

MINUTES
STATE HEALTH FACILITIES COUNCIL
WEDNESDAY, OCTOBER 28, 2015
IOWA LABORATORY FACILITY, CONFERENCE CENTER, ROOM 208
DMACC CAMPUS, ANKENY

9:00 AM: ROLL CALL

MEMBERS PRESENT: Bob Lundin, Chairperson; Connie Schmett; Amy Skinner; and Roger Thomas

STAFF PRESENT: Kala Shipley; Jim Goodrich; and Heather Adams, Counsel for State

A motion by Schmett, seconded by Skinner to amend the agenda carried by voice vote.

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

1. Wheatland Manor, Clinton County: Modernization of 44-bed nursing facility.

Proposing the conversion of 14 semi private beds to private rooms in a new wing. The number of beds will remain the same and there will be no new services added.

Staff report by Kala Shipley. A motion by Skinner, seconded by Thomas to affirm the Department's determination, passed unanimously by voice vote.

II. PROJECT UPDATE

1. University of Iowa Hospitals and Clinics, Iowa City, Johnson County: Acquire proton beam radiation therapy unit.

Lundin reported that UIHC is longer pursuing this project per information received. Lundin, for the record, wants to know more about their decision to discontinue the project. Shipley will ask for clarification about that decision.

III. PROJECT REVIEW

1. CCRC of Cedar Rapids, LLC, Marion, Linn County: Build a 40-bed nursing facility -- \$4,854,000.

Staff report by Jim Goodrich. The applicant was represented by Ed McIntosh, Dorsey & Whitney; Gib Wood, Scenic Development Company; and Jill Colbert, Prairie Vista Village. The applicant made a presentation and answered questions posed by the council. A motion by Skinner, seconded by Thomas, to enter exhibits presented in support of oral testimony into the record carried by voice vote.

No affected parties appeared at the hearing

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

2. Good Samaritan Society-Le Mars, Plymouth County: Add 5 skilled nursing facility beds -- \$1,343,100.

Staff report by Jim Goodrich. The applicant was represented by Ken Watkins, Davis Brown Law Firm; and Karen Mousel, Good Samaritan Society of Le Mars. The applicant made a presentation and answered questions posed by the council. A motion by Schmett, seconded by Thomas, to enter exhibits presented in support of oral testimony into the record carried by voice vote.

No affected parties appeared at the hearing

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

V. AMEND MINUTES OF PREVIOUS MEETING (February 2015)

A motion by Schmett, seconded by Skinner to approve amended minutes of the February 23, 2015 meeting passed unanimously by voice vote

VI. APPROVE MINUTES OF PREVIOUS MEETINGS (August 2015 and September 2015)

A motion by Thomas, seconded by Schmett to approve the minutes of the August 4, 2015 meeting passed unanimously by voice vote

A motion by Skinner, seconded by Thomas to approve the minutes of the September 17, 2015 meeting passed unanimously by voice vote.

Discussion of October 29, 2015 agenda ensued.

The meeting adjourned at 10:07 am.

MINUTES
STATE HEALTH FACILITIES COUNCIL
THURSDAY, OCTOBER 29, 2015
IOWA LABORATORY FACILITY, CONFERENCE CENTER, ROOM 208
DMACC CAMPUS, ANKENY

8:30 AM: ROLL CALL

MEMBERS PRESENT: Bob Lundin, Chairperson; Connie Schmett; Amy Skinner; and Roger Thomas

STAFF PRESENT: Kala Shipley; Jim Goodrich; and Heather Adams, Counsel for State

I. PROJECT REVIEW

1. Rehabilitation Center of Lisbon, Lisbon, Linn County: Re-review of project approved 10/8/2013 to build a 64-bed nursing facility at a cost of \$8,400,694. Cost Over-run of \$1,069,582 (12.7% of approved \$8,400,694).

The applicant was represented by Ken Watkins, Davis Brown Law Firm and Massina Bloemke, ABCM Corporation. A motion by Skinner, seconded by Schmett, to approve the cost overrun carried 4-0.

2. University of Iowa Hospitals and Clinics, Iowa City, Johnson County: Re-review of project approved 4/12/11 to build an 11 story addition for Children's Hospital, add 31 pediatric beds at a cost of \$284,973,751. Cost Over-run of \$75,226,243 (26.4% of approved \$284,973,751.)

The applicant was represented by Colleen Flory, Kenneth Kates, Scott Turner, George Mejias, John Staley, Tessa Quintero, Ellen Chambers and Dr. Ian Law, UIHC. A motion by Skinner, seconded by Thomas, to approve the cost overrun carried 4-0.

II. EXTENSIONS OF PREVIOUSLY APPROVED PROJECTS:

1. Rehabilitation Center of Lisbon, Lisbon, Linn County: Build 64-bed nursing facility – \$8,400,694.

Staff report by Kala Shipley. The applicant was represented by Ken Watkins, Davis Brown Law Firm and Massina Bloemke, ABCM Corporation. The applicant answered questions posed by the Council. A motion by Thomas, seconded by Skinner, to grant a twelve-month extension carried 4-0.

2. University of Iowa Hospitals & Clinics, Johnson County: Build 11 story addition for Children's Hospital, add 31 pediatric beds-- \$284,973,751.

A motion by Skinner, seconded by Schmett, to grant a twelve-month extension carried 4-0.

3. University of Iowa Hospitals & Clinics, Iowa City, Johnson County: Add a second pediatric cardiac catheterization lab -- \$6,200,000.

A motion by Skinner, seconded by Schmett, to grant a twelve-month extension carried 4-0.

Discussion arose with the UIHC representatives regarding the proton beam technology and the decision to discontinue the projects. The project sponsor reports facility and equipment costs factored into the decision to discontinue the project, as well as other projects that took precedent.

4. Martin Luther Home Corporation d/b/a Luther Manor Communities, Dubuque, Dubuque County: Build 16-bed skilled nursing facility -- \$3,460,000.

Staff report by Kala Shipley. The applicant was represented by Ed McIntosh, Dorsey & Whitney. A motion by Schmett, seconded by Skinner, to grant a twelve-month extension carried 4-0.

5. Dial-Goldencrest Iowa City, LLC d/b/a Legacy Gardens, Iowa City, Johnson County: Establish 40-bed nursing facility in existing space -- \$1,400,000.

Staff report by Kala Shipley. The applicant was represented by Omar Barrientos, ARK Development. The applicant answered questions posed by the Council. A motion by Schmett, seconded by Thomas, to grant a twelve-month extension carried 4-0.

6. Oaknoll Retirement Residence, Iowa City, Johnson County: Add 10 nursing facility beds -- \$1,947,000.

Staff report by Kala Shipley. No one representing the applicant was present. A motion by Thomas, seconded by Skinner, to grant a nine-month extension carried 4-0.

7. Wesley Retirement Services, Inc. (Halcyon House), Washington, Washington County: Replace 37-bed nursing facility with 54-bed nursing facility -- \$10,350,000.

Staff report by Kala Shipley. No one representing the applicant was present. A motion by Skinner, seconded by Schmett, to grant a twelve-month extension carried 4-0.

III. PROJECT REVIEW

1. Aase Haugen Homes - Decorah, Winneshiek County: Add 5 skilled nursing facility beds-- \$3,000.

Staff report by Jim Goodrich. The applicant was represented by Tim Mortenson, Aase Haugen Homes. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

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

2. SunnyBrook Living Care Center-Fairfield, Jefferson County: Convert 8 RCF beds to 8 skilled nursing facility beds-- \$0.

Staff report by Jim Goodrich. The applicant was represented by Ed McIntosh, Dorsey & Whitney; Tom Elsten, SunnyBrook; and Jennifer Rose, SunnyBrook. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

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

3. United Presbyterian Home -Washington, Washington County: Add 7 skilled nursing facility beds-- \$4,836,772.

Staff report by Jim Goodrich. The applicant was represented by Ed McIntosh, Dorsey & Whitney; Mike Moore, Jennifer Greiner, Paula Brinning, United Presbyterian Home. The applicant made a presentation and answered questions posed by the Council.

A motion by Thomas, seconded by Schmett, to enter exhibits presented in support of oral testimony into the record carried by voice vote.

No affected parties appeared that the hearing.

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

The meeting was adjourned at 11:35.

The dates of the Council's next meeting are February 24 and 25, 2016.

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

IN THE MATTER OF THE APPLICATION OF)
)
CCRC OF CEDAR RAPIDS, LLC) **DECISION**
)
MARION, IOWA)

This matter came before the State Health Facilities Council for hearing on Wednesday, October 28, 2015.

The application proposes to construct a 40 bed, neighborhood model nursing facility at an estimated cost of \$4,854,000.00.

CCRC of Cedar Rapids, LLC applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. James Goodrich of the Iowa Department of Public Health summarized the project in relation to review criteria. Ed McIntosh of Dorsey & Whitney; Gilbert Wood, Managing Partner of CCRC of Cedar Rapids, LLC, and Jill Colbert of Prairie Vista Village 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. Scenic Development, LLC, on behalf of CCRC of Cedar Rapids, LLC proposes the construction of a 40 bed, neighborhood model nursing facility as a part of its proposed Continuing Care Retirement (CCRC) to be built in Marion, Iowa. CCRC is a term used to describe a retirement community that offers at least three levels of care so that residents can age in place in the same location/community.
2. The skilled nursing neighborhood will be approximately 30,000 sq. ft., which does not include the common area shared by each level of care. The neighborhood will have 36 private rooms, and four enhanced semi-private rooms that have separate bedrooms, one of which would only be used as a semi-private room if someone for within the community needs NF level of care and there are no other beds available.

Delaware	191(2)	191(2)	0
Iowa	222(4)	237(4)	+15
Johnson	535(7)	597 ² (7)	+62
Jones	191(2)	176(2)	-15
Totals	2,894(38)	3034(39)	+140(+1)

¹Rehabilitation Center of Lisbon, Linn County, approved 10.8.13: 64 beds

²Legacy Gardens, Johnson County, approved 10.21.14: 40 beds

Oaknoll, Johnson County, approved 10.21.14: 10 beds

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 eight-county area has 21 hospital based SNF beds in Linn County, 40 hospital based NF beds in Benton County, 39 hospital based NF beds in Buchanan County and 16 Hospital based SNF beds in Johnson County.
7. The applicant indicates the primary service area is the Greater Cedar Rapids Metropolitan Area. The secondary market is Linn County in its entirety.
8. The applicant states there are no less costly alternatives in staffing, scheduling, design or service sharing to achieve the quality of care envisioned for this community.
9. The applicant reports the proposed project will employ a local physician as the medical director, will enter into transfer agreements with nearby hospitals, and will enter into contractual agreements with local Hospice providers.
10. There are 14 freestanding nursing facilities and one hospital based SNF in Linn County. The nursing facilities in Linn County report occupancies of 57% and higher. The overall average for Linn County is 84%. One nursing facility reported an occupancy of 57% which affected the overall occupancy rate of 84%. The results of a recent phone survey of facilities in the eight-county area conducted by department staff are provided in the table below.

**Phone Survey of Nursing Facilities Located in Linn County
& Counties Contiguous to Linn County
Conducted October 2015**

Facility by County	Licensed Beds	Empty Beds	Percent Occupied
Linn County			
Cottage Grove Place-The Club	52	8	85%
West Ridge Care Center	60	4	93%
Crestview Acres	100	13	87%
Hallmark Care Center MV	43	2	95%
Heritage Nursing & Rehab Center	201	38	81%
Hiawatha Care Center	109	4	96%
Linn Manor Care Center	38	3	92%
Living Center East	67	10	85%

Living Center West	100	12	88%
Manorcare Health Services of Cedar Rapids	91	12	87%
Meth Wick Health Center	65	9	86%
Northbrook Manor Care Center	130	56	57%
Willow Garden Care Center	91	17	81%
Winslow House Care Center	50	1	98%
Mercy Medical Center CR HSP-SNF	21	6	71%
TOTALS	1,218	195	84%
Benton County			
Belle Plaine Nursing & Rehab Center	66	18	73%
Keystone Nursing Care Center	45	6	87%
The Vinton Lutheran Home	61	1	98%
Virginia Gay Hospital HSP-NF	40	2	95%
TOTALS	212	27	87%
Buchanan County			
ABCM Rehabilitation Centers of Independence West Campus	86	30	65%
ABCM Rehabilitation Centers of Independence East Campus	50	16	68%
Buchanan County Health Center HSP-NF	39	3	92%
TOTALS	175	49	72%
Cedar County			
Cedar Manor Nursing Home	60	0	100%
Clarence Nursing Home	46	0	100%
Crestview Nursing & Rehab Center	65	1	98%
Mechanicsville Nursing & Rehab Center	67	35	48%
TOTALS	238	36	85%
Delaware County			
Edgewood Convalescent Home	58	6	90%
Good Neighbor Home	133	14	89%
TOTALS	191	20	90%
Iowa County			
Colonial Manor of Amana	60	8	87%
English Valley Nursing Care Center	60	9	85%
Highland Ridge Care Center LLC	59	3	95%
Rose Haven Nursing Home	58	8	86%
TOTALS	237	28	88%
Johnson County			
Briarwood Healthcare Center	64	4	94%
Iowa City Rehab & Health Care Center	76	10	87%
Lantern Park Nursing & Rehab Center	90	1	99%
Lone Tree Health Care Center INC	44	10	77%
Oaknoll Retirement Residence	48	4	92%
Solon Nursing Care Center	92	2	98%
Windmill Manor	115	23	80%

Mercy Hospital IC HSP-SNF	16	11	31%
TOTALS	545	65	88%
Jones County			
Anamosa Care Center 319-462-4356	76	14	82%
Monticello Nursing & Rehab Center 319-465-5415	100	6	94%
TOTALS	176	20	89%

11. There were seven letters of support received. One letter of support came from the mayor of the City of Marion, another from Marion's City Manager. One letter of support came from the President of the Marion Economic Development Corporation on behalf of the board of directors and investors representing more than 140 Marion businesses. A local physician wrote a letter of support. A member of the Meth-Wick Community board of directors in Cedar Rapids wrote a letter of support. There were two mayors from outside the region who had a CCRC facility in their cities who wrote letters of support.
12. There were no letters of opposition received.
13. CCRC of Cedar Rapids sent out letters to the other known nursing facilities in Linn County requesting that they submit occupancy data for their respective facilities. These letters were sent to each facility on the list on August 7, 2015. There were no responses to their request.
14. The applicant states that the sources of funds include \$1,626,000 (cash on hand) and \$3,794,000 is borrowed. The interest is based on a \$3,794,000 loan at 4.5% for 25 years. The cost of the entire CCRC is estimated to be \$20,496,000.
15. The applicant projects an operating deficit of \$584,858 in the first year of operations. An operating deficit is not projected by year two of the project.
16. The applicant states they do not anticipate having any difficulty recruiting additional staff. The applicant estimates hiring 35.4 FTEs for the NF neighborhood. The administrator will be the Executive Director for the entire facility. In addition, dietary, housekeeping, laundry, maintenance and some of the administrative duties will be shared with the other neighborhoods within the project.
17. The total facility costs are estimated to be \$4,854,000.00. The site costs are listed at \$464,000 plus \$298,000 in land improvement (landscaping, walks, drives and irrigation). The total facility costs are \$3,620,000 plus \$269,000 in movable equipment and \$203,000 in financing cost. That is a turn-key cost of \$135,500.
18. The applicant reports \$1,626,000 cash on hand for the NF community and will finance the remainder based on a loan at 4.5% for 25 years.

CONCLUSIONS OF LAW

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council notes the underbuild according to the bed need formula for Linn County is 754 NF beds. The Council concludes that the proposal is an appropriate option to accommodate admissions within the community who need skilled nursing care. The generally high occupancy rates of the other facilities within the county further indicate the other alternatives to the proposed construction of NF beds are not available. 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 seven of the eight counties surrounding the facility. The underbuild for Linn County is 754 beds. Overall, the eight-county region, as calculated by the bed need formula, is underbuilt by 1,925 beds. The phone survey conducted by Department staff indicates an overall occupancy in Linn County is 84%. One nursing facility with occupancy of 57% brought down the overall occupancy rate; the county occupancy excluding this facility is 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 CCRC of Cedar Rapids, with the construction of 40 beds, will have little impact on the appropriate and efficient use of other nursing facilities in a county with over 1200 beds. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project is the construction of 40 NF beds nursing facility with a total of 30,000 square feet. The Council concludes that alternatives including

modernization and sharing arrangements have been considered and 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 the high occupancies of the nursing facilities in the county demonstrate that patients will experience serious problems in obtaining care absent the proposed addition of beds. Iowa Code Sections 135.64(1) and 135.64(2)d.

The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2015), led the Council to find that a Certificate of Need should be awarded.

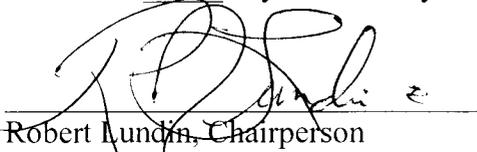
The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2015).

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 24th day of February 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 EVANGELICAL LUTHERAN)
GOOD SAMARITAN SOCIETY) **DECISION**
d/b/a/ GOOD SAMARITAN SOCIETY – LE MARS)
)
LE MARS, IOWA)

This matter came before the State Health Facilities Council for hearing on Wednesday, October 28, 2015.

The application proposes the addition of five beds to its current 65 nursing facility at an estimated cost of \$1,343,100.

The Evangelical Lutheran Good Samaritan Society d/b/a Good Samaritan – Le Mars applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. James Goodrich of the Iowa Department of Public Health summarized the project in relation to review criteria. Ken Watkins and Karen Mousel, Administrator, 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. Good Samaritan Society – Le Mars, is one of over 240 locations nationwide, including 19 nursing facilities in Iowa, and has been serving the Le Mars and Plymouth County area for over 50 years.
2. The applicant is seeking approval to add five beds to its current 65 nursing facility in Le Mars, Iowa. This would entail remodeling the current building to add three more private rooms that include walk-in showers. The facility has received permission from the Iowa Fire Marshall to convert two existing private rooms into shared semi-private rooms.

\$415,575 will be spent to remodel parts of the building to allow for better resident satisfaction and staff efficiencies. This would include renovating 16 resident rooms by converting shared bathrooms into private bathrooms.

4. The renovation will result in additional benefits by allowing the facility to transition from four to three neighborhoods. The applicant states this would allow for increased quality care, through more resident satisfaction and attention.
5. The applicant states its facility consistently maintains a long waiting list of prospective residents requesting admission who want to live there and receive their services. The applicant states there are several factors that support the need for this project.
 - First, the facility is always full or close to full and has averaged approximately 17 inquiries on a waiting list for the last two years.
 - Second, the applicant states it has a high success rate for short rehabilitation stays. Because of the short length of stay the facility has a high number of admits each year.
 - Third, the applicant states other area facilities have often reported full and unable to admit residents.
 - Fourth, this request fits the “State Bed Need Determination” which identifies that Plymouth County has a shortfall of 11 nursing facility beds (August, 2015).
6. All of the existing 65 beds are Medicaid certified. All five of the proposed beds will likewise be certified for Medicaid. The average age of the current 65 residents is 87 years of age.
7. The applicant states their campus offers HUD 202 apartments. The applicant states they are located next to the local hospital and clinic. Siouxland Regional Transit System serves their area for transportation needs in and outside of the city and county. The applicant states from 2013 through June 2015, 82% (155/189) of the residents served have come from Plymouth County.
8. The calculated bed need formula (October, 2015) indicates a current underbuild in four of the five contiguous counties. The underbuild for Plymouth County is 33 beds. Overall the five-county area, as calculated by the bed need formula, is underbuilt by 258 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 October 2015	Difference – Formula vs. Licensed & Approved*
Plymouth	5,201	365	332	-33
Cherokee	2,876	199	228	+29
O’Brien	3,168	220	213	-7
Sioux	5,566	398	219 ¹	-179
Woodbury	15,200	877	809 ²	-68
Totals	32,011	2,059	1,801	-258

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

¹12 beds Prairie Ridge (Sioux)

²78-beds Pioneer Valley (Woodbury)

9. The bed numbers in the tables above and below represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the five-county area has 69 hospital-based NF beds in Sioux County.

10. Over the span of the last three years, the total number of beds in the five-county area experienced an increase of 90 beds. There has been no change in the past three years for Plymouth County. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number between October 2012 and October 2015**

County	# of NF Beds (facilities) as of October 2012	# of licensed and approved NF Beds (facilities) as of October 2015	Difference in # of NF Beds
Plymouth	332(6)	332(6)	0
Cherokee	228(5)	228(5)	0
O'Brien	213(4)	213(4)	0
Sioux	197(4)	219 ¹ (3)	+22(-1)
Woodbury	741(9)	809 ² (10)	+68 (+1)
Totals	1,711(28)	1,801(28)	+90(0)

¹12 beds Prairie Ridge (Sioux)

²78-beds Pioneer Valley (Woodbury)

11. This proposed project is the least costly option for adding nursing facility beds. This is an internal building remodel, which is much less expensive than new construction.

12. The applicant states they have a strong relationship with their local and surrounding hospitals and discharge planners. The applicant states they work closely together for transition of care. The applicant employs a local medical director. The applicant also has contracts with several surrounding Hospice agencies.

13 There are six additional freestanding nursing facilities in Plymouth County. Good Samaritan Society – Le Mars reports an 100% occupancy with the three remaining nursing facilities in Plymouth County reporting occupancies of 62% and higher. The overall average for Plymouth County is 83%. One nursing facility brought the occupancy levels down by having only 62% occupancy. The results of a recent phone survey of facilities in the five-county area conducted by department staff are provided in the table below.

**Phone Survey of Nursing Facilities Located in Plymouth County
& Counties Contiguous to Plymouth County
Conducted October 2015**

Facility by County	Licensed Beds	Empty Beds	Percent Occupied
Plymouth County			
Akron Care Center, Inc.	45	4	91%

Good Samaritan Society-Le Mars	65	0	100%
Happy Siesta Nursing Home	62	18	71%
Kingsley Nursing & Rehab Center	43	6	86%
Plymouth Manor Care Center	65	10	85%
The Abbey of Le Mars	52	20	62%
TOTALS	332	58	83%
Cherokee County			
Careage Hills Rehabilitation and Healthcare	44	23	48%
Cherokee Villa Nursing & Rehab Center	62	20	68%
Country Side Estates	48	13	73%
Heartland Care Center	30	0	100%
Sunset Knoll Care and Rehab Center	44	15	66%
TOTALS	228	71	69%
O'Brien County			
Community Memorial Health Center	68	1	99%
Prairie View Home	73	1	99%
Primghar Rehab & Care Center	40	21	48%
Sutherland Care Center	35	7	80%
Sanford Senior Care Sheldon	70	12	83%
TOTALS	286	42	85%
Sioux County			
Hillcrest Health Care Center	57	5	91%
Pleasant Acres Care Center	60	15	75%
Prairie Ridge Care Center	83	1	99%
Sioux Center Community Hospital & Health Center	69	2	97%
TOTALS	269	23	91%
Woodbury County			
Casa De Paz Health Care Center	71	7	90%
Correctionville Nursing and Rehab Center	39	0	100%
Countryside Nursing and Rehabilitation Center	135	93	31%
Embassy Healthcare Community	60	15	75%
Hallmark Care Center SC	48	7	85%
Holy Spirit Retirement Home	94	1	99%
Sunrise Retirement Community	72	2	97%
Touchstone Healthcare Community	125	27	78%
Westwood Nursing & Rehab Center	85	7	92%
TOTALS	729	159	78%

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Plymouth	110(4)	1	0*	158(3)	0
Cherokee	0	2	12(1)	113(3)	0
O'Brien	42(2)	2	0	222(4)	0

Sioux	0	3	0	256(7)	0
Woodbury	95(3)	5	65(2)	452(6)	219(4)
TOTALS	247(9)	13	77(3)	1,201(23)	219(4)

Data source: DIA web site
*As reported on DIA website

15. There were no letters of support received.
16. Two letters of opposition were received from other nursing facilities in the area. The two letters were received from Happy Siesta Health Care Center and The Abbey of Le Mars both from Plymouth County. Both letters expressed concern over the number of empty nursing facility beds in the county.
17. The applicant states that the sources of funds, \$1,343,100 is coming from borrowing \$800,000 and Gifts and Contributions approximately \$500,000. The majority of funds are listed under "Facility Costs." This category includes construction shell, heating, plumbing, electrical, testing, and inspection.
18. The applicant does not project an operating deficit.
19. The applicant states they do not anticipate having any difficulty recruiting additional staff. With the increase of an additional 5 nursing beds, the applicant projects they will need an increase of 4.93 FTEs. The applicant states they have a full staff of professional, qualified and dedicated employees. The applicant states the increase in staffing needs will be minimal and a combination of current part-time employees and hiring some more staff will fulfill the increased needs.
20. The total facility costs are \$1,343,100.00 in renovation and new resident room furniture. There will be new construction. The total cost includes new resident room furnishings, common area furnishings and bathing room furnishing & equipment. The Society uses tax-exempt bond to finance its construction projects. The Society uses a short-term construction line of credit to initially finance the various construction projects and then pays off the line of credit with long-term bonds. The bonds issued for the Le Mars will most-likely be 30 year bonds and issued at the prevailing interest rate at the time of financing. That is a turn-key cost of \$163,400 or \$260,000 approximately based on the whole project.

CONCLUSIONS OF LAW

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

- a. Less costly, more efficient or more appropriate alternatives to the proposed institutional health service are not available and the development of such alternatives is not practicable;

- b. Any existing facilities providing institutional health services similar to those proposed are being used in an appropriate and efficient manner;
- c. In the case of new construction, alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable;
- d. Patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service.

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note the applicant has a waiting list for SNF/NF beds. The applicant wants to add five beds, add three more private rooms that include walk-in showers and convert two existing private rooms into shared semi-private rooms. The Council concludes that the proposal is an appropriate option to accommodate admissions within the community who need skilled nursing care and is a less costly proposal than new construction. 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 four of the five counties surrounding the facility. The underbuild for Plymouth County is 33 beds. Overall, the five-county region, as calculated by the bed need formula, is underbuilt by 258 beds. The phone survey conducted by Department staff indicates 100% occupancy at the Good Samaritan facility with the three remaining nursing facilities in Plymouth County reporting occupancies an overall average of 83 percent. One nursing facility had an occupancy rate of 62% that brought the overall average down. Excluding this one facility the overall average is 86%. The Council has previously concluded that occupancy rates of over 85% indicate county appropriate and efficient utilization of existing nursing facilities. The Council concludes that Good Samaritan Society – Le Mars, with the addition of five skilled nursing 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 does not involve new construction. 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 the applicant states there is a waiting list (12-23 persons at any given time) for Skilled Nursing Facility services. The Council takes note that the high number of referrals and the number of individuals on the applicant's waiting list demonstrates that patients will experience problems in obtaining care absent the proposed service. 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 24th day of February 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)
)
AASE HAUGEN HOMES) **DECISION**
)
DECORAH, IOWA)

This matter came before the State Health Facilities Council for hearing on Thursday, October 29, 2015.

The application proposes converting five assisted living beds to five nursing facility beds and reconfiguring existing space to create a 23-bed Chronic Confusing Dementing Illness (CCDI) wing at an estimated cost of \$3000.

Aase Haugen Homes applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. James Goodrich of the Iowa Department of Public Health summarized the project in relation to review criteria. Tim H. Mortenson was 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. Aase Haugen Homes plans to convert five assisted living beds to five nursing facility beds and reconfigure existing space to create a 23-bed Chronic Confusing Dementing Illness (CCDI) wing.
2. The applicant estimates there will be approximately 200 persons with a dementia diagnosis in Winneshiek County over the next five years using figures from the U.S. Census Bureau and the Alzheimer’s Association.
3. The calculated bed need formula indicates a current underbuild in three of the five contiguous counties. The underbuild for Winneshiek County is 114 beds. Overall the six-

county area, as calculated by the bed need formula, is underbuilt by 206 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 NF Beds as of October 2015	Difference – Formula vs. Licensed & Approved*
Winneshiek	4,418	310	196	-114
Allamakee	3,394	236	237	+1
Chickasaw	2,927	203	144	-59
Clayton	4,074	284	245	-39
Fayette	4,679	326	280	-46
Howard	2,076	145	196	+51
Totals	21,568	1,504	1,298	-206

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

- Over the span of the last three years the total number of beds in the six-county area has decreased by 16 beds. There has been no change in the number of NF beds in Winneshiek County in the last three years. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number between October 2012 and October 2015**

County	# of NF Beds (facilities) as of July 2012	# of NF Beds (facilities) as of July 2015	Difference in # of NF Beds
Winneshiek	196(3)	196(3)	0
Allamakee	253(4)	237(4)	-16
Chickasaw	144(2)	144(2)	0
Clayton	245(4)	245(4)	0
Fayette	280(4)	280(4)	0
Howard	196(4)	196(4)	0
Totals	1,314(21)	1,298(21)	-16

- 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 six-county area has 39 hospital-based NF beds in Fayette County.
- There are currently 1,298 licensed and approved nursing facility beds in the six counties, 60 licensed and approved beds (4.6% of all beds) in dedicated CCDI units.

County	# of CCDI Beds (facilities)
Winneshiek	10(1)
Allamakee	0
Chickasaw	0

Clayton	16(1)
Fayette	10(1)
Howard	24(1)
Totals	60(4)

7. The applicant states questions that there are sufficient patients currently within Aase Haugen to fill the 23 CCDI beds.
8. The applicant indicates that the primary service area is Winneshiek County and the secondary service area includes the contiguous counties of Howard, Chickasaw, Fayette, Clayton, and Allamakee.
9. The applicant states there are no less costly or more appropriate alternatives to the proposed project to assist in meeting the unmet bed need in Winneshiek County. The applicant reports a less costly measure could be to not utilize the beds at all, but this would not serve the community nor allow resources to be utilized in the best possible manner.
10. There have been no arrangements between Aase Haugen and other health care facilities regarding referring patients, sharing of services or coordination of programs related to this CON request.
11. There are two additional freestanding nursing facilities in Winneshiek County. Aase Haugen reports 93% occupancy with the two remaining nursing facilities in Winneshiek County reporting occupancies of 98% and 100%. The overall average for Winneshiek County is 96%. The results of a recent phone survey of facilities in the six-county area conducted by department staff are provided in the table below.

**Phone Survey of Nursing Facilities Located in Winneshiek County
& Counties Contiguous to Winneshiek County
Conducted October 2015**

Facility by County	Licensed Beds	Empty Beds	Percent Occupied
Winneshiek County			
Aase Haugen Home	99	7	93%
Ossian Senior Hospice	46	1	98%
Wellington Place	51	0	100%
TOTALS	196	8	96%
Allamakee County			
Good Samaritan Society-Postville	55	9	84%
Good Samaritan Society-Waukon	75	9	88%
Northgate Care Center	50	2	96%
Thornton Manor Care Center	60	13	78%
TOTALS	240	33	86%

Chickasaw County			
Linn Haven Rehab & Healthcare	70	19	73%
New Hampton Nursing & Rehab Center	74	13	82%
TOTALS	144	32	78%
Clayton County			
Elkader Care Center	44	7	84%
Great River Care Center	50	10	80%
Guttenberg Care Center	93	27	71%
Strawberry Point Lutheran Home	58	5	91%
TOTALS	245	49	80%
Fayette County			
Good Samaritan Society-West	71	20	72%
Grandview Healthcare Center	93	29	69%
Maple Crest Manor	55	2	96%
Oelwein Health Care Center	61	3	95%
Mercy Hospital of the Franciscan Sisters	39	7	82%
TOTALS	319	61	81%
Howard County			
Colonial Manor of Elma	57	27	53%
Evans Memorial Home	52	9	83%
Hawkeye Care Center Cresco	54	3	94%
Patty Elwood Center	24	4	83%
TOTALS	187	43	77%

12. 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
Winneshiek	40(1)	2	0	199(4)	0
Allamakee	0	1	0	58(2)	0
Chickasaw	15(1)	1	0	108(2)	52(1)
Clayton	44(1)	1	0	131(6)	56(1)
Fayette	90(1)	1	0	152(3)	100(2)
Howard	49(1)	1	6(1)	58(2)	24(1)
TOTALS	238(5)	7	6(1)	706(19)	232(5)

Data source: DIA web site

13. There were no letters of support received.

14. There were no letters of opposition received.

15. The applicant states that the sources of funds include \$3,000 (cash on hand) for facility and inspection costs. There will be no new construction

16. The applicant does not project an operating deficit

CONCLUSIONS OF LAW

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note of the addition of five nursing facility beds utilizing existing space at a low total cost of \$3000. The Council concludes that the proposal is an appropriate option to accommodate admissions within the community who need skilled nursing care. The high occupancy rates of the other facilities in the county further indicate that other alternatives to the proposed addition of beds are not available. 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 four of the six counties surrounding the facility. The underbuild for Winneshiek County is 114 beds. Overall, the six-county region, as calculated by the bed need formula, is underbuilt by 206 beds. The phone survey conducted by Department staff indicates 93% occupancy at the Aase Haugen Health facility with the two remaining nursing facilities in Winneshiek County reporting occupancies of 98% and 100% with an overall average of 96%. 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 five 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 does not involve new construction. 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 are sufficient patients currently within Aase Haugen to fill the 23 CCDI beds. Additionally, the high occupancy rates within the county and the need for CCDI care 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.

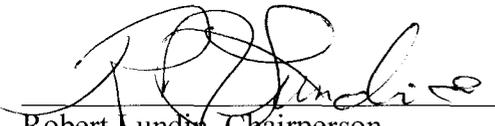
The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2015).

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 24th day of February, 2016


Robert Kundin, 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)
)
SUNNYBROOK LIVING CARE CENTER, L.C.) **DECISION**
)
FAIRFIELD, IOWA)

This matter came before the State Health Facilities Council for hearing on Thursday, October 29th 2015.

The application proposes to convert the eight RCF beds to eight NF beds at an estimated cost of \$0.

SunnyBrook Living Care Center, L.C. applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. James Goodrich of the Iowa Department of Public Health summarized the project in relation to review criteria. Ed McIntosh of Dorsey & Whitney; Jennifer Rose and Tom Elston, Administrator of SunnyBrook 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. SunnyBrook Living Center, L.C. (hereinafter “SunnyBrook) is a 65 bed licensed nursing facility which was established by purchasing the building which formerly housed the Jefferson County Hospital. In June 2013, management of SunnyBrook was turned over to Healthcare of Iowa, a management company which manages a number of long term care facilities in Iowa.
2. SunnyBrook currently has 65 licensed nursing facility beds in addition to eight residential care beds. The applicant is proposing the deletion of the eight RCF beds and replacing those beds with eight licensed nursing facility beds.

3. The applicant states SunnyBrook was organized for the purpose of purchasing a building formerly housing Jefferson County Hospital and converting it into a free-standing nursing facility. Ultimately, Maplewood Plaza, LLC, an affiliated entity purchased the building and leased the building and operation of the facility to Sunnybrook. Healthcare of Iowa, Inc. manages the facility.
4. The applicant states the facility has a waiting list for SNF/NF beds. The applicant states it will turn down an average of 11 admissions per month. It currently has a waiting list of nine for NF openings.
5. The additional eight beds sought will be certified for Medicaid. The average length of stay of residents living at SunnyBrook is 89 days. The average age of persons who enter SunnyBrook is 84.
6. The calculated bed need formula indicates a current underbuild in five of the seven counties surrounding the facility. The underbuild for Jefferson County is 185 beds. Overall, the seven-county region, as calculated by the bed need formula, is underbuilt by 462 beds. See the following table for additional bed information.

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

County	Projected 2015 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed NF Beds as of October 2015	Difference – Formula vs. Licensed & Approved*
Jefferson	4,647	320	135	-185
Davis	1602	113	91	-22
Henry	3,923	276	245	-31
Keokuk	2,258	157	160	+3
Van Buren	1,548	108	66	-42
Wapello	6,538	462	276	-186
Washington	4,813	337	338 ¹	+1
Totals	25,329	1,773	1,311	-462

*A positive (+) number means the county is overbuilt and a negative (-) indicates an underbuild
¹Washington County: Halcyon House, 17 beds approved 11.3.2014

7. The bed numbers in the tables above and below represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the seven-county area has 43 hospital-based NF beds in Washington County, 32 hospital-based NF beds in Davis County and 49 hospital based SNF/NF beds in Henry County.
8. Over the span of the last three years, the total number of beds in the seven-county area has decreased by five beds. There has been a decrease of five beds in the past three years for Jefferson County. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number between October 2012 and October 2015**

County	# of NF Beds (facilities) as of October 2012	# of NF Beds (facilities) as of October 2015	Difference in # of NF Beds
Jefferson	140(2)	135(2)	-5
Davis	91(1)	91(1)	0
Henry	245(5)	245(5)	0
Keokuk	168(3)	160(3)	-8
Van Buren	75(1)	66(1)	-9
Wapello	276(3)	276(3)	0
Washington	321(5)	338(5) ¹	+17
Totals	1,316(20)	1,311(20)	-5

¹Washington County: Halcyon House, 17 beds approved 11.3.2014

9. The applicant indicates that the primary service area is Jefferson County. The total number of admissions to SunnyBrook for the past three years is 298 (including year-to-date 2015); 255 (86%) of these were from Jefferson County, and 38 (13%) were from Johnson County. There were also two admissions from Des Moines County, two admissions from Henry County and one admission from Keokuk County.
10. SunnyBrook has determined that there are no less costly or more appropriate alternatives as there is no cost involved in converting the residential beds to nursing facility beds.
11. SunnyBrook works with Jefferson County Hospital for transfer of patients needing skilled or nursing care. It also typically receives referrals from University Hospitals in Iowa City for patients from the Jefferson County area.
12. There is one additional freestanding nursing facility in Jefferson County. SunnyBrook reports 97% occupancy with the other remaining nursing facility in Jefferson County reporting occupancy of 90%. The overall average for Jefferson County is 93%. The results of a recent phone survey of facilities in the seven-county area conducted by department staff are provided in the table below.

**Phone Survey of Nursing Facilities Located in Jefferson County
& Counties Contiguous to Jefferson County
Conducted October 2015**

Facility by County	Licensed Beds	Empty Beds	Percent Occupied
Jefferson County			
Parkview Care Center	70	7	90%
SunnyBrook Living Care Center	65	2	97%
TOTALS	135	9	93%
Davis County			
Bloomfield Care Center	91	33	64%
TOTALS	91	33	64%

Henry County			
Arbor Court	62	7	89%
New London Nursing & Rehab Center	49	8	84%
Parkview Home	34	9	74%
Pleasant Manor Care Center	50	10	80%
Sunrise Terrace Nursing & Rehabilitation Center	50	4	92%
Henry County Health Center	49	3	94%
TOTALS	294	41	86%
Keokuk County			
Keota Health Care Center	42	22	48%
Manor House Care Center	72	23	68%
Sigourney Health Care	46	23	50%
TOTALS	160	68	58%
Van Buren County			
Keosauqua Health Care Center	66	33	50%
TOTALS	66	33	50%
Wapello County			
Good Samaritan Society-Ottumwa	146	6	96%
Ridgewood Nursing & Rehab Center	70	11	84%
Vista Woods Care Center	60	2	97%
TOTALS	276	19	93%
Washington County			
Halcyon House	37	3	92%
Parkview Manor	62	8	87%
Pearl Valley Rehabilitation and Healthcare Center of Washington	90	44	51%
Pleasantview Home	80	5	94%
United Presbyterian Home	52	1	98%
Washington County Hospital and Clinics	43	3	93%
TOTALS	364	64	82%

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

14. County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Jefferson	8(1)	1	0	158(2)	0
Davis	0	0	0	28(1)	0
Henry	19(1)	1	0	0	80(2)
Keokuk	0	1	0	68(2)	0
Van Buren	48(1)	0	0	20(1)	0
Wapello	0	3	0	48(1)	234(2)
Washington	0	1	0	20(1)	68(2)
TOTALS	75(3)	7	0	342(8)	382(6)

Data source: DIA web site

15. There were five letters of support received. Three out of the five were testimonials of loved ones who reside in Sunny Brook and were very satisfied with the quality of services. The SunnyBrook Medical Director spoke of high quality of care and services from the staff.
16. There were no letters of opposition.
17. The applicant does not project an operating deficit.
18. The applicant states they do not anticipate having any difficulty recruiting additional staff. The applicant states it is in need of an additional 3 FTEs. The increases all involve the Nursing Department (RN, LPN, Aides). The applicant states it offers a competitive wage and benefits package and has enjoyed a stable workforce. SunnyBrook is confident that it will continue to attract and retain quality employees to meet this new need.
19. The total facility costs are \$0 in renovation and new resident room furniture. There will be no new construction. The proposal is simply converting 8 RCF beds into 8 NF beds. That is a turn-key cost of \$0.

CONCLUSIONS OF LAW

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note the applicant has a waiting list for SNF/NF beds. The CON proposal is to convert 8 RCF beds into 8 NF beds. There is no additional cost for this proposal. The Council concludes that the proposal is an appropriate and less costly option to accommodate admissions 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 five of the seven counties surrounding the facility. The underbuild for Jefferson County is 185 beds. Overall, the seven-county region, as calculated by the bed need formula, is underbuilt by 462 beds. The phone survey conducted by Department staff indicates 97% occupancy at the SunnyBrook facility with the one remaining nursing facility in Jefferson County reporting occupancy 90% percent. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council concludes that SunnyBrook, with the addition of 8 NF 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 conversion of eight RCF beds into eight NF beds and does not involve new construction. 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 in a typical month, SunnyBrook will turn down an average of 11 admissions. It currently has a waiting list of nine for NF openings. The Council takes note that the high number of referrals and the number of individuals on the applicant's waiting list coupled with the highest occupancy in the county demonstrates that patients will experience problems in obtaining care absent the proposed service. 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 24TH day of February 2016

A handwritten signature in black ink, appearing to read "R. Lundin", written over a horizontal line.

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)
)
UNITED PRESBYTERIAN HOME) **DECISION**
)
WASHINGTON, IOWA)

This matter came before the State Health Facilities Council for hearing on Thursday, October 29th 2015.

The application proposes to add seven licensed beds by building a 17 private resident wing and converting an existing wing to a Dementia Unit at a cost of \$4,836,772.00.

United Presbyterian Home applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. James Goodrich of the Iowa Department of Public Health summarized the project in relation to review criteria. Paula Brinning, Jennifer Greiner and Michael Moore of United Presbyterian Home 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. United Presbyterian Home (“UPH”) is a nonprofit continuing care retirement community which was established in 1947. It is located on a 35 acre campus which includes 77 cottages, 30 condominium style apartments, and additional 43 studio and one bedroom apartments, and a 52 bed skilled care facility.
2. Currently, the 52 SNF/NF units include only 20 private rooms and the facility does not have a distinct CCDI unit to provide care for residents with dementia. If the project is approved, an additional wing to the current nursing facility will be added which will provide 17 private resident rooms that will provide care in a neighborhood community. An existing 16 bed unit of private rooms will convert to a CCDI to provide care to Alzheimer’s and dementia residents. Upon completions of the project, the facility will have a total of 59 SNF/NF beds

including a 16 bed all private dementia unit, an additional 17 bed unit of private rooms and a third neighborhood of four private and 11 semi-private rooms. The applicant states the increase in the number of licensed beds from 52 to 59 beds will enable UPH to accept more of the requests from the local hospitals for skilled needs.

3. Wellness, fitness and therapy facilities will be added on the lower level of the addition. These facilities will be open to the community. The new wellness and fitness will enable UPH to better meet the needs of its residents and the community.
4. The request for seven additional beds is based on a large number of requests for long-term care that cannot be met for lack of an available bed. The seven additional beds will allow the conversion of the McCleery wing to a dementia specific household and the conversion of semi-private rooms to private rooms in the original building. The long range plan is to have three households: a 16 bed dementia care specific care household, a 17 bed short term stay, and 26 bed long term care household.
5. The applicant states in order to meet the continued requests from hospitals for beds and to meet their obligations to their current residents, the applicant needs to increase their license from 52 to 59.
6. The applicant states all beds will be dually certified NF/SNF. The average age of all residents on the UPH campus was 83.5 as of December 31, 2014. The average age in the NF/SNF was 89.2.
7. The calculated bed need formula indicates a current underbuild in four of the six contiguous counties. The overbuild for Washington County is one bed. Overall the seven-county area, as calculated by the bed need formula, is underbuilt by 847 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 NF Beds as of October 2015	Difference – Formula vs. Licensed & Approved*
Washington	4,813	337	338 ¹	+1
Henry	3,923	276	245	-31
Iowa	3,384	237	237	0
Jefferson	4,647	320	135	-185
Johnson	20,785	1,222	597 ²	-625
Keokuk	2,258	157	160	+3
Louisa	2,142	151	141	-10
Totals	41,952	2,700	1,853	-847

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

¹Washington County: Halcyon House, approved 11.3.2014: 17 beds

²Legacy Gardens, Johnson County, approved 10.21.14: 40 beds

Oaknoll, Johnson County, approved 10.21.14: 10 beds

8. The bed numbers in the tables above and below represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the seven-county area has 43 hospital-based NF beds in Washington County, 49 hospital-based SNF/NF beds in Henry County and 16 hospital-based SNF beds in Jefferson County.
9. Over the span of the last three years, the total number of beds in the seven-county area has increased by 77 beds. There has been an increase of 17 beds in the past three years for Washington County. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number between October 2012 and October 2015**

County	# of NF Beds (facilities) as of October 2012	# of NF Beds (facilities) as of October 2015	Difference in # of NF Beds
Washington	321(5)	338 ¹ (5)	+17
Henry	245(5)	245(5)	0
Iowa	222(4)	237(4)	+15
Jefferson	140(2)	135(2)	-5
Johnson	535(7)	597 ² (7)	+62
Keokuk	168(3)	160(3)	-8
Louisa	145(3)	141(3)	-4
Totals	1,776(29)	1,853(29)	+77

¹Washington County: Halcyon House- 17 beds approved 11.3.2014

²Legacy Gardens, Johnson County, approved 10.21.14: 40 beds

Oaknoll, Johnson County, approved 10.21.14: 10 beds

10. The applicant states 74.5% of the residents in the nursing facility came from Washington County. Twenty-one percent came from other counties in Iowa, and 4.2% came from other states.
11. UPH hired Saxton Strategic Solutions and Horty Elving to do studies for converting Stewart Hall, an independent three floor building on campus, to a NF/SNF designated floor and a dementia specific floor. The results of the studies showed the projected cost of the conversion and the additional staff required to do this was not financially feasible and would not provide the environment safety of a single story building. The project described in this application is the most cost effective to meet the need of the community for more private rooms, a dementia unit and additional SNF/NF beds.
12. The applicant states it works closely with Washington County Hospital, Mercy Hospital Iowa City and University of Iowa Placement of SNF and NF patients. The applicant states it has a strong working relationship with these hospitals.
13. There are five additional freestanding nursing facilities in Washington County. UPH reports 98% occupancy with the five remaining nursing facilities in Washington County reporting occupancies of 51% and higher. 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 Washington County
& Counties Contiguous to Washington County
Conducted October 2015**

Facility by County	Licensed Beds	Empty Beds	Percent Occupied
Washington County			
Halcyon House	37	3	92%
Parkview Manor	62	8	87%
Pearl Valley Rehabilitation and Healthcare of Washington	90	44	51%
Pleasantview Home	80	5	94%
United Presbyterian Home	52	1	98%
Washington County Hospital and Clinics	43	3	93%
TOTALS	364	64	82%
Henry County			
Arbor Court	62	7	89%
New London Nursing & Rehab Center	49	8	84%
Parkview Home	34	9	74%
Pleasant Manor Care Center	50	10	80%
Sunrise Terrace Nursing & Rehabilitation Center	50	4	92%
Henry County Health Center	49	3	94%
TOTALS	294	41	86%
Iowa County			
Colonial Manor of Amana	60	8	87%
English Valley Nursing Care Center	60	9	85%
Highland Ridge Care Center	59	3	95%
Rose Haven Nursing Home	58	8	86%
TOTALS	237	28	88%
Jefferson County			
Parkview Care Center	70	7	90%
Sunny Brook Living Care Center	65	2	97%
TOTALS	135	9	93%
Johnson County			
Briarwood Healthcare Center	64	4	94%
Iowa City Rehab & Health Care Center	89	10	89%
Lantern Park Nursing & Rehab Center	90	1	99%
Lone Tree Health Care Center INC	44	10	77%
Oaknoll Retirement Residence	48	4	92%
Solon Nursing Care Center	92	2	98%
Windmill Manor	120	23	81%
Mercy Hospital IC HSP-SNF	16	11	31%
TOTALS	563	65	88%
Keokuk County			
Keota Health Care Center	42	22	48%

Manor House Care Center	72	23	68%
Sigourney Health Care	46	23	50%
TOTALS	160	68	58%
Louisa County			
Colonial Manors of Columbus Community	42	9	79%
Morning Sun Care Center	50	6	88%
Wapello Nursing & Rehab Center	49	12	76%
TOTALS	141	27	81%

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
Washington	27(2)	1	0*(1)	20(1)	68(2)
Henry	19(1)	1	0	0	80(2)
Iowa	2(1)	1	0	174(3)	0
Jefferson	8(1)	3	0	158(2)	0
Johnson	114(1)	2	85(2)	460(6)	147(3)
Keokuk	0	1	0	68(2)	0
Louisa	0	1	0	18(1)	0
TOTALS	170(6)	10	85(3)	898(15)	295(7)

Data source: DIA web site

*Per DIA web site

15. There were no letters of opposition received.

16. There were five letters of support received. One letter was from the Washington Chamber of Commerce board of directors representing more than 240 businesses and organizations. The letter stated the plans will not only meet the needs of the greater Washington area today, but will address the healthcare for years to come. Two letters of support came from two nursing facilities within Washington County. The remaining letters came from residents of UPH.

17. The applicant states it mailed out letters requesting occupancy data from surrounding nursing homes on August 19, 2015. There were no responses received.

18. The applicant does not project an operating deficit.

19. The applicant states they do not anticipate having any difficulty recruiting additional staff. The applicant states it needs an increase of 3.8 FTEs to handle the additional workload. The increases are in the areas of RN (1.4 FTEs), Aides (1.4 FTEs) and Other "Wellness /Fitness" (1 FTE). The applicant states turnover of staff is very low compared to other nursing facilities in Iowa and they do not anticipate any difficulty recruiting the additional staff.

20. The applicant states the new institutional health services is using "cash on hand (\$120,772.00)," borrowing \$2,716,000.00 and is receiving gifts and contributions to the sum of \$2,000,000 for a total source of funds of \$4,836,722.

CONCLUSIONS OF LAW

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note the applicant will be able to meet the increasing need for skilled beds and to provide additional private rooms. The project will establish an all private room Dementia unit to meet the needs of residents who have a diagnosis of dementia. The project will increase the number of private rooms from 17 to 37. The addition of a new wing will allow care to be provided in a neighborhood community with additional private rooms which will provide for a higher quality of experience for its residents. The Council concludes that the proposal is an appropriate option to accommodate admissions 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 four of the seven counties surrounding the facility. The overbuilt for Washington County is one bed. Overall, the seven-county region, as calculated by the bed need formula, is underbuilt by 847 beds. The phone survey conducted by Department staff indicates 98% occupancy at the UPH facility with the five remaining nursing facilities in Floyd County reporting occupancies an overall average of 80 percent. One nursing facility suppressed the average occupancy data by having 51% occupancy rate. Without this nursing facility, the average occupancy rate is 91%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council concludes that UPH, with the seven skilled nursing bed unit, 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 establishment of an all private room dementia unit to meet the needs of residents. The project will increase the number of private rooms from 17 to 37. The project will also improve the capability of UPH to meet the growing need for skilled care by adding seven SNF/NF beds. The Council concludes that alternatives including modernization and sharing arrangements have been considered and 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 increase in the number of licensed beds from 52 to 59 beds will enable UPH to accept more of the requests from local hospitals for skilled beds. The Council takes note that the high number of hospital referrals, the need for more CCDI beds, had the highest occupancy rate in the county and private rooms illustrate that patients will experience problems in obtaining care absent the proposed service. 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 24th day of February 2016


Robert Kundin, 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)
)
WESLEY RETIREMENT SERVICES, INC.)
HALCYON HOUSE)
)
WASHINGTON, IOWA)

DECISION

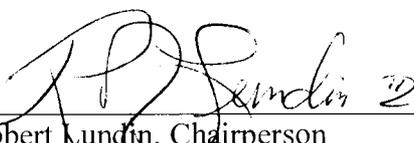
This matter came before the State Health Facilities Council for review on Thursday, October 29, 2015.

The project, the replacement of a 37-bed nursing facility with a 54 bed nursing facility, was originally approved on November 3, 2014 at an estimated cost of \$10,350,000.

The Council, after reading the extension request and hearing comments by staff and the applicant, 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 twelve months.

Dated this 8⁷⁴ day of February 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)
)
DIAL-GOLDENCREST IOWA CITY, LLC)
D/B/A LEGACY GARDENS)
)
IOWA CITY, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Thursday, October 29, 2015.

The project, the construction of a 40-bed nursing facility in existing space, was originally approved on October 21, 2014 at an estimated cost of \$1,400,000.

The Council, after reading the extension request and hearing comments by staff and the applicant, 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 twelve months.

Dated this 8⁷⁴ day of February 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)

MARTIN LUTHER HOME CORPORATION)
D/B/A LUTHER MANOR COMMUNITIES)

DUBUQUE, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Thursday, October 29, 2015.

The project, the construction of a 16-bed nursing facility, was originally approved on October 21, 2014 at an estimated cost of \$3,460,000.

The Council, after reading the extension request and hearing comments by staff and the applicant, 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 twelve months.

Dated this 8TH day of February 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)
OAKNOLL RETIREMENT RESIDENCE)
IOWA CITY, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Thursday, October 29, 2015.

The project, the addition of 10 nursing facility beds, was originally approved on October 21, 2014 at an estimated cost of \$1,947,000.

The Council, after reading the extension request and hearing comments by staff and the applicant, 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 nine months.

Dated this 8TH day of February 2016



Robert Dundin, 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 A REQUEST BY)
)
REHABILITATION CENTER OF LISBON) **DECISION**
)
LISBON, IOWA)
)
TO MODIFY A CERTIFICATE OF NEED)

This matter came before the State Health Facilities Council for hearing on October 29, 2015.

The request proposes the modification of an approved project. The request is to increase the cost of the proposal. On October 8, 2013, the Council granted a certificate of need to construct a 64-bed nursing facility at a cost of \$8,400,694. The Council granted a twelve month Extension in October, 2014. This request proposes an increase in cost of \$1,069,582 for a total project cost of \$9,470,276.

The record includes the request prepared by the project sponsor and all the testimony and exhibits presented at the hearing. Ken Watkins, Davis Brown Law Firm and Massina Bloemke, ABCM Corporation represented 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 modification to the original Certificate of Need.

FINDINGS OF FACT

1. Rehabilitation Center of Lisbon was granted a Certificate of Need on October 8, 2013 to construct a 64-bed nursing facility at a cost of \$8,400,694.
2. In October 2014 the department received an extension request from the applicant that reports initiation of construction. The Council granted a 12-month Extension.
3. A Revised Exhibit 3 outlining the cost over-run was submitted on September 28, 2015. The applicant reports cause of the cost overrun is a result of an increase in construction costs.
4. The estimated total cost of the project is now \$9,470,276, a 12.7% increase in the original total project costs.
5. The applicant reports utilities have been run to the building site and framing is completed. The projected date of completion remains October, 2016.

CONCLUSION

The Council concludes that the proposed change to the originally approved project represents an increase of approximately 12.7% in the cost of the project but does not substantially alter the nature and scope of the originally approved project.

Pursuant to 641 IAC 202.14, the Council therefore approves the request to modify the certificate of need originally granted October 8, 2013 to \$9,470,276 as the approved cost of the project.

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

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

Dated this 8TH day of February 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)
REHABILITATION CENTER OF LISBON) **DECISION**
LISBON, IOWA)

This matter came before the State Health Facilities Council for review on Thursday, October 29, 2015. The applicant was represented by Ken Watkins, Davis Brown Law Firm and Massina Bloemke, ABCM Corporation.

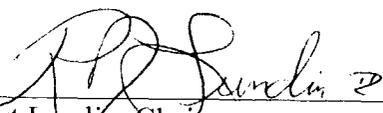
The project, the construction of a 64-bed nursing facility, was originally approved on October 8, 2013 at an estimated cost of \$8,400,694. The Council granted a twelve month Extension in October, 2014.

An extension request was received on September 28, 2015. The applicant reports utilities have been run to the building site and framing is completed. The projected date of completion remains October, 2016. That extension request also indicated there is a cost over-run of \$1,069,582 (12.7% of approved \$8,400,694) which required further review and approval by the Council. The Council voted to grant a modification to the original Certificate of Need.

The Council, after reading the extension request and hearing comments by staff and the applicant, voted 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 twelve months.

Dated this 8⁷¹⁴ day of February 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 A REQUEST BY)
)
UNIVERSITY OF IOWA HOSPITALS & CLINICS) **DECISION**
)
IOWA CITY, IOWA)
)
TO MODIFY A CERTIFICATE OF NEED)

This matter came before the State Health Facilities Council for hearing on October 29, 2015.

The request proposes the modification of an approved project. The request is to increase the cost of the proposal. On April 12, 2011, the Council granted a certificate of need to construct an 11-story addition for Children’s Hospital at a cost of \$284,973,751. The Council granted twelve month Extensions in April, 2012; July, 2013; June, 2014; and May, 2015. The project sponsor submitted a revised Exhibit 3 outlining a cost over-run in September, 2015. This request proposes an increase in cost of \$75,226,243 for a total project cost of \$360,199,994.

The record includes the request prepared by the project sponsor and all the testimony and exhibits presented at the hearing. Colleen Flory, Kenneth Kates, Scott Turner, George Mejias, Dr. John Staley, Tessa Quintero, Ellen Chambers and Dr. Ian Law, UIHC represented 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 modification to the original Certificate of Need.

FINDINGS OF FACT

1. The University of Iowa Hospitals & Clinics was granted a Certificate of Need on April 12, 2011 to construct an 11-story addition for Children’s Hospital at a cost of \$284,973,751.
2. The Council granted twelve month Extensions in April, 2012; July, 2013; June, 2014; and May, 2015.
3. The project sponsor submitted a revised Exhibit 3 outlining a cost over-run in September, 2015. The applicant reports cause of the cost overrun is a result of an increase in construction costs due to safety, clinical program, and healing environment enhancements.
4. The estimated total cost of the project is now \$360,199,994, a 26.4% increase in the original total project costs.

5. Construction is underway with a projected completion date of August 2016.

CONCLUSION

The Council concludes that the proposed change to the originally approved project represents an increase of approximately 26.4% in the cost of the project but does not substantially alter the nature and scope of the originally approved project.

Pursuant to 641 IAC 202.14, the Council therefore approves the request to modify the certificate of need originally granted April 12, 2011 to \$360,199,994 as the approved cost of the project.

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

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

Dated this 5TH day of February 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)
UNIVERSITY OF IOWA HOSPITALS & CLINICS)
IOWA CITY, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Thursday, October 29, 2015. The applicant was represented by Colleen Flory, Kenneth Kates, Scott Turner, George Mejias, Dr. John Staley, Tessa Quintero, Ellen Chambers and Dr. Ian Law, UIHC.

The project, the construction of an 11-story Children’s Hospital, was originally approved on April 12, 2011 at an estimated cost of \$284,973,243. The Council granted twelve month Extensions in April, 2012; July, 2013; June, 2014; and May, 2015.

The project sponsor submitted a revised Exhibit 3 outlining a cost over-run in September, 2015. This request proposes an increase in cost of \$75,226,243 (26.4% of approved \$284,973,751) which required further review and approval by the Council. The Council voted to grant a modification to the original Certificate of Need.

The Council, after reading the extension request and hearing comments by staff and the applicant, voted 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 twelve months.

Dated this 29TH day of February 2016



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

cc: Health Facilities Council

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

IN THE MATTER OF THE)
CERTIFICATE OF NEED EXTENSION FOR)
UNIVERSITY OF IOWA HOSPITALS & CLINICS)
IOWA CITY, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Thursday, October 29, 2015.

The project, to expand cardiac catheterization services by adding a second pediatric catheterization lab, was originally approved on November 3, 2014 at an estimated cost of \$6,191,888.

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 one year from the date of these findings.

Dated this 8th day of February 2016



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

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