETINGS (JANUARY 16, 2007)

A motion by Scott, seconded by Follett, to approve the minutes of the January 16, 2007 meeting as written passed by voice vote.

The meeting was adjourned at 1:45 PM.

The next scheduled meeting of the Council is Tuesday, June 19, 2007.

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

IN THE MATTER OF THE)
CERTIFICATE OF NEED EXTENSION FOR)

CHILDSERVE HABILITATION CENTER)

JOHNSTON, IOWA)

DECISION

This matter came before the State Health Facilities Council for hearing on Tuesday, April 17, 2007.

The project, the addition of 20 pediatric skilled nursing facility beds, was originally approved on April 12, 2005 at an estimated cost of \$750,000. A one year extension was granted on April 17, 2006.

The Council, after reading the extension request and hearing comments by staff, 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 adequate progress is being made.

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

Dated this _____ day of May 2007

Cynthia Beauman, 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)
)
REGENCY HOSPITAL OF COUNCIL BLUFFS)
)
COUNCIL BLUFFS, IOWA)

DECISION

This matter came before the State Health Facilities Council for hearing on Tuesday, April 17, 2007.

The application proposes the establishment of a 35-bed long-term acute care hospital within a hospital at Jennie Edmundson Hospital at an estimated cost of \$3,015,456.

Regency Hospital of Council Bluffs 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. D. Leslie Boney, David Holcomb, and Jim Chambers, M.D. were present representing the applicant. The applicant made a presentation and answered questions.

Marcia Stark representing Wellmark presented comments as an affected party and stated they were neutral on this proposal. Select Medical, represented by Ed McIntosh of Dorsey & Whitney, Tom Theroult and Steve Long, appeared as an affected party in opposition to the proposal.

The Council, after hearing the above-mentioned testimony and after reading the record, voted 3-2 to deny 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) (2007) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Regency-Council Bluffs proposes the development of a separately licensed 35-bed Medicare-certified long-term care hospital (LTCH) within Jennie Edmundson Hospital in Council Bluffs, Pottawattamie County, Iowa. The proposed hospital within a hospital (HWH) will be comprised of about 18,000 square feet located on the 5th floor of Jennie Edmundson Hospital.
2. An LTCH is a licensed hospital under federal regulations for acute care hospitals with an average Medicare length-of-stay of 25 days or greater for patients who require daily physician monitoring and supervision of care. An LTCH is a distinct element in the health

care continuum serving high-acuity patients, not a skilled nursing facility or rehabilitation unit.

3. Patients served in LTCHs typically have chronic conditions and a high incidence of co-morbidity. Many of the patients referred to an LTCH are medically complex, with a combination of issues that often require cardiac monitoring, long-term antibiotic and nutritional therapies, pain control, and life support.
4. These hospitals are exempted from Medicare's acute hospital inpatient prospective payment system and are reimbursed according to a long term care hospital prospective payment system.
5. In the original submittal of the application, the applicant employed two methodologies to determine the number of beds that could be supported by the 15 Iowa counties in the service area. The discharge-based methodology calculated a need for 52 beds and the DRG-based methodology calculated a need for 34 beds for an average of 43. Neither methodology factored in any existing licensed LTCH beds.
6. In response to staff questions, the applicant stated that in reality, it does expect a number of patients to come from the Omaha acute care hospitals. Given the likelihood that Regency will serve patients from both Iowa and Nebraska who have been discharged from Omaha hospitals, the applicant applied the DRG-based methodology to six Omaha area hospitals and arrived at an unmet LTCH bed need of 177. This calculation did factor in existing licensed LTCH beds in Omaha.
7. Finally, in response to a question regarding Critical Access Hospitals (CAH) and the likelihood of referral from these facilities, the applicant applied the discharge-based and DRG methodologies to the three Iowa hospitals in the service area that are not CAHs and one of the CAHs (because of its MEDPAR score). The average of these two methodologies resulted in a need for 30 LTCH beds for the Iowa counties included in the applicant's proposed service area.
8. Information provided by Select Medical calls into question the applicant's calculations of need. Select utilized both discharge data and DRG data in calculating need for their Quad Cities project, however there are significant differences in factors applied to that data between Select and Regency. Select used its factors to calculate the Council Bluffs data and arrived at a bed need of eight. Select also provided data to show that only one of its 640 admissions at the 3 hospitals it operates has been from a CAH, and that CAH's by definition do not have lengths of stay that would traditionally include LTCH-eligible patients.
9. The applicant has identified its geographic service area as those counties within a 60-mile radius of its location, which includes 15 counties in Iowa, most considered rural. There are 16 hospitals within this service area: 13 of these are CAH's. There are no LTCH beds in these counties. There are currently 2 LTCHs (total of 76 licensed beds with an average daily census of 42) in the Omaha area, both operated by Select Medical. These two sites are to be consolidated into one with 52 beds that will be approximately 13 miles (20 minutes travel

time) from the proposed Regency site. There is also a 96-bed LTCH in Lincoln, Nebraska, approximately 62 miles (70 minutes travel time) from the proposed Regency site.

10. The only approved LTCH in Iowa is Select Specialty Hospital—Quad Cities, Inc., a 50-bed free standing LTCH that is located 290 miles from Council Bluffs on the opposite side of the state.
11. The Department of Inspections and Appeals has historically viewed the state hospital statute as not allowing a hospital within a hospital. On April 6, 2006, a petition for rulemaking was filed with the DIA. The Department of Inspections and Appeals promulgated rules that provide a definition and specific licensure for long-term care hospitals in Iowa. The rules which became effective on January 10, 2007 also allow for the licensure of a long-term care hospital within a currently licensed hospital.
12. The applicant considered maintaining the status quo or building a freestanding facility as alternatives to the proposed project. The applicant felt the status quo would not provide the needed LTCH services to the area and that a free standing LTCH would be more costly to establish and operate.
13. The applicant's LTCH will be a hospital within a hospital and as such will maintain a degree of separateness from and remain outside of the control of their host hospital. To be excluded from the prospective payment system the HWH needs to have a separate governing body, a separate chief medical officer, separate medical staff and a separate chief executive officer. CMS regulations relative to hospitals within hospitals are to ensure that LTCHs are genuinely separate organizations from their hosts and are not operated as units of their hosts.
14. The applicant projects an occupancy of 16.9% the first year, 49.6% the second year and 86.7% the third year. The applicant anticipates Medicare will be the source of patient revenue for 79% of patients served.
15. The host hospital, Jennie Edmundson Hospital, has an affiliation with Nebraska Methodist Hospital (430 beds) in Omaha. The applicant states that Nebraska Methodist Hospital has proposed entering into a transfer agreement with Regency.
16. In a letter of support, dated July 21, 2006, David Holcomb, president and CEO of Jennie Edmundson Hospital, states that less than 10% of their patients meeting the criteria for LTCH services have found accommodation in any of the existing units in Omaha. In the same letter, he states that as a condition of approval of the Regency application, Jennie Edmundson Hospital is prepared, upon occupancy of the LTCH requested by this application, to voluntarily reduce its licensed capacity by an equal number of medical/surgical beds, assuring no net increase in the total number of licensed acute care beds within Iowa as a result of this proposal.
17. The application contains 6 additional letters of support, including one from Alegent Health Mercy Hospital in Council Bluffs. Mari Knedler, VP/Chief Operating Officer, states in that letter: "While I know there are other LTCHs that exist in the Omaha/Nebraska area, these

are truly not available to our Iowa patients and physicians primarily due to time and distance and the issue of physician licensure. The presence of a LTCH in Southwest Iowa would provide an option for Alegent Health Mercy Hospital to use this facility.”

18. The letter of support from Mari Knedler was written prior to Select Medical finalizing the plans to consolidate existing LTCHs in the Omaha area to the campus of Alegent Bergan Mercy Medical Center in Omaha.
19. The Centers for Medicare and Medicaid Services (CMS) currently has a rule which limits the number of admissions from the host hospital to 25% of Medicare admissions. CMS also has proposed rules that would apply the 25% criteria to all referring hospitals. The applicant does not anticipate the CMS rules will impact their operations. However, Select Medical did present information indicating the proposed rules could have a significant impact on the Regency proposal.
20. Select Medical Corporation provided utilization data for their LTCHs located in the Omaha area. Select Specialty Hospital-Omaha located in Midlands Hospital, Pappillion, NE opened in October 1998 and although licensed for 40 beds, operates 24 with an ADC of 15 patients. Select Specialty Hospital-Omaha North located in Immanuel Medical Center, Omaha, NE opened in April 2003 and although licensed for 36 beds, operates 28 with an ADC of 23 patients. Historically these two facilities have operated with a utilization rate of less than 50 percent. These two locations will be consolidating operations and relocating to the campus of Alegent Bergan Mercy Medical Center in Omaha where 52 private rooms will be operated. The decision to consolidate these two locations was based in part on the low utilization rates of these facilities.
21. In 2006, combined admissions for the two Select locations in Omaha were 558, and 88 of these admissions were referred from the 15 Iowa counties designated as the applicant’s service area. Nearly half of those 88 were from Pottawattamie County, 16 from Alegent Mercy Council Bluffs and 13 from Jennie Edmundson.
22. The applicant anticipates an operating deficit of \$1,549,960 the first year. By year two, the applicant projects income of \$2,231,978. The proposal involves the renovation of 18,000 square feet on the 5th floor of Jennie Edmundson Hospital at a cost of \$1,075,781 with an additional \$50,000 for some demolition costs. The remaining costs of the project are for movable equipment and financing costs.
23. The applicant anticipates borrowing \$2,844,206. Financing will be provided through Regency Hospital Company’s existing credit facility with CIT Healthcare. There will be two loans associated with the project, a project loan and a working capital loan. Regency will access its Line of Credit to fund both the project costs of \$2,844,206 and the working capital needs of \$2,800,794. The applicant states that \$171,250 of the project cost will come from cash on hand.
24. Staffing needs by year three are projected to include 45.6 FTEs nursing out of a total of 96.3 FTEs. The applicant states they have had a successful history of recruiting needed staff for

its LTCH programs. Regency employs over 3,000 managerial, administrative and clinical staff in their 18 currently operating LTCHs.

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 available. The Council recognizes that the hospital within hospital design is more cost effective than new construction. However, the Council finds a more efficient and appropriate alternative is to access the significant number of available LTCH beds across the river in Omaha. In addition, the Council questions the large number of beds applied for in this proposal and concludes that a smaller project would have been a more viable alternative and would have been more consistent with the smaller need calculations for this service area. 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 not continue to be used in an appropriate and efficient manner and will be impacted by this project. The Council notes that the only substantially similar facility in Iowa, the LTCH in Davenport, is on the opposite of the state. However, there are two LTCHs in the Omaha area that are about to be consolidated and downsized at a location that is 13 miles from Jennie Edmundson Memorial Hospital. The Council concludes that those facilities would be negatively impacted by the proposal. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project does not involve new construction, but does involve renovation of 18,000 square feet on the 5th floor of Jennie Edmundson Hospital at a cost of \$1,075,781 with an additional \$50,000 for some demolition costs. Iowa Code Sections 135.64(1) and 135.4(2)c.

4. The Council concludes that patients will not experience serious problems in obtaining care of the type which would be furnished by the proposed health service, in the absence of that proposed service. There are currently 2 LTCHs (total of 76 licensed beds with an average daily census of 42) in the Omaha area, both operated by Select Medical. These two sites are to be consolidated into one with 52 beds that will be approximately 13 miles from the proposed Regency site. This site is accessible to Iowa patients seeking care of this nature. In addition, the Council concludes that the data presented does not support a conclusion that a significant number of patients in this service area are in need of this level of care. The Council concludes that the small percentage of patients actually in need of this type of care in this service area are currently being well-served by existing hospitals in the state or that they could access this care in Omaha. 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) (2007), led the Council to find that a Certificate of Need should be denied.

The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2007).

Dated this _____ day of May 2007

Cynthia Beauman, Chairperson
State Health Facilities Council
Iowa Department of Public Health

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

care continuum serving high-acuity patients, not a skilled nursing facility or rehabilitation unit.

3. Patients served in LTCHs typically have chronic conditions and a high incidence of co-morbidity. Many of the patients referred to an LTCH are medically complex, with a combination of issues that often require cardiac monitoring, long-term antibiotic and nutritional therapies, pain control, and life support.
4. These hospitals are exempted from Medicare's acute hospital inpatient prospective payment system and are reimbursed according to a long term care hospital prospective payment system.
5. To assess need, the applicant conducted a detailed analysis of quantitative data and established a need for 4 beds to support St. Luke's Hospital referrals. This represents 1% of St. Luke's total acute care discharges in those DRGs most commonly seen in LTCHs. Applying the same methodology to the total acute discharges commonly seen in LTCHs of other large hospitals in the applicant's market area yielded a total need of 19 beds. The applicant then looked at other factors such as case mix index, absence of skilled unit and absence of rehab unit. Based on the potential impact of these differences, the pro forma contained within this application assumes an average daily census of 21 by the end of year one.
6. The applicant states there is the capacity to expand to 40 beds should the need prove greater than projected. Additional capital expenditure and approval of the Health Facilities Council would be needed to add beds.
7. The proposed LTCH will primarily serve patients from the Cedar Rapids and Iowa City MSAs. The only approved LTCH in Iowa is Select Specialty Hospital—Quad Cities, Inc., a 50-bed free standing LTCH that is located 85 miles from Cedar Rapids and 55 miles from Iowa City.
8. The Department of Inspections and Appeals has historically viewed the state hospital statute as not allowing a hospital within a hospital. On April 6, 2006, the applicant filed a petition for rulemaking with the DIA. The Department of Inspections and Appeals promulgated rules that provide a definition and specific licensure for long-term care hospitals in Iowa. The rules which became effective on January 10, 2007 also allow for the licensure of a long-term care hospital within a currently licensed hospital.
9. The applicant considered maintaining the status quo, building a freestanding facility or partnering with Select Medical Corporation or another out-of-state provider.
10. The applicant's LTCH will be a hospital within a hospital and as such will maintain a degree of separateness from and remain outside of the control of their host hospital. To be excluded from the prospective payment system the HWH needs to have a separate governing body; a separate chief medical officer, separate medical staff and a chief executive officer. CMS

regulations relative to hospitals within hospitals are to ensure that LTCHs are genuinely separate organizations from their hosts and are not operated as units of their hosts.

11. The applicant projects an occupancy of 47.5% the first year, 80% the second year and 85% the third year. The applicant anticipates Medicare will be the source of patient revenue for 86% of patients served.
12. St. Luke's inpatient rehabilitation unit receives nearly 60% of its referrals from hospitals other than St. Luke's, including a substantial portion (38%) from the UIHC. The UIHC is anticipated to be a significant referral source for Continuing Care due to its large number of Medicare discharges and the complexity of care it provides as a tertiary referral center.
13. The CEO and director of UIHC stated in a letter the need for the LTCH level of care in the Iowa City-Cedar Rapids area. She further stated that UIHC enjoys a positive relationship with St. Luke's inpatient rehabilitation unit.
14. The Centers for Medicare and Medicaid Services (CMS) currently has a rule which limits the number of admissions from the host hospital to 25% of Medicare admissions. The applicant is familiar with the 25 percent rule that impacts HWHs and does not anticipate the rule impacting their operations due to adjustments allowed under this rule for market share. CMS also has proposed rules that would apply the 25% criteria to all referring hospitals. The applicant does not anticipate a problem with that restriction.
15. Select Medical Corporation provided utilization data for their LTCH located in Davenport. This is a 50-bed freestanding LTCH that became certified by Medicare in February 2007. Since that time the facility has operated at a census of 15-17 which meets their expectations for census growth. Select Specialty Hospital Quad Cities has had 82 admissions since opening in May 2006. Eighteen of these admissions were from UIHC, no admissions from Linn County hospitals were noted. Only 4 of the 82 patients were from Johnson or Linn County while over half of the admissions (47) show Scott county as county of origin.
16. The applicant anticipates an operating deficit of \$1,637,310 the first year. Renovation costs of \$4.6M will be expended by St. Luke's Hospital, recovered as leasehold improvements through a 15-year lease with the applicant.
17. The applicant anticipates borrowing \$2,330,000 for 10 years at 4% interest. Borrowing covers \$475,000 in start-up expense, \$700,000 in equipment and the first three months operating expense.
18. Staffing needs the first year include 23.1 FTEs nursing out of a total of 44.63 FTEs. By year three a total staff of 70.19 FTEs is projected.

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 recognizes that the hospital within hospital design is more cost effective than new construction. The Council also notes that the proposal involves a relatively small number of beds for the population of the area. The Council concludes that the applicant is taking a conservative approach to introducing this service to the area. 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 concludes that the primary and positive impact on existing hospitals would be fiscal due to the diagnostic related group/outlier reimbursement scheme. In addition the Council notes that the only substantially similar facility in Iowa, the LTCH in Davenport, has been in operation for approximately one year and did not object to this proposal. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project does not does not involve new construction, but does involve \$4.6 million in renovation costs by the host hospital. 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 heard testimony about specific patients at St. Luke's who would benefit from obtaining care of this nature. The Council further takes note of the letter from the CEO of UIHC stating a need for this type of service in Cedar Rapids/Iowa City area. The Council

concludes that the proposal will alleviate the problems experienced by patients in obtaining this type of care. 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) (2005), 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 (2007).

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 _____ day of May 2007

Cynthia Beauman, Chairperson
State Health Facilities Council
Iowa Department of Public Health

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