

**MINUTES
STATE HEALTH FACILITIES COUNCIL
AUGUST 17, 2011
IOWA LABORATORY FACILITY
CONFERENCE CENTER, ROOM 208
DMACC CAMPUS, ANKENY**

I. 9:30 AM ROLL CALL

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

MEMBER ABSENT: Marc Elcock

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

II. PROJECT REVIEW

1. Stonehill Franciscan Services, Dubuque, Dubuque County: Build 16-bed Chronic Confusion and Dementing Illness (CCDI) unit – \$1,751,866.

Staff report by Barb Nervig. The applicant was represented by Ed McIntosh of Dorsey and Whitney; Sister Bertha Bonert, administrator and Rachel Wall, social worker. The applicant made a presentation and answered questions posed by the Council.

A motion by Lundin, seconded by Chambers, to enter the floor plan, presented in support of oral testimony, into the record carried 4-0.

No affected parties appeared at the hearing.

A motion by Lundin, seconded by Donovan, to Grant a Certificate of Need carried 3-1. Chambers voted no.

2. Community Memorial Health Center, Hartley, O' Brien County: Add 3 nursing facility beds in existing space – No cost.

Staff report by Barb Nervig. The applicant was represented by Ed McIntosh of Dorsey & Whitney; Jeannine Bunge, administrator; LesLee Stanley, director of nursing; and Kerrie Macy, social worker. The applicant made a presentation and answered questions posed by the Council.

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

No affected parties appeared at the hearing.

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

3. Parkridge Nursing & Rehab Center, Pleasant Hill, Polk County: Replace a 74-bed facility, adding 16 nursing facility beds – originally: \$9,396,582; amended to: \$10,947,165.

Staff report by Barb Nervig. The applicant submitted revised pages to the application last Friday. These pages show a revised floor plan, adding approximately 5,000 square feet which increased the cost to \$10,947,165. The number of beds and services did not change. The applicant feels this floor plan maximizes cost efficiencies while adding necessary therapy and common area space.

A motion by Chambers, seconded by Lundin, to accept the amendment to the original application carried 4-0.

The applicant was represented by Ken Watkins of Davis Law, Mike McDaniel of Care Initiatives and Ben Champ, director of development for the City of Pleasant Hill. The applicant made a presentation and answered questions posed by the Council.

No affected parties appeared at the hearing.

A motion by Chambers, seconded by Donovan, to Grant a Certificate of Need carried 3-1. Lundin voted no.

4. River Hills Village of Keokuk, Keokuk, Lee County: Build an addition, adding 26 nursing facility beds -- \$2,394,800.

Staff report by Barb Nervig. The applicant requested that the review of this proposal be delayed to the next meeting of the Council, scheduled for October 19, 2011. This request was received within 24 hours of the August 17, 2011 meeting; therefore the agenda was not amended.

III. EXTENSIONS OF PREVIOUSLY APPROVED PROJECTS:

1. Oakview, Inc., Conrad, Grundy County: Convert 8 residential care beds to 8 nursing facility beds -- \$500,700.

Staff reviewed the progress on this project. A motion by Lundin, seconded by Chambers to Grant a one year extension carried 4-0

2. Bethany Home, Dubuque, Dubuque County: Add 12 nursing facility beds for CCDI unit - \$1,716,712.

Staff reviewed the progress on this project. A motion by Chambers, seconded by Donovan to Grant a four-month extension carried 4-0

3. Trinity Regional Medical Center, Fort Dodge, Webster County: Establish radiation therapy services through purchase of linear accelerator and CT simulator - \$5M

Staff reviewed the progress on this project. A motion by Donovan, seconded by Chambers to Grant a one year extension carried 4-0

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

The purpose of the Council's review under this portion of the agenda is to determine whether it affirms the Department's determination that a project is or is not subject to review under Iowa

Code chapter 135. The Council reviewed the Department's determination as to whether a project is exempt from review.

1. Mercy Medical Center—Cedar Rapids, Cedar Rapids, Linn County: Request for reconsideration of the November 10, 2010 vote of the Council regarding the Department's determination of non-reviewability to extend the hospital license to provide outpatient surgical services in North Liberty.

Staff report by Barb Nervig provided a chronology of the correspondence in this matter. Mercy Medical Center was represented by Ed McIntosh of Dorsey & Whitney. Doug Gross of Brown Winick was present representing St. Luke's Hospital. Tom Peffer of Shuttleworth and Ingersoll and Kevin Hemmers were present representing Surgery Center of Cedar Rapids. All parties present were given an opportunity to speak.

A motion by Chambers, seconded by Donovan, to deny reconsideration of the November 10, 2010 vote of the Council, carried 4-0.

2. Iowa City Cancer Treatment Center , Iowa City, Johnson County: Change location of private practice office that provides outpatient radiation therapy services.

Staff report by Barb Nervig. Dr. Hamed Tewfik and Chuck Larson were present representing Iowa City Cancer Treatment Center. A motion by Lundin, seconded by Chambers, to support the Department's determination carried 4-0.

3. Decatur County Hospital, Leon, Decatur County: Replacement of critical access hospital on the hospital campus with no additional beds or new services.

Staff report by Barb Nervig. Ed McIntosh of Dorsey & Whitney was present for Decatur County Hospital. A motion by Lundin, seconded by Donovan, to support the Department's determination carried 4-0.

4. Greene County Medical Center, Jefferson, Greene County: Modernization of critical access hospital with no additional beds or new services

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

IV. APPROVE MINUTES OF PREVIOUS MEETING (APRIL 2011)

A motion by Chambers, seconded by Donovan, to approve the minutes of the April 12, 2011 meeting passed by voice vote.

The meeting was adjourned at 2:10 PM.

The next meeting of the council will be Wednesday, October 19, 2011.
The Council set the following meeting for Wednesday, April 4, 2012.

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

IN THE MATTER OF THE APPLICATION OF)
)
STONEHILL FRANCISCAN SERVICES) **DECISION**
)
DUBUQUE, IOWA)

This matter came before the State Health Facilities Council for hearing on Wednesday, August 17, 2011.

The application proposes the addition of 16 nursing facility beds for a chronic confusion and dementing illness (CCDI) unit at an estimated cost of \$1,751,866.

Stonehill Franciscan Services applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony and exhibits presented at the hearing. Barb Nervig of the Iowa Department of Public Health summarized the project in relation to review criteria. Ed McIntosh of Dorsey and Whitney; Sister Bertha Bonert, administrator and Rachel Wall, social worker 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 3-1 to grant a Certificate of Need. As a basis for their decision the Council, considering all the criteria set forth pursuant to Iowa Code Section 135.64 (1 and 2) (2011) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Stonehill is a Continuing Care Retirement Community (CCRC) with 51 independent/assisted living apartments, 41 residential care facility beds and 177 nursing facility beds which are a combination of semi-private and private rooms. In addition, Stonehill operates an adult day care. Stonehill has six residents over 100 years in age, 26 residents who are between age 95-100 and 76 residents over age 90.
2. Stonehill is proposing the addition of a 16-bed nursing unit to be certified as a Chronic Confusion/Dementing Illness (CCDI) unit.

3. The strategic plan for Stonehill is to provide a continuum of care for residents. The master site plan includes all private rooms in the Care Center, a new dementia unit (this application), a skilled nursing household, two additional NF households and a therapy center.
4. The applicant notes that Dubuque County (population approximately 95,287) currently has 28 dedicated CCDI beds, with an additional 12 beds approved for Bethany Manor.
5. The applicant states there are a number of existing residents of their nursing facility who would benefit from a dementia specific unit. The applicant estimates that 70-80% of the 16 CCDI beds will be filled by current residents.
6. The applicant stated they do not have a formal waiting list for admission.
7. Stonehill currently serves an elderly population. The percentage of Medicaid recipients served in the last three years averaged 36.5%. The applicant projects that number to decrease slightly to 33.9%, six months after opening the proposed unit. All of the proposed beds will be certified for Medicaid.
8. The calculated bed need formula indicates a current underbuild in all of the five counties surrounding the facility. The underbuild for Dubuque County is 8 beds. Overall, the five-county region, as calculated by the bed need formula, is underbuilt by 203 beds. See the following table for additional bed information.

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

County	Projected 2016 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 07/11	Difference – Formula vs. Licensed & Approved*
Dubuque	16,320	924	916**	-8
Clayton	3,740	261	245	-16
Delaware	3,102	220	191	-29
Jackson	4,143	290	214	-76
Jones	3,747	265	191	-74
Totals	31,052	1,960	1,757	-203

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

** 12 beds approved in July 2010 in Dubuque

9. The bed numbers in the table above and below represent the number of beds in free-standing facilities. In addition to the beds in these tables, Dubuque County has 40 hospital-based NF beds and 14 hospital-based SNF/NF beds.
10. Over the span of the last three years the total number of beds in the five-county area has increased by 24 beds. There has been an increase of five beds in Dubuque County in the last three years. See the following table for additional detail.

Nursing Facility Beds by County
Difference in Number Between July 2008 and July 2011

County	# of NF Beds (facilities) as of 07/08	# of NF Beds (facilities) as of 07/11	Difference in # of NF Beds
Dubuque	899(9)	904(9)	+5**
Clayton	246(4)	245(4)	-1
Delaware	171(2)	191(2)	+20
Jackson	214(3)	214(3)	0
Jones	191(2)	191(2)	0
Totals	1721(20)	1745(20)	+24

**Addition of 12 NF beds for Dubuque Co. approved 07/10, not yet licensed

11. There are currently 1,757 licensed and approved nursing facility beds in the five counties, 153 licensed and approved beds (8.7% of all beds) in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Dubuque	28(2)*
Clayton	16(1)
Delaware	36(1)
Jackson	37(1)
Jones	24(1)
Totals	141(6)

*plus 12 CCDI beds approved at Bethany Manor

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

12. The applicant indicates that the proposed service area includes Dubuque County, Jackson County, Jo Davies County in Illinois and Grant County in Wisconsin. The applicant combined NF and RCF resident admissions for the past three years. The primary service area is Dubuque County with 69% of admissions for the past 3 years. The remaining 31% of admissions were from outside Dubuque County (the applicant did not provide a further breakdown).
13. The applicant states they have determined there are no less costly or more appropriate alternatives given the target population and the need for services on the Stonehill campus.
14. Stonehill Franciscan Services has been serving the community of Dubuque and surrounding areas since 1903. According to the applicant's website, the Care Center was built in 1978 as a 250-bed facility housing both residential and nursing facility care. The care center currently has 218 licensed beds (41 RCF and 177 NF/SNF). Adult day care was added in 1990 and in 1999; Assisi Village was constructed containing 51 independent/assisted living units.
15. The applicant states they have transfer agreements with Finley Hospital and Mercy Medical Center. Stonehill also has a contract with Hospice of Dubuque for hospice services and a contract with Agility Therapy for rehab services.

16. There are eight additional freestanding nursing facilities in Dubuque County and both Mercy-Dyersville and Mercy-Dubuque hospitals have nursing care beds.

17. In a phone survey of facilities conducted July/August 2011, all of the freestanding facilities in the City of Dubuque reported occupancies above 88.9% with two notable exceptions. Dubuque Nursing and Rehab Center had a water main break and is currently not caring for any residents while repairs are being made. Ennoble Skilled Nursing and Rehab Center is not using a section of rooms while they renovate their therapy area. The only facility in Dubuque County that is not in the City of Dubuque reported occupancy of 81.4%. This facility located in Cascade is approximately 29 miles from the City of Dubuque. Additional details from the phone survey are in the following table.

Facility & Phone by County	Licensed Beds	Empty Beds	Percent Occupied	# of Medicaid Recipients
DUBUQUE COUNTY				
BETHANY HOME DUBUQUE (12 approved for CCDI)	54	0	100%	
DUBUQUE NURSING & REHAB CENTER DUBUQUE (water main break)	98	98		
ENNOBLE SKILLED NURSING & REHAB CENTER DUBUQUE (renovating therapy area)	102	30	70.6%	31
HERITAGE MANOR DUBUQUE	80	8	90%	
LUTHER MANOR DUBUQUE	103	3	97.1%	30
MANORCARE HEALTH SERVICES DUBUQUE	99	11	88.9%	
SHADY REST CARE CENTER CASCADE	70	13	81.4%	22
STONEHILL CARE CENTER DUBUQUE	177	4	97.7%	64
SUNNYCREST MANOR DUBUQUE	121	12	90.1%	
MERCY MEDICAL CENTER-DYERSVILLE DYERSVILLE	40	NR		
MERCY MEDICAL CENTER-DUBUQUE DUBUQUE	14	NR		
CLAYTON COUNTY				
ELKADER CARE CENTER ELKADER	44	NR		
GREAT RIVER CARE CENTER MCGREGOR	50	10	80%	64
GUTTENBERG CARE CENTER GUTTENBERG	93	24	74.2%	35
STRAWBERRY POINT LUTHERAN HOME STRAWBERRY POINT	58	11	81.0%	22
DELAWARE COUNTY				
EDGEWOOD CONVALESCENT HOME EDGEWOOD	58	NR		
GOOD NEIGHBOR HOME MANCHESTER	133	5	96.2%	35

JACKSON COUNTY				
CRESTRIDGE CARE CENTER MAQUOKETA	80	NR		
MAQUOKETA CARE CENTER MAQUOKETA	66	NR		
MILL VALLEY CARE CENTER BELLEVUE	68	NR		
JONES COUNTY				
ANAMOSA CARE CENTER ANAMOSA	76	3	96.1%	43
MONTICELLO NURSING & REHAB CTR MONTICELLO	115	NR		

NR = Not reported

18. 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
Dubuque	129(3)	2	36(2)	249(4)	216(1)
Clayton	44(1)	1	0	95(5)	38(1)
Delaware	60(1)	1	25(1)	118(2)	0
Jackson	0	1	30(1)	36(1)	63(1)
Jones	86(2)	2	0	80(2)	0
TOTALS	330(7)	7	91(4)	554(14)	317(3)

Data source: DIA web site

19. Letters of opposition were received from two of the other eight nursing facilities in the County; one of these letter writers subsequently rescinded the letter of opposition in favor of supporting the proposal. The remaining letter of opposition, from Shady Rest Care Center in Cascade, suggested the applicant should use existing beds to form a CCDI unit as the new beds for CCDI will result in NF beds at Stonehill becoming available to those not needing CCDI care.
20. Letters of support for this proposal were received from the Alzheimer's Association; Dr. Allen Meurer; Dr. Osamah El Khatib, medical director for Stonehill; and Bethany Home, Luther Manor, Sunnycrest Manor and Mercy-Dubuque, all in Dubuque.
21. The applicant currently has debt which the applicant plans to refinance. The applicant anticipates borrowing \$1,501,866 for the current proposal and does not project an overall operating deficit as a result of the proposal. The application contains a letter from American Trust detailing the financing proposal.
22. The proposal calls for the construction of 9,890 square feet to house a 16 bed CCDI unit.
23. The land is already owned by the applicant and site costs were listed at \$8,366. The total facility costs are \$1,676,500 with an additional \$67,000 for movable equipment for a total of \$1,751,866. That is a turn-key cost of \$109,492.

24. The applicant states that the sources of funds include \$250,000 through gifts and contributions and \$1,501,866 to be borrowed. The application includes a description of a note in the amount of \$4,950,000 which includes refinancing of current debt.
25. The applicant does not project an operating deficit. It is projected that for the CCDI project, expenses will exceed revenues the first year by \$202,572; by year two revenues will exceed expenses by \$194,714 increasing to \$206,466 by the third year. The combined revenue and expenses for the existing operation and the CCDI beds will maintain a positive operating income.
26. The applicant does not indicate any plan to increase the rate for nursing (NF) level of care as a result of this proposal.
27. The applicant indicates that the proposal will result in the need for an additional 11.6 FTEs; 11.2 of these in the nursing category (4.2 FTE RN and 7 FTEs certified nursing assistants.) An additional 0.4 FTE increase in administrative completes the total forecasted need of 11.6 FTEs.
28. Stonehill serves as a training site for nurses, nursing assistants, and social workers through partnerships with several local colleges (Clark, University of Dubuque, Loras and NICC). The applicant states that they have enjoyed a stable work force with low turnover according to industry standards. Additionally, the applicant states the facility is staffed at an above average employee to resident ratio.

CONCLUSIONS OF LAW

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note that while the percentage of licensed beds designated for CCDI in the five-county region is 8.7%, the lowest percentage of CCDI beds by county is in Dubuque County (4.4%), the largest county. The Council concludes that the proposal is an appropriate option to accommodate admissions of individuals from Dubuque County who will benefit from a designated CCDI unit. Iowa Code Sections 135.64(1) and 135.64(2)a.
2. The Council concludes that existing facilities providing health services similar to those proposed will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The bed need formula indicates Dubuque County is underbuilt by 8 beds; while the five-county region is underbuilt by 203 beds. The phone survey conducted by Department staff indicates a county wide occupancy of 89.9% for the free standing nursing facilities Dubuque County (this does not include the 98-bed facility that is empty due to a water main break). The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. Iowa Code Sections 135.64(1) and 135.64(2)b.
3. The Council concludes that the proposed project involves the construction of 9,890 square feet to house a 16 bed CCDI unit. The Council takes notes that the applicant operates near capacity. The Council concludes that new construction is the most effective alternative for this facility to provide the necessary space to accommodate individuals who will benefit from a designated CCDI unit. Iowa Code Sections 135.64(1) and 135.4(2)c.
4. The Council concludes that patients will experience problems in obtaining care of the type which will be furnished by the proposed changed health service, in the absence of that proposed service. The Council takes note that the applicant anticipates 70-80% of the proposed CCDI beds will be filled by existing residents. The Council concludes that the low number of dedicated CCDI beds in the county demonstrate 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) (2011), led the Council to find that a Certificate of Need should be awarded.

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

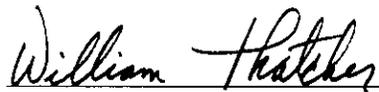
It is required in accordance with Iowa Administrative Code 641- 202.12 that a progress report shall be submitted to the Iowa Department of Public Health six (6) months after approval. This report shall fully identify the project in descriptive terms. The report shall also reflect an amended project schedule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

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

Certificate. These requests shall fully identify the project and indicate the current status of the project in descriptive terms.

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

Dated this 25th day of October 2011



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

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

4. The applicant states they have 20 persons on a waiting list. Those on the waiting list can wait 4-7 months for a bed to be available.
5. The applicant completed construction on June 23, 2010 on a modernization project that added 12,000 square feet for 25 private rooms. This modernization was deemed not to require a CON in November 2008 as no new beds or services were proposed.
6. Community Memorial Health Center currently serves an elderly rural population. The percentage of Medicaid recipients served, based on total residents served, in the last three years averaged 55%. The applicant projects that number to remain steady through the next three years. All of the beds will be certified for Medicaid.
7. Community Memorial Health Center is the only Veterans Administration contract home in the area. The applicant currently has three residents who receive care through the VA contract.
8. The calculated bed need formula indicates a current overbuild in six of the nine counties surrounding the facility. The overbuild for O'Brien County is 11 beds. Overall, the nine-county region, as calculated by the bed need formula, is overbuilt by one bed. See the following table for additional bed information.

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

County	Projected 2016 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 07/11	Difference – Formula vs. Licensed & Approved*
O'Brien	2,898	202	213	+11
Buena Vista	2,945	212	318	+106
Cherokee	2,630	182	222	+40
Clay	3,394	238	209	-29
Dickinson	4,293	297	227	-70
Lyon	2,059	145	181	+36
Osceola	1,174	82	113	+31
Plymouth	4,169	297	348	+51
Sioux	5,186	372	197	-175
Totals	28,748	2,027	2,028	+1

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

9. The bed numbers in the tables above and below represent the number of beds in free-standing facilities. In addition to the beds in these tables, O'Brien County has 70 hospital-based NF beds and Sioux County has 60 hospital-based NF beds and 65 hospital-based SNF/NF beds.
10. Over the span of the last three years the total number of beds in the nine-county area has decreased by 55 beds. There has been a decrease of 37 beds (one facility) in O'Brien County in the last three years. See the following table for additional detail.

Nursing Facility Beds by County
Difference in Number Between July 2008 and July 2011

County	# of NF Beds (facilities) as of 07/08	# of NF Beds (facilities) as of 07/11	Difference in # of NF Beds
O'Brien	250(5)	213(4)	-37
Buena Vista	318(5)	318(5)	0
Cherokee	231(5)	222(5)	-9
Clay	209(2)	209(2)	0
Dickinson	227(3)	227(3)	0
Lyon	183(4)	181(4)	-2
Osceola	113(2)	113(2)	0
Plymouth	355(6)	348(6)	-7
Sioux	197(4)	197(4)	0
Totals	2,083(36)	2,028(35)	-55

11. There are currently 2,028 licensed nursing facility beds (free-standing facilities) in the nine counties, 94 beds (4.6% of all beds) in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
O'Brien	30(2)
Buena Vista	0
Cherokee	0
Clay	10(1)
Dickinson	14(1)
Lyon	9(1)
Osceola	0
Plymouth	31(2)
Sioux	0
Totals	94(7)

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

12. The applicant indicates that their primary service area is O'Brien County. The secondary service area includes a portion of Clay and Osceola Counties. Of the 142 patients admitted to Community Memorial Health Center in the last three years 68% were from O'Brien County, 13.4% were from Clay County and 4.9% were from Osceola County.
13. The applicant states they have determined there are no less costly or more appropriate alternatives. There are no costs associated with the project and no additional staff will be required.
14. Community Memorial Health Center has been operating as a nursing facility since August 1992, when the hospital that had been operating in the same building closed. A 14-bed CCDI unit was added in 1993 and 16 assisted living units were added in 2002.
15. The applicant has agreements with several healthcare facilities to provide/share services, including: Spencer Municipal Hospital for physical therapy, occupational therapy and speech

therapy, labs, transfer agreements, hospice services, enterstomal services and HIV prophylaxis agreement; Sanford Hospital (Sheldon) for labs, physical therapy and transfer agreement; Sanford Home Health and Hospice (Sheldon) and Hospice of Iowa (Spirit Lake) for Hospice care; Mercy Baum-Harmon Hospital (Primghar) for labs and transfer agreement and Thomas Physical Therapy (Spencer) for physical therapy services.

16. There are three other nursing facilities in O'Brien County. A 37-bed facility closed in December 2008.

17. In a phone survey of facilities conducted July/August 2011, only two counties, Clay and Sioux, had county occupancies above 85%. O'Brien County reported occupancy of 84.1% with the applicant's facility reporting 100% occupancy. The two facilities with the lowest occupancies in O'Brien County are located in Primghar and Sutherland, each town is at least 15 miles from Hartley. Additional details from the phone survey are in the following table.

Facility & Phone by County	Licensed Beds	Empty Beds	Percent Occupied	# of Medicaid Recipients
O'BRIEN COUNTY				
COMMUNITY MEMORIAL HEALTH CENTER HARTLEY	65	0	100%	37
PRAIRIE VIEW HOME SANBORN	73	9	87.7%	22
PRIMGHAR REHAB & CARE CTR PRIMGHAR	40	15	62.5%	11
SANFORD SENIOR CARE SHELDON	70	10	85.7%	25
SUTHERLAND CARE CENTER SUTHERLAND	35	11	68.6%	15
TOTALS	283	45	84.1%	110
BUENA VISTA COUNTY				
BUENA VISTA MANOR, INC STORM LAKE (new owners)	100	67	33%	18
GOOD SAMARITAN SOCIETY NEWELL	50	11	78%	13
METHODIST MANOR RETIREMENT COMM. STORM LAKE	93	27	71.0%	22
PLEASANT VIEW HOME ALBERT CITY	45	9	80%	19
SIOUX CARE CENTER SIOUX RAPIDS	30	3	90%	13
TOTALS	318	117	63.2%	85
CHEROKEE COUNTY				
CAREAGE HILLS CHEROKEE	44	6	86.4%	?
CHEROKEE VILLA NURSING & REHAB CTR CHEROKEE	62	24	61.3%	19
COUNTRY SIDE ESTATES	48	26	45.8%	11

CHEROKEE (1 wing closed for remodel)				
Facility & Phone by County	Licensed Beds	Empty Beds	Percent Occupied	# of Medicaid Recipients
HEARTLAND CARE CENTER MARCUS	30	5	83.3%	13
SUNSET KNOLL CARE & REHAB CTR AURELIA	44	6	86.4%	17
TOTALS	228	67	70.6%	60
CLAY COUNTY				
LONGHOUSE-NORTHSHIRE LTD SPENCER	110	6	94.5%	64
ST LUKE LUTHERAN NURSING HOME SPENCER	99	10	89.9	39
TOTALS	209	16	92.3%	103
DICKINSON COUNTY				
HILLTOP CARE CENTER SPIRIT LAKE	127	23	81.9%	35
LAKE PARK CARE CENTER LAKE PARK	50	21	58%	17
MILFORD NURSING CENTER MILFORD	50	4	92%	14
TOTALS	227	48	78.9%	66
LYON COUNTY				
FELLOWSHIP VILLAGE INWOOD	40	8	80%	10
GOOD SAMARITAN SOCIETY GEORGE	48	10	79.2%	16
LYON MANOR NURSING & REHAB CTR ROCK RAPIDS	49	18	63.3%	9
ROCK RAPIDS HEALTH CENTRE ROCK RAPIDS	44	2	95.5%	20
TOTALS	181	38	79%	55
OSCEOLA COUNTY				
COUNTRY VIEW MANOR SIBLEY	62	18	71.0%	13
SIBLEY NURSING & REHAB CENTER SIBLEY	51	3	94.1%	23
TOTALS	113	21	81.4%	36
PLYMOUTH COUNTY				
AKRON CARE CENTER, INC AKRON	45	6	86.7%	23
GOOD SAMARITAN SOCIETY LEMARS	65	2	96%	30
HAPPY SIESTA HEALTH CARE CTR REMSSEN	78	33	57.7%	15
KINGSLEY NURSING & REHAB CTR KINGSLEY	43	10	76.7%	10
PLYMOUTH MANOR CARE CENTER	65	7	89.2%	20

LEMARS				
Facility & Phone by County	Licensed Beds	Empty Beds	Percent Occupied	# of Medicaid Recipients
THE ABBEY OF LEMARS LEMARS	52	27	48.1%	22
TOTALS	348	85	75.6%	120
SIOUX COUNTY				
HEGG MEMORIAL HEALTH CTR ROCK VALLEY	60	0	100%	29
HERITAGE HOUSE ORANGE CITY	50	6	88%	14
HILLCREST HEALTH CARE SERVICES HAWARDEN	64	16	75%	16
ORANGE CITY MUNICIPAL HOSPITAL (LTC) ORANGE CITY	33	1	97.0%	8
PLEASANT ACRES CARE CENTER HULL	50	1	98%	20
SIOUX CENTER COMMUNITY HOSPITAL & HEALTH CENTER SIOUX CENTER	65	1	98.5%	21
TOTALS	322	25	92.2%	108

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
O'Brien	42(2)	1	0	182(4)	0
Buena Vista	0	2	0	141(2)	0
Cherokee	0	2	12(1)	113(3)	0
Clay	15(1)	1	0	62(2)	114(1)
Dickinson	38(1)	2	0	97(2)	124(1)
Lyon	0	1	0	51(1)	0
Osceola	0	1	0	44(1)	0
Plymouth	110(3)	1	0	158(3)	0
Sioux	0	3	0	208(6)	0
TOTALS	205(7)	14	12(1)	1,056(24)	238(2)

Data source: DIA web site

19. Letters of opposition were received from two of the other four nursing facilities in O'Brien County as well as four facilities in contiguous counties. These letters indicated there is existing capacity in the geographic area and expressed concern about the impact on their already declining census with the addition of more beds.

20. The applicant submitted 15 letters of support. Letters of support for this proposal were received from seven family members of residents of the facility or Hartley community members, three physicians (including the medical director of the facility), one nurse who provides mental health services to the residents, one social worker, the CEO of the hospital in Primghar, the executive director of the Northwest Aging Association and the president of the Hartley Economic Development Corporation.

21. The applicant currently has debt in the amount of \$2,483,027 with an interest rate of 4% which will mature in November 2038. This is for the recently completed modernization.
22. The applicant states that no funds are needed for this proposal as the proposed beds will be placed in existing space and the actual beds and other furnishing are already owned by the applicant.
23. The applicant indicates the current room rate of \$163 will not change as a result of this proposal.
24. The applicant indicates that the proposal will not result in the need for additional FTEs.

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 gives significant weight to fact that the proposed three beds can be added in existing space at no cost and no additional staff. The Council further takes note that the applicant has obtained permission to exceed bed capacity from the Department of Inspections and Appeals on 15 occasions in the last nine months. The Council concludes that the proposal is a more appropriate option to accommodate admissions than to continue to seek permission to exceed bed capacity. Iowa Code Sections 135.64(1) and 135.64(2)a.

2. The Council concludes that existing facilities providing health services similar to those proposed will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The bed need formula indicates O'Brien County is overbuilt by 11 beds

and the nine-county region is overbuilt by one bed. While the formula indicates a slight overbuild, this modest project will not significantly impact existing facilities. The phone survey conducted by Department staff indicates a county wide occupancy of 84.1% for O'Brien County. The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. While the occupancy rate for the county is slightly below the historically relied upon rate, again the Council gives weight to the small number of beds requested and the correspondingly small impact the addition of these beds will have on existing facilities. The Council takes note that the applicant has 20 individuals on a waiting list and several remain on the list for 4-7 months for a placement at this facility. The Council concludes that three additional beds will not significantly impact the other facilities in the area. Iowa Code Sections 135.64(1) and 135.64(2)b.

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

4. The Council concludes that patients will experience problems in obtaining care of the type which will be furnished by the proposed changed health service, in the absence of that proposed service. The Council takes note that the applicant has 20 individuals on a waiting list for admission, has received permission to exceed licensed capacity 15 times in the last nine months and is the only facility in the area with a Veteran's Administration contract. The Council further takes note that the Department of Inspections and Appeals has recommended the facility add licensed beds. The Council concludes that the applicant's waiting list and the average census of 104% since November of 2010 demonstrate that patients will experience problems in obtaining care absent the proposed additional beds. Additionally, the Council relies on the many letters of support to conclude that patients that need this project and will experience difficulty 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) (2011), led the Council to find that a Certificate of Need should be awarded.

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

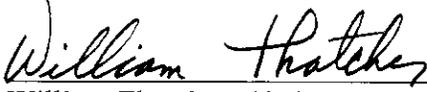
It is required in accordance with Iowa Administrative Code 641- 202.12 that a progress report shall be submitted to the Iowa Department of Public Health six (6) months after approval. This report shall fully identify the project in descriptive terms. The report shall also reflect an amended project schedule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

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

No changes that vary from or alter the terms of the approved application including a change in the approved dollar cost shall be made unless requested in writing to the

department and approved. Failure to notify and receive permission of the department to change the project as originally approved may result in the imposition of sanctions provided in Iowa Code section 135.73 (Iowa Administrative Code [641]202.14).

Dated this 25th day of October 2011



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

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

Nursing & Rehab Center in Pleasant Hill which began operations in 1964. Parkridge is currently licensed for 74 nursing facility beds.

2. Care embarked on a strategy of replacing its aging nursing facilities with new, modern buildings in 1997. To date, they have replaced facilities in ten communities across the state; none of these involved an increase in beds. In fact, there has been an overall reduction of 21 beds in those ten locations. Parkridge is the next nursing facility scheduled for replacement.
3. Parkridge is proposing the replacement of a 74-bed nursing facility with a 90-bed nursing facility at a location 2 miles from the current facility. Parkridge has experienced an average occupancy of 97% over the last three years.
4. The applicant states that Parkridge was selected for replacement for several reasons. The facility was constructed in 1964, is outdated and has ten rooms that are comprised of three bed wards. The building is now designated in a flood plain due to the Highway 65 bypass bridge and the volume of water released by Saylorville Dam during flood stage. On more than one occasion the City has had ambulances and other emergency personnel at Parkridge's curb ready to evacuate residents. Water has been within one foot of entering the building. Required renovation and repairs to comply with life safety and fire codes is becoming increasingly expensive; Care has spent more than \$2.7 million to maintain the regulatory and operational status of Parkridge and expects this trend to continue without a new building. The current building has less than 300 square feet available for therapy services that are now integral to resident care. The new building will include more than 3,000 square feet for these services.
5. The replacement of a nursing facility within the same county as the facility which is to be closed does not require a CON if the replacement does not add new health services or additional bed capacity. The applicant chose to pursue a CON to add 16 beds to the new facility due to the high occupancies that Parkridge experiences, the number of beds needed as calculated by the bed need formula and the current waiting list at Parkridge of 21 individuals.
6. Parkridge currently serves an elderly population. The percentage of Medicaid recipients served, based on total residents served, in the last three years averaged 60%. The applicant projects that number to increase to 64.4% through the next three years. All of the beds will be certified for Medicaid.
7. The calculated bed need formula indicates a current underbuild in four of the eight counties surrounding the facility. The largest underbuild is in Polk County with 1,075 beds. See the following table for additional bed information.

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

County	Projected 2014 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of 07/11	Difference – Formula vs. Licensed & Approved*
Polk	56,693	3,356	2,281**	-1,075
Boone	4,322	310	377	+67
Dallas	6,776	418	481	+63
Jasper	6,523	463	352	-111
Madison	2,674	191	209	+18
Marion	6,055	430	262	-168
Story	11,191	828	504***	-324
Warren	7,891	450	521	+71
Totals	102,125	6,446	4,497	-1,949

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

**34 beds approved in January 2009 in Grimes

***6 beds approved in November 2010 in Ames

8. The bed numbers in the tables above and below represent the number of beds in free-standing facilities. In addition to the beds in these tables, Story County has 80 hospital-based NF beds and 19 hospital-based SNF beds, Polk County has 16 hospital-based SNF beds and Marion County has 92 hospital-based SNF/NF beds.
9. Over the span of the last three years the total number of beds in the eight-county area has increased by 84 beds. There are an additional 40 beds approved that have not been licensed (see note above). See the following table for additional detail.

Nursing Facility Beds by County
Difference in Number Between July 2008 and July 2011

<i>County</i>	# of NF Beds (facilities) as of 07/08	# of NF Beds (facilities) as of 07/11	Difference in # of NF Beds
Polk	2,227(26)	2,247(27)	+20
Boone	379(4)	377(4)	-2
Dallas	453(8)	481(9)	+28
Jasper	334(6)	352(6)	+18
Madison	209(3)	209(3)	0
Marion	226(3)	262(4)	+36
Story	514(7)	498(7)	-16
Warren	521(6)	521(6)	0
Totals	4,863(63)	4,947(66)	+84

10. There are currently 4,497 licensed and approved nursing facility beds (free-standing facilities) in the eight counties, 569 beds (12.7% of all beds) in dedicated CCDI units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Polk	210(8)
Boone	56(2)
Dallas	87(3)
Jasper	18(1)
Madison	18(1)
Marion	32(2)
Story	48(2)
Warren	100(4)
Totals	569(23)

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

11. The applicant indicates that their primary service area is Polk County. Of the 107 patients admitted to Parkridge in the last three years 84 (78.5%) were from Polk County, eight (7.5%) were from Jasper County and four (3.7%) each were from Dallas and Warren Counties. The applicant does not anticipate a change in patient admissions with the relocation of the facility. The new location at the intersection of U.S. Highway 65 and Iowa Highway 163 may provide more convenient access for those who do live outside the metropolitan area.
12. The applicant states that while Parkridge is located in an urban area, this proposal will benefit Iowa’s rural population as its revenues will help support Care’s rural facilities. Many of Care’s rural locations, according to the applicant, do not have profitable operations and therefore rely on the profitable operations of Care facilities like Parkridge.
13. The applicant states they have determined there are no less costly or more appropriate alternatives given the need for services. The applicant considered the potential to renovate the existing building, but the costs were approaching that of the new replacement project and Care would still be operating an older building, in a flood prone location.
14. Parkridge has been operating in Pleasant Hill since 1964 and therefore has long established patterns of community cooperation and the sharing of services between the various health care and social network providers in the Pleasant Hill area. The applicant states that the new center will continue these services and relationships; including Hospice of Central Iowa, Care Initiatives Hospice, Iowa Hospice, Wesley Life, Mercy Hospital, Methodist Hospital, Broadlawns Medical Center, Iowa Lutheran Hospital, On with Life, the Shores at Pleasant Hill, Courtyard Estates, East Des Moines Family clinic, Union Park, Scottish Rite Park, and Fleur Heights Care Center.
15. There are 26 other free-standing nursing facilities in Polk County; one of these specializes in care for children and another in care for persons with head injuries. There is one 16-bed skilled unit that is hospital based in Polk County.
16. A survey of facilities conducted July/August 2011 did not receive a 100% response. A survey of the same facilities conducted in March 2011 received a better response rate; therefore data from both were shared with the Council. The July/August survey for Polk County had 18

facilities respond representing 1,421 licensed beds (ChildServe is not included in these numbers as they serve only children). The combined occupancy of those 18 facilities reporting was 84.5%. The March survey for Polk County had 23 facilities respond representing 1,889 licensed beds (On with Life is not included in these numbers as they serve only brain injured persons). The combined occupancy of those 18 facilities reporting was 85.7%. Finally, combining the two surveys, taking the July/August data for those facilities that responded to both surveys; for Polk County 24 facilities representing 1,905 licensed beds had a combined occupancy of 85.4%. Details from the surveys are in the following table.

Conducted July/August 2011
Conducted March 2011

Facility & Phone by County	Licensed Beds	Empty Beds	Empty Beds	Percent Occupied	Percent Occupied
POLK COUNTY					
Altoona Nursing and Rehab	106	7	2	93.4%	98.1%
Bishop Drumm Care Center	150	2	3	98.7%	98.0%
Calvin Manor	59	6	7	89.8%	88.1%
Childserve Habilitation Center	58	9		84.5%	
Deerfield Retirement Community	30	1	2	96.7%	93.3%
Fleur Hts Ctr for Wellness & Rehab	120	16	15	86.7%	87.5%
Fountain West Health Center	140	28	31	80.0%	77.9%
Genesis Senior Living Center	80	12	9	85.0%	88.7%
Iowa Jewish Senior Life Center	72	21	16	70.8%	77.8%
Iowa Lutheran Hospital	16	5		68.8%	
Karen Acres Healthcare Center	38	3	2	92.1%	94.7%
Manorcare Health Services of WDM	120	57	59	52.5%	50.8%
Mill Pond Retirement Community	60		8		86.7%
On With Life	26		4		84.5%
Parkridge Nursing & Rehab Ctr	74	2	5	97.3%	93.2%
Polk City Nursing and Rehab	68	16	16	76.5%	76.4%
Prime Nursing and Rehab Center	44		14		68.2%
QHC Mitchellville, LLC	65	9	7	86.2%	89.2%
Ramsey Village	78		12		84.6%
Scottish Rite Park Health Care Ctr	41	5	5	87.8%	87.8%
Sunny View Care Center	94				
The Rehab Ctr of Des Moines	74		9		87.8%
Trinity Center at Luther Park	120		2		98.3%
Union Park Health Services	83	16	16	80.7%	80.7%
University Park Nursing & Rehab Ctr	108		13		87.9%
Urbandale Health Care Center	180				
Valley View Village	79	9	13	88.6%	83.5%
Wesley Acres	80	5	4	93.8%	95.0%
TOTALS	2263	(220)	(270)		
BOONE COUNTY					
Eastern Star Masonic Home	76	1	2	98.7%	97.3%
Madrid Home for the Aging	155		43		72.2%
Ogden Manor	46		5		89.1%
Westhaven Community	100	3	2	97.0%	98.0%
TOTALS	377		52		86.2%

Facility & Phone by County	Licensed Beds	Empty Beds	Empty Beds	Percent Occupied	Percent Occupied
DALLAS COUNTY					
Adel Assisted Lining & Nursing	50	12	5	76.0%	90.0%
Arbor Springs of WDM L L C	56	10	11	82.1%	80.4%
Edgewater	40		3		92.5%
Granger Nursing & Rehab Center	67		14		79.1%
Perry Health Care Center	48		22		54.2%
Perry Lutheran Home	73	32	29	56.2%	60.2%
Rowley Memorial Masonic Home	57	2	3	96.5%	94.7%
Spurgeon Manor	42	0	1	100%	97.6%
The Village at Legacy Pointe	48	3	2	93.8%	95.8%
TOTALS	481		90		81.3%
JASPER COUNTY					
Baxter Health Care Center	44	12		72.7%	
Careage of Newton	53	21	24	60.4%	54.7%
Heritage Manor	62	10		83.9%	
Nelson Manor	36	4		88.9%	
Newton Health Care Center	91	25	4	72.5%	95.6%
Wesley Park Centre	66				
TOTALS	352				
MADISON COUNTY					
QHC Winterset North, LLC	90		29		67.8%
QHC Winterset South, LLC	49		7		85.7%
West Bridge Care & Rehabilitation	70		10		85.7%
TOTALS	209		46		78.0%
MARION COUNTY					
Griffin Nursing Center	95				
Jefferson Place	36				
Pella Regional Health Center	92				
Pleasant Care Living Center	53	3	6	94.5%	88.7%
West Ridge Nursing & Rehab Ctr	78	2		97.4%	
TOTALS	354				
STORY COUNTY					
Bethany Manor	180				
Colonial Manor of Zearing	40				
Green Hills Health Care Center	40	3		92.5%	
Mary Greeley Medical Center - SNF	19	15		21.1%	
Northcrest Health Care Center	40	2	2	95.0%	95%
Riverside Manor	59				
Rolling Green Village	69				
Story County Hospital NF	80		24		70%
The Abington on Grand	70				
TOTALS	597				
WARREN COUNTY					
Carlisle Ctr for Wellness & Rehab	101	17		83.2%	
Good Samaritan Society -Indianola	131	25	18	80.9%	86.2%
Norwalk Nursing & Rehab Ctr	51	10	9	80.4%	83.4%
Regency Care Center	101	18	18	92.1%	82.2%
The Village	54				
Westview of Indianola Care Ctr	83	19	20	77.1%	75.9%
TOTALS	521				

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Polk	201(5)	12	52(2)	1,131(14)	1,312(13)
Boone	125(1)	1	53(2)	144(2)	0
Dallas	123(2)	2	0	194(4)	32(1)
Jasper	0	2	28(1)	114(2)	0
Madison	18(1)	0	0	15(1)	76(1)
Marion	139(3)	4	0	122(1)	82(1)
Story	24(3)	1	30(1)	445(6)	0
Warren	61(3)	2	0	132(3)	204(2)
TOTALS	691(18)	24	163(6)	2,297(33)	1,706(18)

Data source: DIA web site

18. Letters of opposition were received from three of the other 24 nursing facilities serving the elderly in Polk County as well as six facilities in contiguous counties. These letters indicated there is existing capacity in the geographic area and expressed concern about the impact on their census with the addition of more beds. One of the closest facilities in Polk County, Altoona Nursing & Rehab wrote that their census was 97% in 2009, 96% in 2010 and 94.5% in 2011.
19. The applicant submitted 43 letters of support. Letters of support for this proposal were received from 23 family members of residents of the facility and five current or former residents, two physicians, one nurse, the administrator of the facility since 1996, the mayor of Pleasant Hill, nine individual letters from employees and one letter signed by 25 additional employees. The letters stress the need for more space and privacy for the residents and more working space for the staff.
20. Parkridge is an operating unit of Care Initiatives, a 501(c)(3) organization. The applicant states that Parkridge is included as a mortgaged property along with all other Care properties for the general indebtedness of Care and thus there is no existing debt for Parkridge. Care is not borrowing money for this project which reduces the cost of the overall project and the cost of providing services to residents of Parkridge.
21. The proposal calls for the construction of 46,330 square feet. The applicant indicates the design will be a four hallway and center courtyard design, with two nurses' stations located some distance from the front door. The new building will have 22 private rooms and 34 semi-private rooms and include more than 3,000 square feet dedicated to therapy services, including a mock up kitchen and full bath to facilitate occupational therapy efforts that will enable residents to return to their homes. The new facility will have meeting rooms, a chapel, a family room, a private dining room and enhanced activities areas.
22. Site costs total \$1,272,015 with \$250,000 for site acquisition, \$15,000 for demolition of existing structure, \$907,015 for site preparation and \$100,000 "other". The total facility costs are \$8,470,050 with an additional \$1,205,100 for movable equipment for a project total of \$10,947,165. That is a turn-key cost of \$121,635.16.

23. The applicant states that the source of funds is cash on hand. Care is not borrowing any money for this project. It is projected that revenues will exceed expenses the first year by \$236,844 increasing to \$406,048 by the second year and \$527,078 in year three.
24. The applicant indicates the current room rates will increase by \$5.00 in line with the applicant's current policy of increasing rates annually to account for inflation and cost of living adjustments.
25. The applicant indicates that the proposal will result in the need for an additional 7.3 FTEs; six of these in the nursing category (1 FTE RN, 2 FTEs LPN and 3FTEs certified nursing assistants.) An additional FTE for maintenance and 0.3 FTE for activities round out the total forecasted need of 7.3 FTEs.

CONCLUSIONS OF LAW

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council takes note that Care Initiatives has replaced ten of their 44 nursing facilities in the state with an overall reduction of 21 beds in the ten locations; this is the first replacement with additional beds proposed. The Council further notes that Parkridge is 47 years old, has three-bed rooms and is located in a flood plain. The Council concludes that the proposed replacement is an appropriate option to contain costs of maintaining a 47-year-old building while providing adequate space for patient rooms and therapy services. Iowa Code Sections 135.64(1) and 135.64(2)a.

2. The Council concludes that existing facilities providing health services similar to those proposed will continue to be used in an appropriate and efficient manner and will not be

impacted by this project. The bed need formula indicates Polk County is underbuilt by 1,075 beds; and the eight-county region is underbuilt by 1,949 beds. The phone survey conducted by Department staff indicates a county wide occupancy of 85.4% for Polk County facilities that responded (two facilities did not respond). The Council has previously concluded that occupancy rates of over 85% indicate appropriate and efficient utilization of existing nursing facilities. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the proposed project involves the construction of 46,330 square feet to house 22 private rooms, 34 semi-private rooms and space dedicated to therapy services, including a mock up kitchen and full bath to facilitate occupational therapy efforts that will enable residents to return to their homes. The new facility will also have meeting rooms, a chapel, a family room, a private dining room and enhanced activities areas. The Council takes note that the applicant operates near capacity and is currently located in a flood plain. The Council concludes that new construction is the most effective alternative for this facility to provide the necessary space to accommodate the individuals they serve. Iowa Code Sections 135.64(1) and 135.4(2)c.

4. The Council concludes that patients will experience problems in obtaining care of the type which will be furnished by the proposed changed health service, in the absence of that proposed service. The Council takes note that the applicant has 21 individuals on a waiting list for admission. The Council concludes that the applicant's waiting list, the average census of 97% for the last three years, and high occupancy in the county demonstrate that patients will experience problems in obtaining care absent the proposed additional beds. Iowa Code Sections 135.64(1) and 135.64(2)d.

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

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

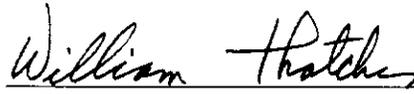
It is required in accordance with Iowa Administrative Code 641- 202.12 that a progress report shall be submitted to the Iowa Department of Public Health six (6) months after approval. This report shall fully identify the project in descriptive terms. The report shall also reflect an amended project schedule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

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

No changes that vary from or alter the terms of the approved application including a change in the approved dollar cost shall be made unless requested in writing to the department and approved. Failure to notify and receive permission of the department to

change the project as originally approved may result in the imposition of sanctions provided in Iowa Code section 135.73 (Iowa Administrative Code [641]202.14).

Dated this 25th day of October 2011

Handwritten signature of William Thatcher in cursive script.

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

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

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

IN THE MATTER OF THE)
CERTIFICATE OF NEED EXTENSION FOR)
OAKVIEW, INC.)
CONRAD, IOWA)

DECISION

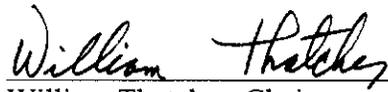
This matter came before the State Health Facilities Council for review on Wednesday, August 17, 2011.

The project, the conversion of eight residential care beds to eight nursing facility beds, was originally approved on June 15, 2010 at an estimated cost of \$500,700.

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 25th day of October 2011



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

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

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

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

BETHANY HOME)

DUBUQUE, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Wednesday, August 17, 2011.

The project, the addition of 12 nursing facility beds for a chronic confusion and dementing illness (CCDI) unit, was originally approved on July 21, 2010 at an estimated cost of \$1,716,712.

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 four months from the date of these findings.

Dated this 25th day of October 2011



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

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

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

IN THE MATTER OF THE)
CERTIFICATE OF NEED EXTENSION FOR)
TRINITY REGIONAL MEDICAL CENTER)
FORT DODGE, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Wednesday, August 17, 2011.

The project, the purchase of a linear accelerator and CT scanner, was originally approved on July 21, 2010 at an estimated cost of \$5,000,000.

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 25th day of October 2011



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

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