

MINUTES
STATE HEALTH FACILITIES COUNCIL
May 6, 2015
IOWA LABORATORY FACILITY, CONFERENCE CENTER, ROOM 208
DMACC CAMPUS, ANKENY

9:20 AM: ROLL CALL

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

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

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

1. Grundy County Memorial Hospital, Grundy County: Change in ownership and replacement of the 55 long term care beds located as a distinct part long term care unit of the Grundy County Memorial Hospital to Creekside, Inc. in Grundy Center, Grundy County.

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

II. PROJECT REVIEW

Project sponsors were provided the option to be heard at the May 6, 2015 Council meeting or at a future meeting due to having four of the five Council members present. A motion by Chambers, seconded by Thomas, to amend the agenda to postpone the Burlington Surgical Center application to the next scheduled meeting, passed by voice vote. A motion by Skinner, seconded by Chambers, to amend the agenda to postpone the Advanced Surgery Center application to the next scheduled meeting, passed by voice vote.

1. Crystal Heights Care Center, Oskaloosa, Mahaska County: Add 14 skilled nursing facility beds -- \$2,022,905.

Staff report by Kala Shipley. The applicant was represented by Doug Fulton of Brick Gentry Law Firm; and Jay Wills, Tanya Davis, and Joy Wills of Crystal Heights Care Center; and Duane Helwig, Community Living Solutions, LLC. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

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

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

Staff report by Kala Shipley. The applicant was represented by Alissa Smith of Dorsey & Whitney; and Marty Guthmiller and Char TenClay of Orange City Area Health System. The applicant made a presentation and answered questions posed by the Council. A motion by Chambers, seconded by Skinner, to enter exhibits presented in support of oral testimony into the record carried by voice vote.

Kimberly Smith, Good Samaritan Society in George, was present at the hearing in opposition to the proposal.

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

III. EXTENSIONS OF PREVIOUSLY APPROVED PROJECT:

1. St. Luke's Hospital, Cedar Rapids, Linn County: Acquire linear accelerator and CT-\$4,900,000.

A motion by Chambers, seconded by Thomas, to grant a twelve-month extension carried by voice vote.

IV. APPROVE MINUTES OF PREVIOUS MEETING

A motion by Chambers, seconded by Skinner, to approve the minutes of the February 23, 2015 and April 8, 2015 meeting minutes, passed unanimously by voice vote.

V. HEALTH FACILITIES COUNCIL INTERIM VICE-CHAIRPERSON

A motion by Skinner, seconded by Thomas, to nominate Roberta Chambers as Interim Vice-Chairperson, passed by voice vote. Chambers voted no.

Motion by Skinner, seconded by Thomas, to adjourn the meeting, passed unanimously by voice vote.

The meeting was adjourned at 10:55 AM.

The date of the Council's next meeting is scheduled for August 4, 2015.

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

IN THE MATTER OF THE APPLICATION OF)
)
CRYSTAL HEIGHTS CARE CENTER)
)
OSKALOOSA, IOWA)

DECISION

This matter came before the State Health Facilities Council for hearing on Wednesday, May 6, 2015.

The application proposes the addition of 14 skilled nursing facility beds at an estimated cost of \$2,022,905.

Crystal Heights Care Center 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. Kala Shipley of the Iowa Department of Public Health summarized the project in relation to review criteria. Doug Fulton of Brick Gentry Law Firm; and Jay Wills, Tanya Davis, and Joy Wills of Crystal Heights Care Center, and Duane Helwig, 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) (2013) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Crystal Heights Care Center is a 78-bed licensed skilled nursing facility located in Oskaloosa.
2. The applicant proposes the construction of a 14 bed skilled rehabilitation and physical therapy center.
3. The applicant reports an increase in Medicare skilled residents.
4. The applicant reports an increase over the past two years in short-term skilled residents staying as long-term residents after receiving rehabilitation services.

5. The applicant reported at hearing having to consistently turn away individuals at times when the occupancy has been at 100%. The applicant states three individuals were turned away in January.
6. The percentage of Medicaid recipients served in the last three years averaged 64%. The applicant projects the population served will be largely persons 75 years of age and older requiring nursing facility or rehabilitation services. All of the proposed beds will be dually certified for Medicaid and Medicare.
7. The calculated bed need formula indicates a current underbuild in four of the six counties surrounding the facility. The underbuild for Mahaska County is 62 beds. Overall, the seven-county region, as calculated by the bed need formula, is underbuilt by 420 beds. See the following table for additional bed information.

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

County	Projected 2019 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 04/15	Difference – Formula vs. Licensed & Approved**
Mahaska	4043	286	224*	-62
Jasper	6973	492	355	-137
Keokuk	2162	151	160	+9
Marion	5973	424	306	-118
Monroe	1577	110	147	+37
Poweshiek	4046	283	307	+24
Wapello	6332	449	276	-173
Totals	31,106	2,195	1,775	-420

*2/23/2015 CON approved adding 14 SNF beds in Mahaska County.

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

8. The bed numbers in the table below represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the seven-county area has 92 hospital-based SNF/NF beds in Marion County.
9. Over the span of the last three years the total number of beds in the seven-county area has increased by 64 beds. There has been an increase of 14 NF beds in Mahaska County in the last three years. See the following table for additional detail.

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

County	# of NF Beds (facilities) as of 04/03/12	# of NF Beds (facilities) as of 04/03/15	Difference in # of NF Beds
Mahaska	210 (3)	224* (3)	+14
Jasper	361 (6)	355 (7)	-6
Keokuk	168 (3)	160 (3)	-8
Marion	242 (4)	306 (5)	+64
Monroe	147 (2)	147 (2)	0
Poweshiek	307 (5)	307 (5)	0
Wapello	276 (3)	276 (3)	0
Totals	1711 (26)	1775 (28)	+64

Note: The numbers for Keokuk and Marion were corrected from those contained in the staff report.

10. The applicant indicates that the primary service area is Mahaska County. The total number of admissions to the Crystal Heights Care Center for the past three years is 134; 105 (78%) of these were from Mahaska County, 8% from Marion County, 7% from Wapello County, and the remaining admissions were from eight Iowa counties and out of state.
11. The applicant states there are no less costly or more appropriate alternatives to assist in meeting the unmet bed need in Mahaska County and expand therapy space for rehabilitation.
12. The applicant states Crystal Heights Care Center has a referral relationship with Mahaska Health Partnership and other area hospitals. Referrals are received from local physicians and clinics and coordinated with assisted living facilities.
13. There are two additional freestanding nursing facilities in Mahaska County. Crystal Heights Care Center reports 90% occupancy with the two remaining nursing facilities in Mahaska County reporting occupancies of 98% and 99%. Occupancy for the three facilities in Mahaska County is 95% and the six contiguous counties report occupancies ranging from 62% to 92%.

**Phone Survey of Nursing Facilities Located in Mahaska County
& Counties Contiguous to Mahaska County
Conducted April 2015**

Facility & Phone by County	# Licensed Beds	Empty Beds	Percent Occupied
MAHASKA COUNTY			
CRYSTAL HEIGHTS CARE CENTER	78	8	90%

NORTHERN MAHASKA NURSING & REHAB CTR	63	1	98%
OSKALOOSA CARE CENTER	69	1	99%
TOTALS	210	10	95%
JASPER COUNTY			
BAXTER HEALTH CARE CENTER	44	13	70%
CAREAGE OF NEWTON	53	7	87%
HERITAGE MANOR	62	23	63%
NELSON MANOR	36	4	89%
NEWTON HEALTH CARE CENTER	70	23	67%
WESLEY PARK CENTRE	66	4	94%
TOTALS	331	74	78%
KEOKUK COUNTY			
KEOTA HEALTH CARE CENTER	42	18	57%
MANOR HOUSE CARE CENTER	72	26	64%
SIGOURNEY HEALTH CARE CENTER	46	17	63%
TOTALS	160	61	62%
MARION COUNTY			
JEFFERSON PLACE	36	1	97%
KNOXVILLE REHABILITATION CENTER	75	15	80%
THE COTTAGES	64	2	97%
PLEASANT CARE LIVING CENTER	53	5	91%
WEST RIDGE NURSING & REHAB CTR	78	3	96%
TOTALS	342	26	92%
MONROE COUNTY			
MONROE CARE CENTER	60	6	90%
OAKWOOD NURSING & REHAB CENTER	87	25	71%
TOTALS	147	31	79%
POWESHIEK COUNTY			
BROOKLYN COMMUNITY ESTATES	60	22	63%
MAYFLOWER HEALTH CARE CENTER	60	5	92%
MONTEZUMA NURSING & REHAB CTR	49	21	57%
ST FRANCIS MANOR	78	12	85%
TRU REHAB OF GRINNELL	60	16	73%
TOTALS	307	76	75%
WAPELLO COUNTY			
GOOD SAMARITAN SOCIETY- OTTUMWA	146	12	92%
RIDGEWOOD NURSING & REHAB CTR	70	17	76%
VISTA WOODS CARE CENTER	60	10	83%
TOTALS	276	39	86%

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
Mahaska	34 (2)	2	0	24 (1)	142 (1)
Jasper	0	2	28 (1)	120 (2)	0
Keokuk	0	1	0	68 (2)	0
Marion	44 (2)	2	0	122 (1)	178 (3)
Monroe	9 (1)	1	0	70 (1)	0
Poweshiek	73 (2)	1	0	17 (1)	70 (1)
Wapello	0	3	0	48 (1)	234 (2)
TOTALS	160 (7)	12	28 (1)	469 (9)	624 (7)

Data source: DIA web site

15. One letter was received Mayflower in Grinnell stating they have no objections to Crystal Heights' proposed project.
16. Letters of opposition were received from two nursing facilities in the area: Sigourney Health Care & Assisted Living and Monroe Care Center in Albia. The letters of opposition report the facilities have the capacity to serve residents needing NF beds and cite low occupancies.
17. The applicant anticipates borrowing \$1,822,905 for the current proposal and projects no operating deficit. Additional funding for the proposal will be cash on hand (\$200,000). The application includes a letter from Great Western Bank that states Crystal Heights Care Center is expected to include up to \$2,000,000 in construction financing and a permanent loan when the construction is completed.
18. The applicant does not project an operating deficit.
19. The proposal calls for the construction of a 14-bed nursing facility with a total of 10,168 square feet; the therapy and administration areas will be 1197 square feet while the household area will be 8971 square feet. Site costs are listed at \$30,000 plus \$94,300 in land improvements.
20. The total facility costs are \$1,758,605 plus \$140,000 in movable equipment for a total project cost of \$2,022,905. That is a turn-key cost of \$144,493.21.

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 consistently turns individuals away at times when the occupancy has been at 100%. The Council further notes an increase in demand for short-term rehabilitation services and private rooms and that the proposed project increases the number of private beds. 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 within 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 are and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The calculated bed need formula indicates a current underbuild in four of the six counties surrounding the facility. The underbuild for Mahaska County is 62 beds. Overall, the seven-county region, as calculated by the bed need formula, is underbuilt by 420 beds. The phone survey conducted by Department staff indicates a 90% occupancy at the Crystal Heights Care Center with the two remaining nursing facilities in Mahaska County reporting occupancies of 98% and higher, for a total occupancy rate for the county at 95%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. Of significance, the Council takes note that no opposition to this proposal was received from existing facilities in Mahaska County and that no existing facilities in Mahaska County indicated that this project would impact their utilization in a negative manner. The Council concludes the addition of nursing facility beds to Crystal Heights Care Center will have little impact on the appropriate and efficient use of other nursing facilities. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project is the construction of a 14-bed nursing facility with a total of 10,168 square feet of new construction. 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 concludes that the high occupancy of the applicant's nursing facility beds and the high occupancies of the nursing facilities in the county demonstrate that patients will experience serious problems in obtaining care absent the proposed additional beds. Iowa Code Sections 135.64(1) and 135.64(2)d.

The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2013), led the Council to find that a Certificate of Need should be awarded.

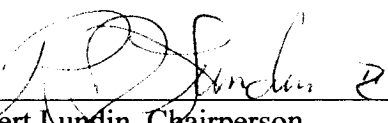
The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2013).

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 12th day of October 2015



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)
)
PRAIRIE RIDGE CARE CENTER) **DECISION**
)
ORANGE CITY, IOWA)

This matter came before the State Health Facilities Council for hearing on Wednesday, May 6, 2015.

The application proposes the addition of 12 skilled nursing facility beds at an estimated cost of \$21,456.

Prairie Ridge Care Center 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. Kala Shipley of the Iowa Department of Public Health summarized the project in relation to review criteria. Alissa Smith of Dorsey & Whitney; and Marty Guthmiller and Char TenClay were present representing the applicant. The applicant made a presentation and answered questions.

Kimberly Smith, Good Samaritan Society in Lyon County, was present at the hearing in opposition to the proposal.

The Council, after hearing the above-mentioned testimony and after reading the record, voted 4-0 to grant a Certificate of Need. As a basis for their decision the Council, considering all the criteria set forth pursuant to Iowa Code Section 135.64 (1 and 2) (2013) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Prairie Ridge Care Center is an 83-bed licensed skilled nursing facility that opened on October 18, 2013 as a result of a replacement of the 50-bed Heritage House and the 33-bed nursing facility (NF) operated under the hospital license.
2. Prairie Ridge Care Center is owned by Orange City Municipal Hospital dba Orange City Area Health System and consists of three 24-bed cottages and an 11-bed memory unit.
3. The applicant proposes the addition of 12 NF beds that will be added to existing private rooms to provide 12 semi-private rooms.

4. The applicant reports having only private rooms and indicates receiving requests for semi-private rooms by married residents who want to share a NF room with their spouse.
5. The applicant proposes the addition of 12 NF beds that will be added to existing private rooms to provide 12 semi-private rooms.
6. The percentage of Medicaid recipients served in the last three years averaged 35%. The applicant projects the population served will be largely persons 65 years of age and older requiring nursing facility or skilled nursing care. All of the proposed beds will be dually certified for Medicaid and Medicare.
7. The applicant reports they have a waiting list of approximately 120 individuals, including 25 couples on the waiting list indicating they want to share a room. The applicant states that 19 spouses of current residents are on the waiting list.
8. The applicant reports the average length of stay for nursing facility residents is approximately 786 days and 12 days for residents needing skilled care.
9. The calculated bed need formula indicates a current underbuild in one of the five counties surrounding the facility. The underbuild for Sioux County is 178 beds. Overall, the six-county region, as calculated by the bed need formula, is underbuilt by 101 beds. See the following table for additional bed information.

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

County	Projected 2019 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 04/15	Difference – Formula vs. Licensed & Approved**
Sioux	5,357	385	207	-178
Cherokee	2,743	190	228	38
Lyon	2,131	150	178	28
O'Brien	3,045	212	213	1
Osceola	1,268	89	110	21
Plymouth	4,866	343	332	-11
Totals	19,410	1,369	1,268	-101

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

10. The bed numbers in the table below represent the number of beds in free-standing nursing facilities. In addition to the beds in these tables, the six-county area has 199 hospital-based SNF/NF beds in Sioux and O'Brien counties.

11. Over the span of the last three years the total number of beds in the six-county area has increased by 7 beds. There has been an increase of ten NF beds in Sioux County in the last three years. See the following table for additional detail.

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

County	# of NF Beds (facilities) as of 04/03/12	# of NF Beds (facilities) as of 04/03/15	Difference in # of NF Beds
Sioux	197 (4)	207 (3)	+10
Cherokee	228 (5)	228 (5)	0
Lyon	178 (4)	178 (4)	0
O'Brien	213 (4)	213 (4)	0
Osceola	113 (2)	110 (2)	-3
Plymouth	332 (6)	332 (6)	0
Totals	1,261 (25)	1,268 (24)	+7

12. The applicant indicates that the primary service area is Sioux County. The total number of admissions to the Prairie Ridge Care Center for the past three years is 117; 110 (94%) of these were from Sioux County, 3% from O'Brien County, and the remaining admissions were from Plymouth County and out of state.
13. The applicant states the proposed project is the most efficient approach since there are no construction costs. The applicant reports the proposed additional beds will be added to existing private rooms to provide 12 semi-private rooms. The applicant projects the only additional costs to be for 12 beds, 12 mattresses, 12 over-bed tables, and miscellaneous items such as linens and towels.
14. The applicant states they receive 2-4 calls per week seeking admission from tertiary hospitals and prospective patients or their family members. The applicant reports they have agreements with Orange City Area Health System and Hospice.
15. There are two additional freestanding nursing facilities in Sioux County. Prairie Ridge Care Center reports 100% occupancy with the two remaining nursing facilities in Sioux County reporting occupancies of 80% and 83%. Occupancy for the three facilities in Sioux County is 89% and the five contiguous counties report occupancies ranging from 69% to 84%.

**Phone Survey of Nursing Facilities Located in Sioux County
& Counties Contiguous to Sioux County
Conducted April 2015**

Facility & Phone by County	Licensed Beds	Empty Beds	Percent Occupied
SIOUX COUNTY			
HILLCREST HEALTH CARE CENTER	64	11	83%

PLEASANT ACRES CARE CENTER	60	12	80%
PRAIRIE RIDGE CARE CENTER	83	0	100%
TOTALS	207	23	89%
CHEROKEE COUNTY			
CAREAGE HILLS REHABILITATION AND HEALTHCARE	44	22	50%
CHEROKEE VILLA NURSING & REHAB CENTER	62	19	69%
COUNTRYSIDE ESTATES	48	13	73%
HEARTLAND CARE CENTER	30	1	97%
SUNSET KNOLL CARE AND REHAB CENTER	44	10	77%
TOTALS	228	65	71%
LYON COUNTY			
FELLOWSHIP VILLAGE	40	4	90%
GOOD SAMARITAN SOCIETY-GEORGE	45	13	71%
LYON MANOR NURSING & REHAB CENTER	49	12	76%
ROCK RAPIDS HEALTH CENTRE	44	9	80%
TOTALS	178	38	79%
O'BRIEN COUNTY			
COMMUNITY MEMORIAL HEALTH CENTER	65	0	100%
PRAIRIE VIEW HOME	73	0	100%
PRIMGHAR REHAB & CARE CENTER	40	23	43%
SUTHERLAND CARE CENTER	35	12	66%
TOTALS	213	35	84%
OSCEOLA COUNTY			
COUNTRY VIEW INC.	59	20	66%
SIBLEY NURSING & REHAB CENTER	51	14	73%
TOTALS	110	34	69%
PLYMOUTH COUNTY			
AKRON CARE CENTER, INC.	45	0	100%
GOOD SAMARITAN-LE MARS	65	1	98%
HAPPY SIESTA NURSING HOME	62	19	69%
KINGSLEY NURSING & REHAB CENTER	43	5	88%
PLYMOUTH MANOR CARE CENTER	65	30	54%
THE ABBEY OF LEMARS	52	20	62%
TOTALS	332	75	77%

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Sioux	0	3	0	256 (7)	0
Cherokee	0	2	12 (1)	113 (3)	0
Lyon	0	0	0	39 (1)	0
O'Brien	42 (2)	2	0	222 (4)	0
Osceola	0	1	0	44 (1)	0
Plymouth	110 (4)	1	(1)	158 (3)	0
TOTALS	152 (6)	9	12 (2)	832 (19)	0

Data source: DIA web site

17. Nine letters of support were received for the proposed project. Three letters were received from residents, potential residents and their families that state more beds are needed to accommodate married couples residing together. Two letters were received from Orange City physicians who report having patients in area nursing facilities that have expressed a desire to move to Prairie Ridge Care Center to be closer to their families. Three letters of support were received from City and County officials. One letter of support was received from St. Luke's Regional Medical Center in Sioux City that states discharge planners experience difficulty finding beds in Sioux County.
18. Letters of opposition were received from four nursing facilities in the area: Hillcrest Health Care Services in Sioux County; the Good Samaritan Society in Lyon County; Sibley Nursing and Rehab Center in Osceola County; and Country View Manor in Osceola County. A representative from the Good Samaritan Society in Lyon County was present at the hearing in opposition to the proposal. All four letters and the affected party present at the hearing report their facilities have the capacity to serve residents needing NF beds and all cite low occupancies.
19. The Abbey of LeMars in Plymouth County provided utilization data. The 52-bed NF facility reports a census ranging from 30 to 35 residents over the past few years and that the number of available beds appears to be a trend for their facility.
20. The applicant states funding for the proposal will be cash on hand (\$21,456).
21. The applicant does not project an operating deficit.
22. The applicant indicates that the proposal will result in the need for an additional 7.7 FTEs; 6.5 of these in the nursing category (1.7 FTE RN and 4.8 FTE certified nursing assistants.) An additional .5 FTE increase in dietary, .2 FTE in housekeeping, and .5 FTE in activities completes the total forecasted need of 7.7 FTEs. The applicant reports not having difficulty in recruiting and retaining staff.

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 approximately 120 individuals on the waiting list. The Council further notes an increase in demand for individuals wanting to share a room as demonstrated by 19 spouses of current residents on the waiting list and 25 couples on the waiting list wanting to share a room. The Council concludes that the total project cost of \$21,456 is an efficient option to accommodate individuals within the facility and community who request sharing a room. The high occupancy rates of the other facilities within 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 are and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The Council takes note that 94% of admissions over the past three years have been from Sioux County. The underbuild for Sioux County is 178 beds. Overall, the six-county region, as calculated by the bed need formula, is underbuilt by 101 beds. The phone survey conducted by Department staff indicates 100% occupancy at the Prairie Ridge Care Center with the two remaining nursing facilities in Sioux County reporting occupancies of 80% and 83%, for a total occupancy rate for the county at 89%. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. The Council takes note that 25 couples are on the waiting list and indicate they want to share a room. The Council concludes the addition of 12 beds to Prairie Ridge Care Center 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 construction. 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 has 125 individuals on the waiting list including 25 couples that want to share a room. The Council further notes that 19 spouses of current residents are on the waiting list. The Council concludes that the 100% occupancy at the applicant's nursing facility and the high occupancies of the nursing facilities in the county demonstrate that patients will experience serious problems in obtaining care absent the proposed additional beds. Iowa Code Sections 135.64(1) and 135.64(2)d.

The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2013), 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 (2013).

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 12th day of October 2015


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)
ST. LUKE'S HOSPITAL)
CEDAR RAPIDS, IOWA)

DECISION


This matter came before the State Health Facilities Council for review on Wednesday, May 6, 2015.

The project, the purchase of a linear accelerator and CT scanner, was originally approved on April 14, 2014 at an estimated cost of \$4,900,000.

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

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

Dated this 12TH day of October 2015



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

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