

MINUTES
STATE HEALTH FACILITIES COUNCIL
WEDNESDAY, FEBRUARY 24, 2016
IOWA LABORATORY FACILITY, CONFERENCE CENTER, ROOM 208
DMACC CAMPUS, ANKENY

9:00 AM: ROLL CALL

MEMBERS PRESENT: Bob Lundin, Chairperson; Roberta Chambers; Amy Skinner; and Roger Thomas

STAFF PRESENT: Kala Shipley; Becky Swift; and Heather Adams, Counsel for State

I. Project Review

1. Strategic Behavioral Health, LLC, Bettendorf, Scott County: Build a 72 bed psychiatric hospital -- \$14,243,365.

Staff report by Kala Shipley. The applicant was represented by Doug Fulton, Brick Gentry; Mike Garone, Scott Williams, and Jim Shaheen, Strategic Behavioral Health. The applicant made a presentation and answered questions posed by the council. A motion by Skinner, seconded by Chambers, to enter exhibits presented in support of oral testimony into the record carried unanimously by voice vote.

Affected parties in support of the application included Lori Elam, Scott County Disability Services; Steve and Phyllis Hughes, Bettendorf parents; Tara Witherow, Davenport parent support group; Rich Landis, Davenport parent; Janet Huber, Compassionate Counseling; Carol Earnhardt, Scott County; Dennis Conrad, Scott County Sheriff; Cindy Henning, Scott County Jail; Dr. Kara Thompson, ER Physician and Des Moines University; Ashley Adams, Vera French Community Mental Health Center; Dawn Knutson, Scott County Kids; Chief Phil Redington, Bettendorf Police Department; Christy Davis, Bettendorf Police Department; Anna Windsor, St. Ambrose University Occupational Therapy Student. Christine Urish signed in a representing Scott County but did not speak.

Affected parties in opposition were represented by Doug Gross, Brown Winick Law; Rick Seidler, CEO, UnityPoint Trinity; Dennis Duke, President, Robert Young Center; Vicki Zude, Robert Young Center. The opposition made a presentation and answered questions posed by the council. A motion by Thomas, seconded by Skinner to enter exhibits presented in support of oral testimony into the record carried unanimously by voice vote.

Affected parties in opposition were represented by Alissa Smith, Dorsey & Whitney and Jacie Wherry, Mercy Medical Center, Clinton. The opposition made remarks and answered questions posed by the council.

Affected party in opposition included Sister Mary Rehmann, Sisters of Humility. The opposition made remarks and answered questions posed by the council.

Additional affected parties in opposition were represented by Ed McIntosh, Dorsey & Whitney; and Debbie Lundeen, Dr. Jeff Weyeneth, Jackie Anhalt, and Doug Cropper, Genesis Medical Center, Davenport. Jamie Moen signed in representing Genesis Medical Center but did not speak. The opposition made a presentation and answered questions posed by the council. A motion by Skinner, seconded by Chambers to enter exhibits presented in support of oral testimony into the record carried unanimously by voice vote.

The applicant provided closing remarks and rebuttal. A motion by Skinner, seconded by Chambers to enter exhibits presented in support of oral testimony into the record carried unanimously by voice vote.

A motion by Thomas, seconded by Chambers to Grant a Certificate of Need did not carry. Thomas and Chambers voted in favor of the motion. Lundin and Skinner voted no.

2. Mercy Sioux City, Sioux City, Woodbury County: Convert 20 medical/surgical beds to skilled nursing - \$619,795

Staff report by Becky Swift. The applicant was represented by Alissa Smith of Dorsey & Whitney; Deb Lemmen, Mary Pick and Tracy Larson, Mercy Sioux City. The applicant made remarks and answered questions posed by the Council.

No affected parties appeared at the hearing.

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

3. WesleyLife, Johnston, Polk County: Build a 36-bed nursing facility – \$6,332,791

Staff report by Becky Swift. The applicant was represented by Ed McIntosh of Dorsey & Whitney; Janet Simpson and Rob Kretzinger, WesleyLife. The applicant made a presentation and answered questions posed by the Council.

Motion by Thomas, seconded by Skinner to enter exhibits presented in support of oral testimony into the record carried unanimously by voice vote.

No affected parties appeared at the hearing.

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

II. REQUESTS FOR DETERMINATION OF NON-REVIEWABILITY AND THE DEPARTMENT'S RESPONSE

1. Living Center East, Cedar Rapids, Linn County: Replacement of a 67 bed skilled nursing facility within the same county and no change in services.

Staff report by Becky Swift. A motion by Chambers, seconded by Thomas, to affirm the Department's determination carried 4-0.

2. University of Iowa Hospitals and Clinics, Iowa City, Johnson County: Replacement of a pediatric cardiac catheterization laboratory with a cardiac angiography system.

Staff report by Becky Swift. A motion by Chambers, seconded by Skinner, to affirm the Department's determination carried 4-0.

III. APPROVE MINUTES OF PREVIOUS MEETING (October 2015)

A motion by Thomas, seconded by Skinner to approve the minutes of the October 28 and 29, 2015, meeting passed unanimously by voice vote.

A motion by Chambers, seconded by Thomas to approve the request by Scenic Development, CCRC of West Des Moines to move their CON hearing to Thursday, February 25 at 8:30 AM was approved unanimously by voice vote.

The meeting was adjourned at 6:42 PM

MINUTES
STATE HEALTH FACILITIES COUNCIL
THURSDAY, FEBRUARY 25, 2016
IOWA LABORATORY FACILITY, CONFERENCE CENTER, ROOM 208
DMACC CAMPUS, ANKENY

8:30 AM: ROLL CALL

MEMBERS PRESENT: Bob Lundin, Chairperson; Roberta Chambers; Amy Skinner; and Roger Thomas

STAFF PRESENT: Becky Swift; and Heather Adams, Counsel for State

A motion by Skinner, seconded by Chambers to postpone the Mercy Iowa City and Mercy Cedar Rapids applications at the request of the applicants due to having only four members of the Council present for the hearing passed unanimously by voice vote.

I. PROJECT REVIEW

1. Scenic Development, CCRC of West Des Moines, Dallas County: Build a 40-bed nursing facility – \$4,923,000

Staff report by Becky Swift. The applicant was represented by Doug Gross, Brown Winick Law; Gilbert Wood, Scenic Development, LLC; Jill Colbert, Assistant Administrator, Prairie Vista Village. The applicant made a presentation and answered questions posed by the Council. A motion by Thomas, seconded by Skinner to accept exhibits presented in support of oral testimony passed unanimously by voice vote.

No affected parties appeared at the hearing.

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

2. Grand Care LLC, d/b/a Riverside North, Ames, Story County: Build a 40-bed skilled nursing facility addition – \$2,280,048

Staff report by Becky Swift. The applicant was represented by Kendell Watkins, Davis Brown Law and Ted LeNeave, President and CEO, Riverside North. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

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

3. The Views, CCRC of Marion, Linn County: Build a 40-bed skilled nursing facility -- \$6,440,000.

Staff report by Becky Swift. The applicant was represented by Ed McIntosh, Dorsey & Whitney Law; Angie McClure, Community Relations Director, The Views of Cedar Rapids and Kelleen Scanlon, Community Director, The Views of Cedar Rapids. The applicant made a presentation and answered questions posed by the Council. A motion by Thomas, seconded by Skinner to enter exhibits presented in support of oral testimony into the record carried unanimously by voice vote.

No affected parties appeared at the hearing.

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

4. Vintage Living LLC, d/b/a The Gardens of Cedar Rapids, Linn County: Build a 40-bed skilled nursing facility -- \$6,000,000

Staff report by Becky Swift. The applicant was represented by Doug Gross, Brown Winick Law; Jim Angstman, Vintage Living, LLC and Lisa Elwick, Winslow House. The applicant made a presentation and answered questions posed by the Council. A motion by Thomas, seconded by Skinner to enter exhibits presented in support of oral testimony into the record carried unanimously by voice vote.

No affected parties appeared at the hearing.

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

II. EXTENSIONS OF PREVIOUSLY APPROVED PROJECTS

1. Oskaloosa Care Center, Mahaska County: Building a 14-bed addition -- \$1,580,000

Staff reviewed the progress on this project. No party representing the applicant was present. A motion by Chambers, seconded by Skinner to Grant a six month extension and review the project again at that time carried 4-0.

2. JP Senior Healthcare, LLC d/b/a Pioneer Valley Living and Rehab, Woodbury County: Building a 78-bed skilled nursing facility – \$12,594,309

Staff reviewed the progress on this project. Joseph DeWitt was present representing the applicant. The applicant stated that the facility was awaiting final approval from the fire marshal and should be open March 1. A motion by Chambers, seconded by Thomas to Grant a three month extension carried 4-0.

III. STAFF REPORT

1. Update of CON application forms

Becky Swift provided a brief overview of updates made to the CON application forms. The updated forms are posted to the CON web site.

The next meeting of the Health Facilities Council will be electronic and will be held on Wednesday, April 27, 2016 at 9:00 AM.

The next face-to-face meeting of the Council was to be held on July 19, but, due to issues with Council member availability and the need for a two day meeting, will be changed. The new dates are being determined and will be announced as soon they are confirmed.

The meeting was adjourned at 10:58 AM.

All meetings held by the Iowa Department of Public Health are accessible to all. If you have special needs to participate, please call Deaf Relay (Hearing or Speech Impaired) 1-800-735-2942

IDPH Internet – <http://idph.iowa.gov>

4. The applicant states that the facility would be located in the western edge of Des Moines Metropolitan Area making it more accessible to rural residents of Polk and Dallas Counties.
5. The applicant states that the facility would serve an 11 zip code area from downtown Des Moines in Polk County to West Des Moines in Dallas County.
6. The applicant projects the population of persons aged 75 and older in the service area to increase by 18.3% between 2015 and 2020, thus creating the need for additional nursing facility beds in that area.
7. The calculated bed need formula indicates a current underbuild in five of the seven contiguous counties. The underbuild for Dallas County is 43 beds. Overall the eight-county area, as calculated by the bed need formula, is underbuilt by 1,222 beds. See the following table for additional bed information.

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

County	Projected 2021 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 2/2016	Difference – Formula vs. Licensed & Approved*
Dallas	8,968	532	489	-43
Adair	1,692	118	169	51
Boone	5,039	356	377	21
Greene	2,219	153	68	-85
Guthrie	2,558	178	155	-23
Madison	3,248	229	190	-39
Polk	58,935	3,464	2,371 ¹	-1,093
Warren	9,442	532	521	-11
Totals	92,101	5,562	4,340	-1,222

*A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild

¹ July 2014: 70 approved beds at Hawkeye Estates in Ankeny included in the count

8. Over the span of the last three years, the total number of beds in the eight-county area has increased by 54 beds. There has been an increase of 10 beds in the past three years for Dallas County. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number between February 2013 and February 2016**

County	# of NF Beds (facilities) as of February 2013	# of NF Beds (facilities) as of February 2016	Difference in # of NF Beds
Dallas	479 (9)	489 (9)	+10

Adair	169 (3)	169 (3)	0
Boone	377 (4)	377 (4)	0
Greene	68 (1)	68 (1)	0
Guthrie	155 (2)	155 (2)	0
Madison	190 (3)	190 (3)	0
Polk	2,257 (28)	2,301 (29)	+44
Warren	521 (6)	521 (6)	0
Totals	4,216 (56)	4,270 (57)	+54

9. The bed numbers in the tables above represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the eight-county area has 105 hospital-based skilled nursing facility beds.
10. There are currently 4,340 licensed and approved nursing facility beds in the eight counties; 516 of these licensed and approved beds (12% of all beds) are in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Dallas	124 (4)
Adair	12 (1)
Boone	56 (2)
Greene	10 (1)
Guthrie	16 (1)
Madison	18 (1)
Polk	192 (7)
Warren	88 (4)
Totals	516 (21)

11. The applicant states that there are no less costly alternatives in staffing, scheduling, design, or service sharing to achieve the highest quality of care envisioned for the community.
12. CCRC of West Des Moines states that the proposed project will employ a local physician as medical director. The applicant states the facility will enter into transfer agreements with local hospitals which provide a protocol for transferring patients to the hospital and from the hospital to the facility. The applicant states the facility will also enter into contractual relationships with local hospice providers in order that patients in the facility can receive hospice care. In addition, the applicants existing facilities in Altoona and Grimes participate in UnityPoint Health's accountable care organization (ACO). The applicant states that it is anticipated that CCRC of West Des Moines will also participate in the ACO.
13. There are nine freestanding nursing facilities in Dallas County. The overall average utilization rate for Dallas County is 83%. One nursing facility had an occupancy rate of

39%, which affected the overall rate for the county. If the occupancy of this facility is suppressed, the overall occupancy for the Dallas County increases to 88%. The results of a recent phone survey of facilities in the eight-county area conducted by department staff are provided in the table below.

**Survey of Nursing Facilities Located in Dallas County
& Counties Contiguous to Dallas County
Conducted February, 2016**

Facility	Licensed Beds	Current Occupancy	Percent Occupied
DALLAS COUNTY			
Adel Acres	50	41	82%
Arbor Springs	56	50	89%
Edgewater	40	37	93%
Granger Nursing & Rehab Center	67	50	75%
Perry Health Care Center	46	18	39%
Perry Lutheran Home	70	66	94%
Rowley Memorial Masonic Home	57	51	89%
Spurgeon Manor	55	49	89%
The Village At Legacy Pointe	48	44	92%
TOTAL	489	406	83%
ADAIR COUNTY			
Community Care Center	77	57	74%
Good Samaritan Society	46	37	80%
Greenfield Rehab and Health Care Ctr	46	43	93%
TOTALS	169	137	81%
BOONE COUNTY			
Boone County Health Care Center – NF/SNF	4	0	0%
Eastern Star Masonic Home	76	75	99%
Madrid Home For The Aging	155	86	55%
Ogden Manor	46	42	91%
Westhaven Community	100	96	96%
TOTALS	381	299	78%
GREENE COUNTY			
Greene County Medical Center – NF	85	38	45%
Regency Park Nursing & Rehab Ctr.	68	61	90%
TOTALS	153	99	65%
GUTHRIE COUNTY			
Panora Specialty Care	91	39	43%
The New Homestead Care Center	64	62	97%
TOTALS	155	101	65%
MADISON COUNTY			
QHC Winterset North, LLC	75	40	53%
QHC Winterset South, LLC	45	30	67%

West Bridge Care & Rehab	70	69	99%
TOTALS	190	139	73%
POLK COUNTY			
Altoona Nursing and Rehab	106	90	85%
Bishop Drumm Care Center	150	116	77%
Calvin Community	59	56	95%
Deerfield Retirement Community	30	28	93%
East Village Center for Wellness & Rehab	44	9	20%
Fleur Heights Ctr. For Wellness & Rehab	120	110	92%
Fountain West Health Center	140	124	89%
Genesis Senior Living Center	80	69	86%
Iowa Jewish Senior Life Center	72	58	81%
Iowa Lutheran Hospital - SNF	16	15	94%
Karen Acres Healthcare Center	38	33	87%
Kennybrook Village	40	38	95%
Manorcare Health Services WDM	120	95	79%
Mill Pond Retirement Community	60	55	92%
On With Life	28	27	96%
Parkridge Specialty Care	90	82	91%
Polk City Nursing And Rehab	68	51	75%
Prairie Vista Village	38	33	87%
QHC Mitchellville, LLC	65	53	82%
Ramsey Village	78	75	96%
Rehabilitation Center Of DSM	74	64	86%
Scottish Rite Park Health Care	51	32	63%
Sunny View Care Center	94	92	98%
Trinity Center At Luther Park	120	119	99%
Union Park Health Services	81	60	74%
University Park Nursing & Rehab	108	93	86%
Urbandale Health Care Center	130	98	75%
Valley View Village	79	53	67%
Wesley Acres	80	71	89%
TOTALS	2,259	1,899	84%
WARREN COUNTY			
Carlisle Ctr. For Wellness & Rehab	101	93	92%
Good Samaritan Society -Indianola	131	104	79%
Norwalk Nursing & Rehab Ctr.	51	38	75%
Regency Care Center	101	79	78%
The Village	54	52	96%
Westview Of Indianola Care Ctr.	83	67	81%
TOTALS	521	433	83%

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

County	RCF Beds	Home Health	Adult Day	Assisted Living	ALP/D
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	(Facilities)	Agencies	Services	Units (Facilities)	
Dallas	30 (1)	2	0	194 (4)	160 (3)
Adair	0	1	0	40 (1)	0
Boone	125 (1)	1	28 (1)	174 (3)	0
Greene	0	0	0	68 (1)	0
Guthrie	0	1	0	65 (3)	128 (1)
Madison	18 (1)	0	0	0	74 (1)
Polk	224 (7)	14	52 (4)	1,167 (13)	1,538 (15)
Warren	29 (2)	2	0	132 (3)	204 (2)
TOTALS	426 (12)	21	80 (5)	1,840 (28)	2,104 (22)

15. The applicant submitted twenty-seven letters of support for the proposal. Twelve (one signed by 33 individuals) were from residents or family of other facilities owned and operated by Scenic Development including Northridge Village in Ames, Prairie Vista Village in Altoona, and Kennybrook Village in Grimes. Letters of support were also received from the West Des Moines Mayor and City Manager (co-signed); West Des Moines Council Member; physician and medical director at Prairie Vista Village; physician and medical director at Northridge Village; physician and medical director at Kennybrook Village; the Executive Director of Aging Resources of Central Iowa; Grimes City Administrator; Mayor of Ames; Mayor of Altoona; Stahly Investments; Pivotal Health Care (management company serving Scenic Development); Marketing Director for Northridge Village; Assisted Living Nurse and Director, Northridge Village; Executive Director, Northridge Village; and a Clive resident. The letters cite patient satisfaction with similar facilities in Ames, Altoona and Grimes; and the need for additional beds in the service area.
16. There were three letters of opposition received. One from the administrator at Community Care Center in Stuart; one from a Community Care Center board member; and one from the owner of Greenfield Rehabilitation and Health Care Center in Greenfield. The letters cite staffing and declining nursing home census in Iowa as issues. One also cites the ownership connection/roots to the community in which the nursing home will be built. The applicant noted in their response to staff questions that the facilities opposing the build are located in Adair County, which, while contiguous to Dallas County, is not in the projected service area for the facility.
17. The applicant forecasts a total of 35.4 FTEs will be needed for the new nursing facility. The applicant states that the total FTEs for administrative duties is 3.4 and in nursing there are a total of 23.4 (RN=4.2; LPN=2.4 and Aides = 16.8) FTEs forecasted. In addition, dietary, housekeeping, laundry, maintenance and some of the administrative duties will be shared with other neighborhoods within the project.
18. The proposal calls for the construction of a 40-bed nursing facility with a total of 29,842 square feet; living/activities room will be 2,880 square feet while the facility rooms/beds will be 2,009 square feet. The site costs are listed at \$531,000 plus \$298,000 in land improvement (landscaping, walks, drives and irrigation). The applicant states that the

total facility costs are \$3,622,000 plus \$269,000 in movable equipment and \$203,000 in financing cost, and indicates a turn-key cost of \$138,600.

19. The applicant states it has \$1,663,000 cash on hand. The applicant is borrowing \$3,881,000; interest is based on a loan at 4.5% for 25 years. The applicant states that the total source of funds for the skilled nursing facility beds is \$5,544,000. The applicant states that the cost of the entire CCRC is estimated to be \$20,508,000. The applicant provided a letter from Green Belt Bank and Trust in Iowa, conditionally approving \$14,700,000 for the construction of the entire continuing care facility.
20. The applicant does not project an operating deficit after year one.

CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considered 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 there is an underbuild in both Dallas and Polk Counties. The Council concludes that the proposal is an appropriate option to accommodate residents within the community who need skilled 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 are being and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The calculated bed need formula indicates a current underbuild in five of the seven counties surrounding the proposed facility. The underbuild for Dallas County is 43 beds. Overall, the eight-county region, as calculated by the bed need formula, is underbuilt

by 1,222 beds. The phone survey conducted by Department staff indicates an 83% overall occupancy rate for Dallas County. There was one facility in Dallas County with an occupancy rate of 39%. If the occupancy for this facility is suppressed, the overall occupancy rate of Dallas County increases to 88%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council concludes that the addition of 40 nursing facility beds will have 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 is the construction of a 40 bed skilled nursing facility with a total of 29,842 square feet. The Council further concludes that alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable. Iowa Code Sections 135.64(1) and 135.4(2)c. 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 health service, in the absence of that proposed service. The Council takes note that the applicant states there is an increasing need for skilled nursing facility beds in the proposed service area, which includes Polk County from downtown to the west to Dallas County. Additionally, the occupancy rates of the nursing facilities within the service area indicate patients will have difficulty in obtaining this type of care if the project is not approved. 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) (2015), 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 (2015).

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 5th day of April 2016



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

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

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

IN THE MATTER OF THE APPLICATION OF)
)
GRAND CARE, LLC) **DECISION**
d/b/a/ RIVERSIDE NORTH)
)
AMES, IOWA)

This matter came before the State Health Facilities Council for hearing on Thursday, February 25, 2016.

The applicant proposes to build a 40-bed addition at an estimated cost of \$2,280,048.

Grand Care, LLC, d/b/a Riverside North 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. Becky Swift of the Iowa Department of Public Health summarized the project in relation to review criteria. Kendell Watkins, Davis Brown Law Firm and Ted LeNeave, President and CEO, Riverside North, 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) (2015) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Grand Care, LLC d/b/a Riverside North (Riverside North) currently operates a 70-bed nursing facility in Ames, IA. The applicant states that they had also operated Riverside South, an affiliated but separately licensed 59 bed facility three miles away, which, due to ongoing flooding of the facility, closed in August 2015. Riverside North seeks to replace 40 of the beds lost in this closure by constructing a new wing which would be attached to the existing building.
2. The applicant states that all of the nursing facility beds will be Medicaid certified. They further stated that they accept a high percentage of Medicaid patients.

3. The applicant indicates that the primary service area is the community of Ames. The applicant states that over the past three years approximately 78.5% of current residents (at both Riverside North and Riverside South) have come from Ames, while 16.1% have come from rural areas surrounding Ames and 5.4% have come from more than 20 miles away.
4. The calculated bed need formula indicates a current underbuild in three of the six contiguous counties. The underbuild for Story County is 485 beds. Overall the seven-county area, as calculated by the bed need formula, is underbuilt by 1,807 beds. See the following table for additional bed information.

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

County	Projected 2021 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 2/2016	Difference – Formula vs. Licensed & Approved*
Story	12,896	938	453 ¹	-485
Boone	5,039	356	377	21
Hamilton	3,283	229	238	9
Hardin	4,072	282	399	117
Jasper	7,288	513	355	-158
Marshall	8,051	567	349**	-218
Polk	58,935	3,464	2,371 ²	-1,093
Totals	99,564	6,349	4,542	-1,807

*A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild

¹This number does not include the currently licensed 59 beds from the now closed Riverside South in Ames. The license for these beds is in suspension; ² Approved July 2014: 70 approved beds at Hawkeye Estates in Ankeny are included in this count; ** Plus 702 beds at Iowa Veteran's Home, which are for Veterans and their family members only, and are not included in this count.

5. Over the span of the last three years, the total number of beds in the seven-county area has increased by 27 beds. There has been a decrease of 11 beds in the past three years for Story County. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number between February 2013 and February 2016**

County	# of NF Beds (facilities) as of February 2013	# of NF Beds (facilities) as of February 2016	Difference in # of NF Beds
Story	464 (6)	453 (6)	-11
Boone	377 (4)	377 (4)	0
Hamilton	238 (3)	238 (3)	0
Hardin	399 (6)	399 (6)	0
Jasper	361 (6)	355 (7)	-6

Marshall	349 (4)**	349 (4)**	0
Polk	2,257(28)	2,301(29)	+44
Totals	4,445 (57)	4,472 (59)	+27

**Plus 702 beds at Iowa Veteran's Home, which are for Veterans and their families only and are not included in this count.

6. The bed numbers in the tables above represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the seven-county area has 100 hospital-based skilled nursing facility beds.
7. There are currently 4,542 licensed and approved nursing facility beds in the seven counties; 443 of these beds (9.8% of all beds) are in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Story	62 (3)
Boone	56 (2)
Hamilton	34 (2)
Hardin	43 (3)
Jasper	38 (2)
Marshall	18 (1)**
Polk	192 (7)
Totals	443 (20)

**78 at the Iowa Veterans Home are not included in this count

8. The applicant states that rather than rebuilding Riverside South at a new location, based on available land adjacent to Riverside North for development it was determined that the most cost effective solution was to construct the addition at Riverside North. They state that this would allow for use of existing common spaces and sharing of administrative staff costs.
9. The applicant states that Riverside North has been operating in Ames since 1999 and has long established patterns of community cooperation and the sharing of services between the various health care providers in Ames and surrounding community. It is stated that they work closely with discharge planners at Mary Greeley Hospital in Ames to coordinate transfer of residents should it be required.
10. There are seven freestanding nursing facilities in Story County. The overall average for Story County is 68%. In a phone survey conducted the first week of February, Riverside North had an occupancy rate of 54 out of 70 beds, or 77%. The applicant notes that several of the current semi-private rooms are being used as private rooms, which has lowered their bed availability to 63. If this figure were used it would increase the occupancy of Riverside North to 86%.
11. The application states that Riverside North is in the process of overcoming several factors that have impacted past census, including reputational issues. They go on to state that

they had been on the CMS Special Focus Facilities List, but graduated from that status in 2013 and that they underwent a renovation in 2012. The applicant assumes the rate of individuals applying for admission would increase because of ongoing and continued improvements in reputation and the CMS Five Star Quality Rating System.

12. The results of a recent phone survey of facilities in the seven-county area conducted by department staff are provided in the table below

**Survey of Nursing Facilities Located in Story County
& Counties Contiguous to Story County
Conducted February, 2016**

Facility by County	Licensed Beds	Current Occupancy	Percent Occupied
STORY COUNTY			
BETHANY MANOR	180	147	82%
GREEN HILLS HEALTH CARE CENTER	56	35	63%
NORTHRIDGE VILLAGE	38	10	26%
RIVERSIDE NORTH	70	54	77%
ROLLING GREEN VILLAGE	69	64	93%
STORY COUNTY HOSPITAL NF	80	17	21%
ZEARING HEALTH CARE, LLC	40	34	85%
TOTALS	533	361	68%
BOONE COUNTY			
BOONE COUNTY HEALTH CARE CENTER	4	0	0%
EASTERN STAR MASONIC HOME	76	75	99%
MADRID HOME FOR THE AGING	155	86	55%
OGDEN MANOR	46	42	91%
WESTHAVEN COMMUNITY	100	96	96%
TOTALS	381	299	78%
HAMILTON COUNTY			
CRESTVIEW NURSING & REHAB	84	62	74%
SOUTHFIELD WELLNESS COMMUNITY	88	66	75%
STRATFORD SPECIALTY CARE	66	49	74%
TOTALS	238	177	74%
HARDIN COUNTY			
ELDORA SPECIALTY CARE	49	30	61%
GRAND JI VANTE	70	49	70%
HERITAGE CARE CENTER	66	38	58%
HUBBARD CARE CENTER	60	56	93%
SCENIC MANOR	82	67	82%
VALLEY VIEW SPECIALTY CARE	72	32	44%
TOTALS	399	272	68%
JASPER COUNTY			
BAXTER HEALTH CARE CENTER	44	30	68%
CAREAGE OF NEWTON	53	47	89%

HERITAGE MANOR	62	42	68%
NELSON MANOR	36	30	83%
NEWTON VILLAGE HEALTH CARE CENTER	24	18	75%
NEWTON HEALTH CARE CENTER	70	54	77%
WESLEY PARK CENTRE	66	56	85%
TOTALS	355	277	78%
MARSHALL COUNTY			
GRANDVIEW HEIGHTS	109	88	81%
HAWKEYE CARE CENTER	110	73	66%
IOWA VETERANS HOME	702	457	65%
SOUTHRIDGE SPECIALTY CARE	82	67	82%
STATE CENTER SPECIALTY CARE	48	37	77%
TOTALS	349	265	76%
	W/O IA VETS HOME	W/O IA VETS HOME	W/O IA VETS HOME
POLK COUNTY			
ALTOONA NURSING AND REHAB	106	90	85%
BISHOP DRUMM CARE CENTER	150	116	77%
CALVIN COMMUNITY	59	56	95%
DEERFIELD RETIREMENT COMMUNITY	30	28	93%
EAST VILLAGE CTR FOR WELLNESS & REHAB	44	9	20%
FLEUR HEIGHTS CTR FOR WELLNESS & REHAB	120	110	92%
FOUNTAIN WEST HEALTH CENTER	140	124	89%
GENESIS SENIOR LIVING CENTER	80	69	86%
IOWA JEWISH SENIOR LIFE CENTER	72	58	81%
IOWA LUTHERAN HOSPITAL	16	15	94%
KAREN ACRES HEALTHCARE CENTER	38	33	87%
KENNYBROOK VILLAGE	40	38	95%
MANORCARE HEALTH SERVICES WDM	120	95	79%
MILL POND RETIREMENT COMMUNITY	60	55	92%
ON WITH LIFE	28	27	96%
PARKRIDGE SPECIALTY CARE	90	82	91%
POLK CITY NURSING AND REHAB	68	51	75%
PRAIRIE VISTA VILLAGE	38	33	87%
QHC MITCHELLVILLE, LLC	65	53	82%
RAMSEY VILLAGE	78	75	96%
SCOTTISH RITE PARK HEALTH CARE	51	32	63%
SUNNY VIEW CARE CENTER	94	92	98%
THE REHABILITATION CENTER OF DSM	74	64	86%
TRINITY CENTER AT LUTHER PARK	120	119	99%
UNION PARK HEALTH SERVICES	81	60	74%
UNIVERSITY PARK NURSING & REHAB	108	93	86%
URBANDALE HEALTH CARE CENTER	130	98	75%

VALLEY VIEW VILLAGE	79	53	67%
WESLEY ACRES	80	71	89%
TOTALS	2,259	1,899	84%

13. According the results of the phone survey, Story County Hospital has 21% occupy and there is one facility which just opened in October that currently has 26% occupancy. These two facilities bring down the county average. If these two facilities were suppressed, the average for Story County would be 80%.

14. The following table displays other levels of service available in the seven-county area

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Story	24 (3)	1	30 (1)	602 (9)	70 (1)
Boone	125 (1)	1	28 (1)	174 (3)	0
Hamilton	0	1	0	132 (2)	0
Hardin	0	1	0	111 (3)	0
Jasper	0	2	28 (1)	120 (2)	0
Marshall	113 (1)**	1	25 (1)	44 (1)	102 (1)
Polk	224 (7)	14	52 (4)	1,167 (13)	1,538 (15)
TOTALS	486 (12)	21	163 (8)	2,350 (33)	1,710 (18)

**Iowa Veterans Home for Veteran and family members only

15. There were no letters of support received.

16. There were two letters of opposition received; one from the administrator of SouthRidge Specialty Care in Marshalltown and one from the administrator of Crestview Nursing and Rehabilitation in Webster City. Each cites occupancy rates as a reason for opposition. One also cites staffing concerns. The applicant notes in a chart provided in the application that Riverside North admitted one resident from Marshall County and three from Hamilton County between 2013-2015.

17. The applicant states that they anticipate adding 19.4 additional FTE's (1 nurse administrator, 4 RN/LPN's, 7.9 aides, 1.4 dietary, 2.1 housekeeping, 1 laundry, 1 activities and 1 social services) as a result of the proposed addition. They will offer positions to former employees of Riverside South and do not anticipate any problems filling the positions.

18. The proposal calls for the construction of a 40-bed nursing facility wing with a total of 7,188 new space added to the current space of 14, 827 square feet for a total of 22,015 square feet. The new resident rooms will occupy 6,613 square feet of the new wing. Nursing stations, storage, and mechanical will comprise the rest. The site cost is listed at \$137,485. The applicant states that total facility costs are \$2,142,563 plus \$84,358 in movable equipment for a turn-key cost of \$57,001.

19. The applicant has \$2,280,048 cash on hand for the project.

20. The applicant does not project an operating deficit.

CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considered 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 building the 40 bed addition is a more appropriate and efficient alternative than rebuilding Riverside South at an alternate location. The Council further concludes that the proposal is an appropriate option to accommodate residents within the community who need skilled 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 are being and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The calculated bed need formula indicates a current underbuild in six of the seven counties surrounding the proposed facility. The underbuild for Story County is 485 beds. Overall, the seven-county region, as calculated by the bed need formula, is underbuilt by 1,807 beds. The phone survey conducted by Department staff indicates a 68% overall occupancy rate for Story County. According the results of the phone survey, Story County Hospital has 21% occupy and there is one facility which just opened in October that currently has 26% occupancy. These two facilities bring down the county average. If these two facilities were suppressed, the average for the county would be 80%. The Council concludes that re-opening of 40 nursing facility beds which were lost when Riverside South closed will have little impact on the appropriate and efficient use of other nursing facilities. The Council further concludes that the applicant rarely admits residents from Marshall and Hamilton Counties, and thus the impact on objecting facilities would be minimal. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project is the construction of a 40 bed skilled nursing addition with a total of 7,188 square feet of new space. The Council further concludes that alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable Iowa Code Sections 135.64(1) and 135.4(2)c. 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 health service, in the absence of that proposed service. The Council takes note that the facility will take Medicaid patients who may have difficulty in obtaining this type of care if the project is not approved. 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) (2015), led the Council to find that a Certificate of Need should be awarded.

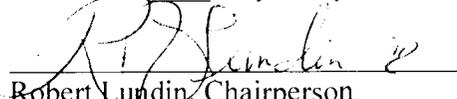
The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2015).

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 ^{7th} 5 day of April 2016


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

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

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

IN THE MATTER OF THE APPLICATION OF)
)
MERCY MEDICAL CENTER SIOUX CITY) **DECISION**
)
SIOUX CITY, IOWA)

This matter came before the State Health Facilities Council for hearing on Wednesday, February 24, 2016.

The applicant proposes to convert 20 medical/surgical beds to skilled nursing care beds at an estimated cost of \$619,795.

Mercy Medical Center Sioux City (Mercy Sioux City) 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. Becky Swift of the Iowa Department of Public Health summarized the project in relation to review criteria. Alissa Smith, Dorsey & Whitney; Deb Lemmen, Tracy Larsen and Mary Pick, Mercy Medical Center, Sioux City, 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) (2015) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Mercy Sioux City proposes to convert 20 medical/surgical beds to skilled nursing to accommodate patients with more complex acute health care needs. In 2010, Mercy decertified 20 SNF beds due to low volume, but now wants to reopen that unit due to difficulty finding appropriate care for the acute patients. The proposed project would provide moderate renovations to that unit.
2. The applicant states that the demand for skilled care has increased and that there are constant delays in placements for patients in need of this service.

3. The applicant states that it does not intend to provide long-term care in their skilled nursing facility; the SNF unit will be designed solely for acute hospital patients who have more complex medical conditions in need of skilled nursing care and who will be transferred to long term care or home following skilled nursing care in their unit.
4. Mercy states that it is participating in the Bundled Payment for Care Improvement Initiative and will be entering into payment arrangements that include financial and performance outcome accountability for their patients' entire episode of care and that to achieve this, patients must have access to skilled nursing care on an efficient and timely basis.
5. The applicant states that all of the patients in the proposed new unit will be skilled patients for whom the daily rate is determined by third party payers (primarily Medicare) and is a significantly lower daily rate than a hospital room rate.
6. The applicant indicates that it receives 85% of its patients from a ten county area in Iowa, Nebraska and South Dakota (Woodbury, Plymouth, Cherokee, Monona, Sioux and Ida in Iowa; Union in South Dakota; and Dakota, Dixon and Thurston in Nebraska). A majority of these patients reside within a 50-mile radius of Mercy.
7. The applicant states that there is net shortage of over 300 SNF/ICF beds in the 10 county area they serve.
8. The applicant is projecting 371 annual admissions to the skilled nursing facility.
9. The calculated bed need formula indicates a current underbuild in two of the five contiguous counties. The underbuild for Woodbury County is 68 beds. Overall, the six county area, as calculated by the bed need formula, is overbuilt by 16 beds. See the following table for additional bed information.

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

County	Projected 2021 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 2/2016	Difference – Formula vs. Licensed & Approved*
Woodbury	15,200	877	809 ¹	-68
Cherokee	2,876	199	228	+29
Crawford	3,321	234	197	-37
Ida	1,447	101	174	+73
Monona	2,388	164	216	+52
Plymouth	5,201	365	332	-33
Totals	30,433	1,940	1,956	+16

*A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild
¹10.7.2013 Whittier Living dba Pioneer Valley, Woodbury County: 78 approved beds included in count

10. Over the span of the last three years, the total number of beds in the six-county area has decreased by 56. There has been a decrease of 10 beds in the past three years for Woodbury County. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number Between February 2013 and February 2016**

County	# of NF Beds (facilities) as of February 2013	# of NF Beds (facilities) as of February 2016	Difference in # of NF Beds
Woodbury	741 (9)	731 (9)	-10
Cherokee	228 (5)	228 (5)	0
Crawford	197 (3)	197 (3)	0
Ida	174 (3)	174 (3)	0
Monona	262 (3)	216 (3)	-46
Plymouth	332 (6)	332 (6)	0
Totals	1,934 (29)	1,878 (29)	-56

11. The bed numbers in the tables above represent the number of beds in free-standing nursing facilities. The six-county area has no hospital-based skilled nursing facility beds.
12. There are currently 1,956 licensed and approved nursing facility beds in the six counties; 124 of these licensed and approved beds (6.3% of all beds) are in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Woodbury	34 (1)
Cherokee	0
Crawford	22 (1)
Ida	17 (1)
Monona	20 (2)
Plymouth	31 (2)
Totals	124 (7)

13. The applicant states that skilled care is less costly than acute care and that by delaying admission to skilled care patients have experienced higher cost hospital rates even though the more appropriate setting for them is skilled care.
14. The applicant states that they have no formal arrangements with any other facilities related to the proposed project.
15. There are nine (9) freestanding nursing facilities in Woodbury County, ranging in occupancy from 30%-97% (75% overall). If the lowest of these is suppressed, the overall occupancy for the county increases to 85%. Below are the results of a recent phone

survey of facilities in the six-county area. The five contiguous counties report occupancies ranging from 71% to 86%.

**Survey of Nursing Facilities Located in Woodbury County
& Counties Contiguous to Woodbury County
Conducted February 2016**

Facility by County	Licensed Beds	Current Occupancy	Percent Occupied
WOODBURY COUNTY			
Casa De Paz Health Care Center	71	60	85%
Correctionville Specialty Care	39	36	92%
Countryside Nursing & Rehab Ctr.	135	41	30%
Embassy Healthcare Community	60	49	82%
Hallmark Care Center SC	48	42	88%
Holy Spirit Retirement Home	94	91	97%
Sunrise Retirement Community	74	64	86%
Touchstone Healthcare Community	125	87	70%
Westwood Specialty Care	85	80	94%
TOTALS	731	550	75%
CHEROKEE COUNTY			
Careage Hills Rehab & Healthcare	44	21	47%
Cherokee Specialty Care	62	46	74%
County Side Estates	48	39	81%
Heartland Care Center	30	30	100%
Sunset Knoll Care & Rehab Ctr.	44	25	57%
TOTALS	228	161	71%
CRAWFORD COUNTY			
Denison Care Center	50	40	80%
Eventide Lutheran Home	100	92	92%
Manilla Manor	47	38	81%
TOTALS	197	170	86%
IDA COUNTY			
Good Samaritan Society – Holstein	60	48	80%
Morningside Healthcare Community	64	50	78%
Willow Dale Wellness Village	50	40	80%
TOTALS	174	138	79%
MONONA COUNTY			
Elmwood Care Center	54	41	76%
Maple Heights Nursing Home	72	49	68%
Pleasant View Care Center	90	77	86%
TOTALS	216	167	77%
PLYMOUTH COUNTY			
Akron Care Center, Inc.	45	45	100%
Good Samaritan Society – Le Mars	65	64	98%

Happy Siesta Nursing Home	62	49	79%
Kingsley Specialty Care	43	35	78%
Plymouth Manor Care Center	65	54	83%
The Abbey of Le Mars	52	26	50%
TOTALS	332	273	82%

16. The following table displays other levels of service available in the six-county area

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Woodbury	70 (2)	5	65 (2)	452 (6)	219 (4)
Cherokee	0	2	12 (1)	113 (3)	0
Crawford	0	1	25 (1)	112 (2)	0
Ida	0	1	0	136 (3)	0
Monona	0	2	0	74 (2)	0
Plymouth	110 (4)	1	0 (1)	158 (3)	0
TOTALS	180 (6)	12	102 (5)	1,045 (19)	219 (4)

17. There were 19 letters of support submitted. Four letters were from patients or family members. Others were from the Core Measure Coordinator and the Director of Nursing at Dunes Surgical Hospital in Dakota Dunes, SD; Administrator of Holy Spirit Retirement Home; Director, Mercy Home Care; General Surgeon, Midlands Clinic; CEO, Siouxland Medical Education Foundation; Inpatient Health Coach, Mercy; Registered Nurse and community member; Director, Palliative Care Services, Mercy Medical Center, Sioux City; Physician, Internal Medicine and Pediatrics; Nurse Practitioner; Chief of Medical Staff, Mercy Medical Center, Sioux City; Medical Director, June E. Nylen Cancer Center; Section Chief of Orthopedics and Clinical Quality Manager, CNOS. Most of these letters cite the need for improved coordination and continuity of care.
18. There were two letters of opposition received; one from the administrator of Correctionville Specialty Care and one from the administrator of Kingsley Specialty Care. Each cite skilled nursing facility bed census in smaller communities as an issue.
19. The applicant states that they do not anticipate having any difficulty recruiting staff. The applicant states that 24 full time FTE's will be needed for the project, including 1.12 administrators, 12.54 RN's, 7.84 CNA's, 1.12 skilled care coordinator, and .56 each social worker and admissions coordinator. Ancillary and support personnel will be provided by other hospital departments and expenses will be allocated to the skilled unit accordingly.
20. The applicant states that conversion of the 20 beds will not affect the availability of staffed medical/surgical beds, nor will it reduce the total licensed facility beds.
21. Total square footage of the unit is 9,717 square feet, of which 6,504 will require some renovation and installation of patient equipment. Areas to be renovated include patient rooms, patient dining, nurses' station, patient treatment, manager office, staff lounge,

restrooms/showers and galley. Costs include \$208,242 in facility costs and \$411,553 in moveable equipment.

22. The applicant has \$620,000 cash on hand for the project.

23. The applicant does not project an operating deficit.

CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considered 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 there is a delay in acute hospital patients being moved to skilled nursing care, and that skilled nursing care is less expensive than acute care. The Council concludes that the proposal is an appropriate option to accommodate admissions from within hospital who need skilled 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 are being used and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The calculated bed need formula indicates a current underbuild in two of the five counties surrounding the proposed facility. The underbuild for Woodbury County is 68 beds. The phone survey conducted by Department staff indicates 75% overall occupancy rate for Woodbury County. There is one facility in the county with an occupancy rate of 30%; if the occupancy for this facility is suppressed, the overall occupancy rate of Woodbury County increases to 85%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council concludes that the conversion of 20 medical/surgical beds to nursing facility beds, since they will not be used for long-term care, will have 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 any new construction. The nursing facility unit will be in a renovated area. Iowa Code Sections 135.64(1) and 135.4(2)c. 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 health service, in the absence of that proposed service. The Council takes note that the applicant states they have a net shortage of over 300 skilled nursing facility/intermediate care facility beds in the 10 county area they serve. Additionally, the availability of care for patients with acute care needs, which the applicant states cannot be met by the nursing facilities within the county indicate patients will have difficulty in obtaining this type of care if the project is not approved. 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) (2015), led the Council to find that a Certificate of Need should be awarded.

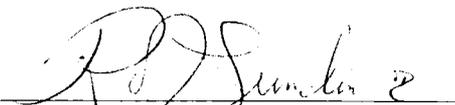
The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2015).

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 5th day of April 2016


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

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

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

IN THE MATTER OF THE APPLICATION OF)
)
THE VIEWS CCRC OF MARION) **DECISION**
)
MARION, IOWA)

This matter came before the State Health Facilities Council for hearing on Thursday, February 25, 2016.

The applicant proposes to build a 40 bed nursing facility at an estimated cost of \$6,440,000.

The Views CCRC of Marion, Iowa, 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. Becky Swift of the Iowa Department of Public Health summarized the project in relation to review criteria. Edwin McIntosh, Dorsey & Whitney, LLP Attorneys at Law; Angie McClure, Community Relations Director, The Views of Cedar Rapids; and Kelleen Scanlon, Community Director, The Views of Cedar Rapids, 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) (2015) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Views CCRC of Marion (The Views) proposes to build a 40 bed, single occupancy, nursing facility as part of a CCRC that will also contain 60 assisted living apartments, 30 of which will specialize in memory care.
2. The applicant states that they will also offer post-acute services to local community members as well a private pay and Medicaid long term care services.
3. The skilled nursing facility will be dually certified for Medicaid and Medicare.
4. The applicant states that this project will be able to serve the needs of low income Iowans by providing a new option of care in Marion and Linn County.

5. The applicant states the facility will also be accessible to the rural areas of Linn County as well as portions of southwest Jones and northeast Johnson Counties.
6. The calculated bed need formula indicates a current underbuild in six of the seven contiguous counties. The underbuild for Linn County is 714 beds. Overall the eight-county area, as calculated by the bed need formula, is underbuilt by 1,885 beds. See the following table for additional bed information.

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

County	Projected 2021 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 2/2016	Difference – Formula vs. Licensed & Approved*
Linn	35,616	2,041	1,327 ¹	-714
Benton	5,008	354	172	-182
Buchanan	3,891	276	136	-140
Cedar	3,717	262	238	-24
Delaware	3,675	257	191	-66
Iowa	3,384	237	237	0
Johnson	20,785	1222	597 ²	-625
Jones	4,423	310	176	-134
Totals	80,499	4,959	3,074	-1,885

*A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild
¹Rehabilitation Center of Lisbon, Linn County, approved 10.8.13: 64 beds; CCRC of Cedar Rapids, approved 10.28.2015: 40 beds. ²Legacy Gardens, Johnson County, approved 10.21.14: 40 beds; Oaknoll, Johnson County, approved 10.21.14: 10 beds. All approved beds are included in the count.

7. Over the span of the last three years, the total number of beds in the eight-county area has increased by 5 beds. There has been an increase of 14 beds in the past three years for Linn County. See the following table for additional detail.

Nursing Facility Beds by County
Difference in Number between February 2013 and February 2016

County	# of NF Beds (facilities) as of February 2013	# of NF Beds (facilities) as of February 2016	Difference in # of NF Beds
Linn	1,209 (14)	1,223 (14)	+14
Benton	172 (3)	172 (3)	0
Buchanan	136 (2)	136 (2)	0
Cedar	238 (4)	238 (4)	0
Delaware	191 (2)	191 (2)	0
Iowa	237 (4)	237 (4)	0
Johnson	547 (7)	547 (7)	0

Jones	185 (2)	176 (2)	-9
Totals	2,915 (38)	2,920 (38)	+5

8. The bed numbers in the tables above represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the eight-county area has 116 hospital-based skilled nursing facility beds.
9. There are currently 3,074 licensed and approved nursing facility beds in the eight counties with 220 licensed beds (7.2% of all beds) in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Linn	94 (4)
Benton	14 (1)
Buchanan	0
Cedar	0
Delaware	36 (1)
Iowa	15 (1)
Johnson	37 (2)
Jones	24 (1)
Totals	220 (10)

10. The applicant states that facilities in the area are operating at or near their capacity. The applicant states that the need for hospital providers to place patients where the appropriate level of care can be provided in the least costly setting makes the SNF/NF environment the appropriate post-acute alternative.
11. The Views will contract with a medical director and local physicians. In addition transfer agreements will be in place with the three major hospitals serving the Linn County area – UnityPoint St. Luke’s, Mercy Medical Center and the University of Iowa Hospitals and Clinics.
12. There are 14 freestanding nursing facilities in Linn County. The overall average for Linn County is 80%. There is one facility in Linn County with a 58% occupancy rate. If this facility is suppressed, the overall occupancy for the county increases to 83%. The results of a recent phone survey of facilities in the eight-county area conducted by department staff are provided in the table below.

**Survey of Nursing Facilities Located in Linn County
& Counties Contiguous to Linn County
Conducted February, 2016**

Facility by County	Licensed Beds	Current Occupancy	Percent Occupied
LINN COUNTY			
COTTAGE GROVE PLACE-THE CLUB	52	46	88%

CRESTVIEW ACRES	100	85	85%
HALLMARK CARE CENTER MV	55	41	75%
HERITAGE SPECIALTY CARE	201	135	67%
HIAWATHA CARE CENTER	109	106	97%
LINN MANOR CARE CENTER	38	36	95%
LIVING CENTER EAST	67	54	81%
LIVING CENTER WEST	100	75	75%
MANORCARE HEALTH SERVICES	105	89	85%
MERCY MEDICAL CENTER CR —SNF	21	18	86%
METH WICK HEALTH CENTER	65	60	92%
NORTHBROOK MANOR CARE CENTER	130	75	58%
WEST RIDGE CARE CENTER	60	54	90%
WILLOW GARDENS CARE CENTER	91	74	81%
WINSLOW HOUSE CARE CENTER	50	50	100%
TOTALS	1,244	998	80%
BENTON COUNTY			
BELLE PLAINE NURSING & REHAB CTR	66	35	53%
KEYSTONE NURSING CARE CENTER	45	44	98%
THE VINTON LUTHERAN HOME	61	59	97%
VIRGINIA GAY HOSPITAL NF	40	35	88%
TOTALS	212	177	82%
BUCHANAN COUNTY			
ABCM REHAB CTR OF INDEPENDENCE EAST	50	35	70%
ABCM REHAB CTR OF INDEPENDENCE WEST	86	54	63%
BUCHANAN COUNTY HEALTH CENTER NF	39	34	87%
TOTALS	175	123	70%
CEDAR COUNTY			
CEDAR MANOR	60	52	87%
CLARENCE NURSING HOME	46	45	98%
CRESTVIEW SPECIALTY CARE	65	61	94%
MECHANICSVILLE SPECIALTY CARE	67	31	46%
TOTALS	238	189	79%
DELAWARE COUNTY			
EDGEWOOD CONVALESCENT HOME	58	47	81%
GOOD NEIGHBOR HOME	135	120	89%
TOTALS	193	167	87%
IOWA COUNTY			
COLONIAL MANOR OF AMANA	60	53	88%
ENGLISH VALLEY CARE CENTER	60	48	80%
HIGHLAND RIDGE CARE CENTER	59	59	100%
ROSE HAVEN NURSING HOME	58	49	84%
TOTALS	237	209	88%

JOHNSON COUNTY			
BRIARWOOD HEALTHCARE CENTER	64	63	98%
IOWA CITY REHAB & HEALTH CARE CTR.	89	70	79%
LANTERN PARK SPECIALTY CARE	90	88	98%
LONE TREE HEALTH CARE CENTER	44	36	82%
MERCY HOSPITAL IC - SNF	16	2	13%
OAKNOLL RETIREMENT RESIDENCE	48	44	92%
SOLOM NURSING CARE CENTER	92	87	95%
WINDMILL MANOR	120	82	68%
TOTALS	563	472	84%
JONES COUNTY			
ANAMOSA CARE CENTER	76	61	80%
MONTICELLO NURSING & REHAB CENTER	100	90	90%
TOTALS	176	151	86%

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Linn	247 (5)	7	115 (2)	443 (7)	718 (8)
Benton	78 (2)	3	0	156 (4)	0
Buchanan	0	0	20 (1)	68 (2)	104 (1)
Cedar	0	1	0	36 (1)	70 (1)
Delaware	60 (1)	1	25 (1)	128 (2)	0
Iowa	2 (1)	1	0	174 (3)	0
Johnson	104 (1)	2	85 (2)	460 (6)	146 (3)
Jones	51 (1)	2	0	80 (2)	0
TOTALS	542 (11)	17	245 (6)	1,545 (27)	1,038 (13)

14. The applicant submitted two letters of support for the proposal; one from the owner of Right at Home In Home Care & Assistance and one from the Health Director of Linn County Public Health. The Health Director of Linn County Public Health states that the City of Marion is growing at a much higher rate than the rest of the state, and that Marion has seen a 5.8% increase in population from 2010-2014. The letter also states that people over the age of 65 make up 13.1% of the population and are only served by three skilled nursing facilities, for which wait times can be 6-12 months.

15. There were no letters of opposition received.

16. The Views projects the need for 36.7 staff, including 2.4 administrative and 25 nursing staff. The applicant states that it does not anticipate any difficulty in hiring well-qualified staff and will recruit nursing staff through local nursing programs.

17. The proposal calls for the construction of a 40-bed neighborhood skilled nursing facility with a total of 29,965 square feet; living/activity will be 340 square feet, dining/den will

be 740 square feet and resident rooms will be roughly 10,000 square feet. The site costs are listed at \$296,020. Total facility costs are \$4,567,740 plus \$310,000 in moveable equipment and \$1,018,340 in financing costs, with \$810,000 of that being equity required for loan. This is a turn-key cost of \$202,500.

18. The applicant has \$1,660,000 cash on hand. The applicant included a letter from Cambridge Realty Capital Ltd. of Illinois expressing interest in furnishing a \$6,440,000 HUD insured construction loan and permanent loan, pursuant to Section 232 of the National Housing Act.
19. The applicant does not project an operating deficit after year one.

CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considered 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 there is an underbuild of 714 beds in Linn County and a waiting list at existing skilled nursing facilities. The Council concludes that the proposal is an appropriate option to accommodate residents within the community who need skilled 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 are being and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The calculated bed need formula indicates a current underbuild in six of the seven counties surrounding the proposed facility. The underbuild for Linn County is 714 beds. Overall, the eight-county region, as calculated by the bed need formula, is underbuilt

by 1,885 beds. The phone survey conducted by Department staff indicates an 80% overall occupancy rate for Dallas County. There was one facility in Linn County with an occupancy rate of 58%. If the occupancy for this facility is suppressed, the overall occupancy rate of Linn County increases to 83%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council concludes that despite the lower occupancy rates, the overall need for nursing beds in the community is high and that the addition of 40 nursing facility beds will have 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 is the construction of a 40 bed skilled nursing facility with a total of 29,965 square feet. The Council further concludes that alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable. Iowa Code Sections 135.64(1) and 135.4(2)c. 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 health service, in the absence of that proposed service. The Council takes note that there is an increasing need for skilled nursing facility beds in the proposed service area. Additionally, the occupancy rates of the nursing facilities within the service area and the waiting list at existing facilities indicate patients will have difficulty in obtaining this type of care if the project is not approved. 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) (2015), led the Council to find that a Certificate of Need should be awarded.

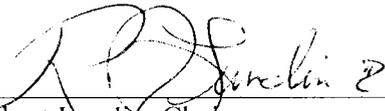
The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2015).

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 5TH day of April 2016


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

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

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

IN THE MATTER OF THE APPLICATION OF)
)
VINTAGE LIVING LLC) **DECISION**
d/b/a THE GARDENS OF CEDAR RAPIDS)
)
CEDAR RAPIDS, IOWA)

This matter came before the State Health Facilities Council for hearing on Thursday, February 25, 2016.

The applicant proposes to build a 40 bed nursing facility at an estimated cost of \$6,000,000.

Vintage Living, LLC d/b/a The Gardens of Cedar Rapids, 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. Becky Swift of the Iowa Department of Public Health summarized the project in relation to review criteria. Doug Gross, Brown Winick Attorneys at Law; Jim Angstman, Managing Partner, Vintage Living, LLC; and Lisa Elwick, Administrator, Winslow House Care Center, 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) (2015) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Gardens of Cedar Rapids proposes to build a 40 bed single occupancy nursing facility as part of a campus that will also contain 30 assisted living units and 12 units in a wing dedicated to assisted living for patients with memory loss.
2. The applicant states that the skilled nursing facility will be dually certified for Medicaid and Medicare.
3. The applicant states that the primary service area for the facility will be southwest Linn County, southeast Benton County and northern Johnson County – an eight ZIP code area region - where there is currently no facility.

4. The applicant states that the primary service area of The Gardens of Cedar Rapids is aging. The applicant commissioned a study by Viewpoint Consulting Group which found that between 2000-2015 the population of persons over the age of 65 increased by 28%, and the population of persons over the age of 75 increased by 15%. Viewpoint projects that over the next five years the population of persons over 65 will increase by 15% and those over 75 by 11%. The consultant concluded that there is an unmet need for an additional 187 beds in the primary service area of the project.
5. The calculated bed need formula indicates a current underbuild in six of the seven contiguous counties. The underbuild for Linn County is 714 beds. Overall the eight-county area, as calculated by the bed need formula, is underbuilt by 1,885 beds. See the following table for additional bed information.

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

County	Projected 2021 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 2/2016	Difference – Formula vs. Licensed & Approved*
Linn	35,616	2,041	1,327 ¹	-714
Benton	5,008	354	172	-182
Buchanan	3,891	276	136	-140
Cedar	3,717	262	238	-24
Delaware	3,675	257	191	-66
Iowa	3,384	237	237	0
Johnson	20,785	1222	597 ²	-625
Jones	4,423	310	176	-134
Totals	80,499	4,959	3,074	-1,885

*A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild
¹Rehabilitation Center of Lisbon, Linn County, approved 10.8.13: 64 beds; CCRC of Cedar Rapids, approved 10.28.2015: 40 beds. ²Legacy Gardens, Johnson County, approved 10.21.14: 40 beds; Oaknoll, Johnson County, approved 10.21.14: 10 beds. All approved beds are included in the count.

6. Over the span of the last three years, the total number of beds in the eight-county area has increased by 5 beds. There has been an increase of 14 beds in the past three years for Linn County. See the following table for additional detail.

Nursing Facility Beds by County
Difference in Number between February 2013 and February 2016

County	# of NF Beds (facilities) as of February 2013	# of NF Beds (facilities) as of February 2016	Difference in # of NF Beds
Linn	1,209 (14)	1,223 (14)	+14
Benton	172 (3)	172 (3)	0
Buchanan	136 (2)	136 (2)	0

Cedar	238 (4)	238 (4)	0
Delaware	191 (2)	191 (2)	0
Iowa	237 (4)	237 (4)	0
Johnson	547 (7)	547 (7)	0
Jones	185 (2)	176 (2)	-9
Totals	2,915 (38)	2,920 (38)	+5

7. The bed numbers in the tables above represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the eight-county area has 116 hospital-based skilled nursing facility beds.
8. There are currently 3,074 licensed and approved nursing facility beds in the eight counties with 220 licensed beds (7.2% of all beds) in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Linn	94 (4)
Benton	14 (1)
Buchanan	0
Cedar	0
Delaware	36 (1)
Iowa	15 (1)
Johnson	37 (2)
Jones	24 (1)
Totals	220 (10)

9. The applicant states that no less costly or more appropriate alternatives to the proposed project exist. The applicant also states that there is a significant need for additional nursing facility beds in the primary service area and the only way to fill this need is by building additional beds.
10. The Gardens of Cedar Rapids will contract with a medical director and form relationships with the Mercy Medical Center and UnityPoint Health clinics as well as other practicing physicians in the area. In addition transfer agreements will be in place with the three major hospitals serving the Linn County area – UnityPoint St. Luke’s, Mercy Medical Center and the University of Iowa Hospitals and Clinics.
11. There are 14 freestanding nursing facilities in Linn County. The overall average for Linn County is 80%. There is one facility in Linn County with a 58% occupancy rate. If this facility is suppressed, the overall occupancy for the county increases to 83%. The results of a recent phone survey of facilities in the eight-county area conducted by department staff are provided in the table below.

**Survey of Nursing Facilities Located in Linn County
& Counties Contiguous to Linn County
Conducted February, 2016**

Facility by County	Licensed Beds	Current Occupancy	Percent Occupied
LINN COUNTY			
COTTAGE GROVE PLACE-THE CLUB	52	46	88%
CRESTVIEW ACRES	100	85	85%
HALLMARK CARE CENTER MV	55	41	75%
HERITAGE SPECIALTY CARE	201	135	67%
HIAWATHA CARE CENTER	109	106	97%
LINN MANOR CARE CENTER	38	36	95%
LIVING CENTER EAST	67	54	81%
LIVING CENTER WEST	100	75	75%
MANORCARE HEALTH SERVICES	105	89	85%
MERCY MEDICAL CENTER CR —SNF	21	18	86%
METH WICK HEALTH CENTER	65	60	92%
NORTHBROOK MANOR CARE CENTER	130	75	58%
WEST RIDGE CARE CENTER	60	54	90%
WILLOW GARDENS CARE CENTER	91	74	81%
WINSLOW HOUSE CARE CENTER	50	50	100%
TOTALS	1,244	998	80%
BENTON COUNTY			
BELLE PLAINE NURSING & REHAB CTR	66	35	53%
KEYSTONE NURSING CARE CENTER	45	44	98%
THE VINTON LUTHERAN HOME	61	59	97%
VIRGINIA GAY HOSPITAL NF	40	35	88%
TOTALS	212	177	82%
BUCHANAN COUNTY			
ABCM REHAB CTR OF INDEPENDENCE EAST	50	35	70%
ABCM REHAB CTR OF INDEPENDENCE WEST	86	54	63%
BUCHANAN COUNTY HEALTH CENTER NF	39	34	87%
TOTALS	175	123	70%
CEDAR COUNTY			
CEDAR MANOR	60	52	87%
CLARENCE NURSING HOME	46	45	98%
CRESTVIEW SPECIALTY CARE	65	61	94%
MECHANICSVILLE SPECIALTY CARE	67	31	46%
TOTALS	238	189	79%
DELAWARE COUNTY			
EDGEWOOD CONVALESCENT HOME	58	47	81%
GOOD NEIGHBOR HOME	135	120	89%

TOTALS	193	167	87%
IOWA COUNTY			
COLONIAL MANOR OF AMANA	60	53	88%
ENGLISH VALLEY CARE CENTER	60	48	80%
HIGHLAND RIDGE CARE CENTER	59	59	100%
ROSE HAVEN NURSING HOME	58	49	84%
TOTALS	237	209	88%
JOHNSON COUNTY			
BRIARWOOD HEALTHCARE CENTER	64	63	98%
IOWA CITY REHAB & HEALTH CARE CTR.	89	70	79%
LANTERN PARK SPECIALTY CARE	90	88	98%
LONE TREE HEALTH CARE CENTER	44	36	82%
MERCY HOSPITAL IC - SNF	16	2	13%
OAKNOLL RETIREMENT RESIDENCE	48	44	92%
SOLOON NURSING CARE CENTER	92	87	95%
WINDMILL MANOR	120	82	68%
TOTALS	563	472	84%
JONES COUNTY			
ANAMOSA CARE CENTER	76	61	80%
MONTICELLO NURSING & REHAB CENTER	100	90	90%
TOTALS	176	151	86%

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Linn	247 (5)	7	115 (2)	443 (7)	718 (8)
Benton	78 (2)	3	0	156 (4)	0
Buchanan	0	0	20 (1)	68 (2)	104 (1)
Cedar	0	1	0	36 (1)	70 (1)
Delaware	60 (1)	1	25 (1)	128 (2)	0
Iowa	2 (1)	1	0	174 (3)	0
Johnson	104 (1)	2	85 (2)	460 (6)	146 (3)
Jones	51 (1)	2	0	80 (2)	0
TOTALS	542 (11)	17	245 (6)	1,545 (27)	1,038 (13)

13. There were four letters of support received. One each from Cherokee Economic Development which has a strong working relationship with The Gardens Assisted Living in Cherokee; The Views; a family member of a resident of The Gardens (no community stated); the President and CEO of Cedar Rapids Metro Economic Alliance.

14. There were no letters of opposition received.

15. The Gardens of Cedar Rapids projects the need for 37.7 staff, including two administrative and 25.8 nursing staff. The applicant states that it does not anticipate any difficulty in hiring well-qualified staff and will recruit nursing staff through local nursing programs.
16. The proposal calls for the construction of a 40-bed neighborhood skilled nursing facility with a total of 27,798 square feet; living/activity will be 784 square feet, dining/sunroom will be 1,208 square feet and resident rooms will be 13,600 square feet. The site costs are listed at \$270,000. Total facility costs are \$5,378,000 plus \$280,000 in moveable equipment and \$72,000 in financing costs. This is a turn-key cost of \$187,500.
17. The applicant states they have \$1,500,000 cash on hand and that they will borrow \$6,000,000; the interest of which is based on a loan at 4.25% for 25 years. The applicant provided a letter from Lancaster Pollard Mortgage Company, LLC, in Exelsior, MN indicating the intent to provide the loan for the construction of the facility.
18. The applicant does not project an operating deficit after year one.

CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considered 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 there is an underbuild of 714 beds in Linn County and that there is no current facility in the primary service area of southwest Cedar Rapids. The Council concludes that the proposal is an appropriate option to accommodate residents within the community who need skilled 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 are being and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The calculated bed need formula indicates a current underbuild in six of the seven counties surrounding the proposed facility. The underbuild for Linn County is 714 beds. Overall, the eight-county region, as calculated by the bed need formula, is underbuilt by 1,885 beds. The phone survey conducted by Department staff indicates an 80% overall occupancy rate for Dallas County. There was one facility in Linn County with an occupancy rate of 58%. If the occupancy for this facility is suppressed, the overall occupancy rate of Linn County increases to 83%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council concludes that despite the lower occupancy rates, the overall need for nursing beds in the community is high and that the addition of 40 nursing facility beds will have 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 is the construction of a 40 bed skilled nursing facility with a total of 27,789 square feet. The Council further concludes that alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable. Iowa Code Sections 135.64(1) and 135.4(2)c. 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 health service, in the absence of that proposed service. The Council takes note that there is an increasing need for skilled nursing facility beds in the proposed service area as indicated by the bed need formula and independent consultant report. Additionally, the occupancy rates of the nursing facilities within the service area indicate patients will have difficulty in obtaining this type of care if the project is not approved. 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) (2015), 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 (2015).

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 5th day of April 2016



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

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

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

IN THE MATTER OF THE APPLICATION OF)
)
WESLEYLIFE) **DECISION**
)
JOHNSTON, IOWA)

This matter came before the State Health Facilities Council for hearing on Wednesday, February 24, 2016.

The applicant proposes to build a 36 bed neighborhood model nursing facility at an estimated cost of \$6,332,791.

WesleyLife 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. Becky Swift of the Iowa Department of Public Health summarized the project in relation to review criteria. Ed McIntosh, Dorsey & Whitney; Rob Kretzinger, CEO WesleyLife; and Janet Simpson, WesleyLife 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) (2015) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. WesleyLife proposes to build a 36 bed skilled nursing facility, with two distinct areas of 18 units dedicated to skilled nursing and 18 to skilled nursing for dementia, as part of a Community for Healthy Living (CHL) in Johnston, IA.
2. The applicant states that 100% of the nursing facility beds will be Medicaid certified and they will serve both Medicaid and Medicare patients.
3. The applicant currently operates several Communities of Healthy Living serving a multi-county area, including Polk County.

4. The applicant indicates that the primary service area is a five mile radius of Johnston in Polk County and the secondary service area includes those living within a 15 mile driving range of the facility.
5. The applicant states that based on a study conducted, the total population in the market area is currently 57,000 and is increasing rapidly and is projected to increase 2.4% -2.5% per year between 2010 and 2020 to 73,000. In addition the 75+ population of this area is growing at an even more rapid rate, with projected growth of 3.4% per year.
6. The calculated bed need formula indicates a current underbuild in 6 of the 7 contiguous counties. The underbuild for Polk County is 1,093 beds. Overall the eight-county area, as calculated by the bed need formula, is underbuilt by 1,965 beds. See the following table for additional bed information.

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

County	Projected 2021 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 2/16	Difference – Formula vs. Licensed & Approved*
Polk	58,935	3,464	2,371 ¹	-1,093
Boone	5,039	356	377	21
Dallas	8,968	532	489	-43
Jasper	7,288	513	355	-158
Madison	3,248	229	190	-39
Marion	6,237	442	306	-136
Story	12,896	938	453 ²	-485
Warren	9,442	532	521	-11
Totals	112,053	7,006	5,024	-1,965

* A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild
¹ Approved July 2014: 70 beds at Hawkeye Estates in Ankeny which are included in this count; ²This number does not include the currently licensed 59 beds from the now closed Riverside South in Ames. The license for these beds is in suspension.

7. Over the span of the last three years, the total number of beds in the eight-county area has increased by 101 beds. There has been an increase of 44 beds in the past three years for Polk County. See the following table for additional detail.

Nursing Facility Beds by County
Difference in Number between February 2013 and February 2016

County	# of NF Beds (facilities) as of February 2013	# of NF Beds (facilities) as of February 2016	Difference in # of NF Beds
Polk	2,257(28)	2,301(29)	+44
Boone	377 (4)	377 (4)	0
Dallas	479 (9)	489 (9)	+10
Jasper	361 (6)	355 (7)	-6

Madison	190 (3)	190 (3)	0
Marion	242 (4)	306 (5)	+64
Story	464 (6)	453 (6)	-11
Warren	521 (6)	521 (6)	0
Totals	4,891 (66)	4,992 (69)	+101

8. The bed numbers in the tables above represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the eight-county area has 192 hospital-based skilled nursing facility beds.
9. There are currently 5,024 licensed and approved nursing facility beds in the eight counties with 626 licensed beds (12.5% of all beds) in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Polk	192(7)
Boone	56 (2)
Dallas	124 (4)
Jasper	38 (2)
Madison	18 (1)
Marion	48 (3)
Story	62 (3)
Warren	88 (4)
Totals	626 (26)

10. The applicant states that there are no less costly alternatives in staffing, scheduling, design, or service sharing to achieve the highest quality of care envisioned for the community.
11. WesleyLife intends to participate in the UnityPoint ACO and Mercy ACO and will have transfer agreements with Iowa Methodist Hospital and Mercy Medical Center. WesleyLife also has relationships with The Iowa Clinic and Des Moines Orthopedic Surgeons.
12. There are 29 freestanding nursing facilities in Polk County. The overall average for Polk County is 84%. One nursing facility, which is in the process of closing, had an occupancy rate of 20%, which affected the overall rate for the county. The results of a recent phone survey of facilities in the eight-county area conducted by department staff are provided in the table below.

**Survey of Nursing Facilities Located in Polk County
& Counties Contiguous to Polk County
Conducted February, 2016**

Facility by County	Licensed Beds	Current Occupancy	Percent Occupied
POLK COUNTY			
Altoona Nursing and Rehab	106	90	85%
Bishop Drumm Care Center	150	116	77%
Calvin Community	59	56	95%
Deerfield Retirement Community	30	28	93%
East Village Center for Wellness & Rehab	44	9	20%
Fleur Heights Center for Wellness & Rehab	120	110	92%
Fountain West Health Center	140	124	89%
Genesis Senior Living Center	80	69	86%
Iowa Jewish Senior Life Center	72	58	81%
Iowa Lutheran Hospital	16	15	94%
Karen Acres Healthcare Center	38	33	87%
Kennybrook Village	40	38	95%
Manorcare Health Services of WDM	120	95	79%
Mill Pond Retirement Community	60	55	92%
On With Life	28	27	96%
Parkridge Nursing & Rehab Ctr.	90	82	91%
Polk City Nursing and Rehab	68	51	75%
Prairie Vista Village	38	33	87%
QHC Mitchellville, LLC	65	53	82%
Ramsey Village	78	75	96%
Rehabilitation Ctr. Of Des Moines	74	64	86%
Scottish Rite Park Health Care Ctr.	51	32	63%
Sunny View Care Center	94	92	98%
Trinity Center at Luther Park	120	119	99%
Union Park Health Services	81	60	74%
University Park Nursing & Rehab Ctr.	108	93	86%
Urbandale Health Care Center	130	98	75%
Valley View Village	79	53	67%
Wesley Acres	80	71	89%
TOTALS	2,259	1,899	84%
BOONE COUNTY			
Boone County Health Care Center	4	0	0%
Eastern Star Masonic Home	76	75	99%
Madrid Home for the Aging	155	86	55%
Ogden Manor	46	42	91%
Westhaven Community	100	96	96%
TOTALS	381	299	78%

DALLAS COUNTY			
Adel Acres	50	41	82%
Arbor Springs	56	50	89%
Edgewater	40	37	93%
Granger Nursing & Rehab Center	67	50	75%
Perry Health Care Center	46	18	39%
Perry Lutheran Home	70	66	94%
Rowley Memorial Masonic Home	57	51	89%
Spurgeon Manor	55	49	89%
The Village at Legacy Pointe	48	44	92%
TOTALS	489	406	83%
JASPER COUNTY			
Baxter Health Care Center	44	30	68%
Careage of Newton	53	47	89%
Heritage Manor	62	42	68%
Nelson Manor	36	30	83%
Newton Village Health Care Center	24	18	75%
Newton Health Care Center	70	54	77%
Wesley Park Centre	66	56	85%
TOTALS	355	277	78%
MADISON COUNTY			
QHC Winterset Care Center North	75	40	53%
QHC Winterset Care Center South	45	30	67%
West Bridge Care & Rehabilitation	70	69	99%
TOTALS	190	139	73%
MARION COUNTY			
Jefferson Place	36	33	92%
Knoxville Rehab Center	75	56	75%
Pella Regional Health Ctr – HSP SNF/NF	15	6	40%
Pleasant Care Living Center	53	2	4%
The Cottages	64	61	95%
West Ridge Nursing & Rehab Center	78	72	92%
TOTALS	321	230	72%
STORY COUNTY			
Bethany Manor	180	147	82%
Green Hills Health Care Center	56	35	63%
Northridge Village	38	10	26%
Riverside North	70	54	77%
Rolling Green Village	69	64	93%
Story County Hospital NF	80	17	21%
Zearing Health Care	40	34	85%
TOTALS	533	361	68%

WARREN COUNTY			
Carlisle Center for Wellness & Rehab	101	93	92%
Good Samaritan Society –Indianola	131	104	79%
Norwalk Nursing & Rehab Center	51	38	75%
Regency Care Center	101	79	78%
The Village	54	52	96%
Westview of Indianola Care Center	83	67	81%
TOTALS	521	433	83%

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Polk	224 (7)	14	52 (3)	1,167 (13)	1,538 (15)
Boone	125 (1)	1	28 (1)	174 (3)	0
Dallas	30 (1)	2	0	194 (4)	160 (3)
Jasper	0	2	28 (1)	120 (2)	0
Madison	18 (1)	0	0	0	74 (1)
Marion	44 (2)	2	0	122 (1)	178 (3)
Story	24 (3)	1	30 (1)	602 (9)	70 (1)

14. There were nine letters of support received. Three were from family members whose relatives live in similar WesleyLife communities in West Des Moines (Edgewater) and Pella (Hearthstone – The Cottages). Other letters were received from the Mayor of Johnston; a Des Moines Orthopedic Surgeons, PC physician and family member of an Edgewater resident; the President and CEO of Calvin Community; the CEO of The Iowa Clinic; a physician from The Iowa Clinic; and the President and CEO of UnityPoint Des Moines.

15. There were no letters of opposition received.

16. The applicant states that they do not anticipate having any difficulty recruiting staff. The applicant forecasts the need for 39.7 personnel, including 1.2 administrators, 27.8 nursing staff, 4.5 dietary and 6.2 in other positions. WesleyLife anticipates that many of the new positions will be filled by individuals who reside in Polk and Dallas Counties. The applicant states they have a number of candidates in their database and will be able to draw from this pool.

17. The proposal calls for the construction of a 36-bed neighborhood skilled nursing facility with a total of 29,883 square feet; living/activity will be 1,088 square feet dining/sunroom will be 1,550 square feet and resident rooms will be 12,420 square feet. The site costs are listed at \$467,912 plus \$54,860 in land improvement (landscaping). Total facility costs are \$4,880,302 plus \$738,835 in moveable equipment and \$190,882 in financing costs for a turn-key cost of \$175,910.

18. The applicant has \$814,715 cash on hand. They will borrow \$6,052,167; the interest of which is based on a loan at 3.37% for 25 years. A letter provided by the applicant from Central State Bank in State Center, IA indicates that they are interested in financing up to \$26 million for the construction of the continuing care facility.

19. The applicant does not project an operating deficit after year two.

CONCLUSIONS OF LAW

In determining whether to issue a certificate of need, the Council considered 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 there is a lack of nursing facilities in the Johnston area. The Council concludes that the proposal is an appropriate option to accommodate residents within the community who need skilled 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 calculated bed need formula indicates a current underbuild in six of the seven counties surrounding the proposed facility. The underbuild for Polk County is 1,093 beds. Overall, the eight-county region, as calculated by the bed need formula, is underbuilt by 1,965 beds. The phone survey conducted by Department staff indicates an 84% overall occupancy rate for Polk County. Following the survey, the Council learned that East Village Wellness and Rehab, which had an occupancy rate of 20%, was closing. If the occupancy for this facility is suppressed, the overall occupancy rate of Polk County increases to 85%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council concludes that the addition of 36

nursing facility beds will have 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 is the construction of a 36 bed skilled nursing facility with a total of 29,883 square feet. The Council further concludes that alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable. Iowa Code Sections 135.64(1) and 135.4(2)c. 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 health service, in the absence of that proposed service. The Council takes note that the applicant states there is an increasing need for skilled nursing facility beds in the Johnston, Iowa area. Additionally, the occupancy rates of the nursing facilities within the county and the rapid rate of increase in the elderly population of this community indicate patients will have difficulty in obtaining this type of care if the project is not approved. 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) (2015), 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 (2015).

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 ²⁴ day of April 2016


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

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

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

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

DECISION

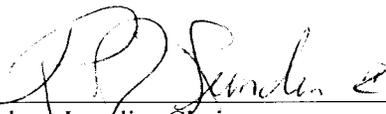
This matter came before the State Health Facilities Council for review on Thursday, February 25, 2016.

The project, the construction of a 14-bed private room addition, was originally approved on February 23, 2015 at an estimated cost of \$1,580,000.

The Council, after reading the extension request and hearing comments by staff, voted 4-0 to Grant an Extension of Certificate of Need per Iowa Administrative Code 641—202.13. The decision is based upon the finding that progress is being made.

The extension is valid for six months.

Dated this 5th day of April 2016



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

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

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

IN THE MATTER OF THE)
CERTIFICATE OF NEED EXTENSION FOR)
)
JP SENIOR HEALTH CARE, LLC)
d/b/a PIONEER VALLEY LIVING AND)
REHAB)
)
SERGEANT BLUFF, IOWA)

DECISION

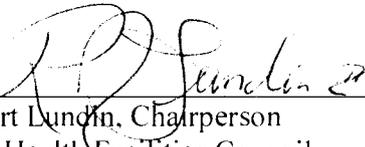
This matter came before the State Health Facilities Council for review on Thursday, February 25, 2016.

The project, the construction of a 78-bed skilled nursing facility, was originally approved on October 7, 2013, at an estimated cost of \$12,594,309.

The Council, after reading the extension request and hearing comments by staff, voted 4-0 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 three months.

Dated this 5TH day of April 2016



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

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