

**MINUTES**  
**STATE HEALTH FACILITIES COUNCIL**  
**Initiated in the Lucas State Office Building, Room 513**  
**Meeting Conducted Via Zoom**

**Wednesday, July 13, 2022**

**ELECTRONIC MEETING**

This electronic meeting of the State Health Facilities Council was held in accordance with Iowa Code section 21.8 entitled “Electronic Meetings.” The Code states that a governmental body may conduct a meeting by electronic means only if circumstances are such that a meeting in person is impossible or impractical and access is provided to the public. An in-person meeting of the Council to handle this agenda was impractical due to the schedules of the Council members and the resources of the Department. The meeting was initiated in room 523 of the Lucas State Office Building and was conducted via Zoom, which offered both video conferencing and conference call capabilities. Notices and agendas were posted in the Lucas State Office building and on the Department’s web site under the Certificate of Need Program. The meeting was recorded.

**1:05 PM Roll Call**

**MEMBERS PRESENT:** Dr. Harold Miller, Chair; Kelly Blackford; Aaron DeJong; and Brenda Perrin

**STAFF PRESENT:** Abby Less (present in the conference room)

**OTHER STAFF PRESENT:** Heather Adams, Counsel for the State

**OTHERS PRESENT:**

Douglas Gross – Brown Winick Law Firm; Dr. Erik Bedia, UnityPoint Health – Des Moines; Tom Mulrooney, UnityPoint Health – Des Moines; Douglas A. Fulton, Brick Gentry, P.C.; Ben Vallier, CEO, The Iowa Clinic; Brandy Waters, Chief Operating Officer, The Iowa Clinic; Nate Esser, Chief Development Officer, The Iowa Clinic; David Zielke, Chief Financial Officer, The Iowa Clinic; Dr. Christopher Kim, MD, Sports Medicine Orthopedic Surgeon, The Iowa Clinic

**I. APPROVAL OF MINUTES OF PREVIOUS MEETING (May 18, 2022)**

A motion by DeJong, seconded by Perrin, to approve the minutes of May 18, 2022, carried unanimously by voice vote.

## **II. EXTENSION OF PREVIOUSLY APPROVED PROJECT**

1. Western Point Senior Living, LLC, Cedar Rapids, Linn County – Construction of a 16 bed dedicated CCDI nursing facility \$4,965,400 (*Approved 7/15/2021, First Extension Request*)

Staff report by Abby Less. A motion by Blackford, seconded by DeJong, to grant a 12 month extension carried 4-0.

## **III. PROJECT REVIEW**

1. UnityPoint Health – Des Moines, Polk County – Acquisition of a da Vinci Xi surgical robot at Iowa Methodist Medical Center.  
\$1,709,500

Staff report by Abby Less. The applicant was represented by Douglas Gross, Brown Winick Law Firm; Dr. Erik Bedia, UnityPoint Health – Des Moines; and Tom Mulrooney, UnityPoint Health – Des Moines. The applicant made a presentation and responded to questions posed by the Council. A motion by DeJong, seconded by Perrin, to enter the exhibit presented by the applicant in support of oral testimony into the record carried unanimously by voice vote.

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

2. Waukee Surgery Center, LLC, Waukee, Dallas County – Establishment of an Ambulatory Surgery Center.  
\$1,825,000 (annual lease cost)

Staff report by Abby Less. The applicant was represented by Douglas A. Fulton, Brick Gentry, P.C.; Ben Vallier, CEO, The Iowa Clinic; Brandy Waters, Chief Operating Officer, The Iowa Clinic; Nate Esser, Chief Development Officer, The Iowa Clinic; David Zielke, Chief Financial Officer, The Iowa Clinic; Dr. Christopher Kim, MD, Sports Medicine Orthopedic Surgeon, The Iowa Clinic. The applicant made a presentation to the Council. A motion by DeJong, seconded by Perrin, to enter the exhibit presented by the applicant in support of oral testimony into the record carried unanimously by voice vote.

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

## **IV. DISCUSSION ABOUT THE AUGUST 2022 MEETING DATE AND 2023 MEETING DATES (February, May, July, October)**

The Council Chair noted that a brief CON meeting would be held on Tuesday, August 30 at 9:00 am. Becky Swift will send the agenda and conference call instructions in early August. The Chair also noted that the next regular meeting of the Council would be held on October 19 and/or 20. He indicated that there could be seven or more new projects on the agenda and those applications are due on August 25.

The Council was provided the proposed dates for 2023, which are:

February 8 and/or 9 - regular meeting  
March 6 or 7 – special meeting to hear the Steindler ASC extension  
May 17 and/or 18 – regular meeting  
July 12 and/or 13 – regular meeting  
October 18 and/or 19 – regular meeting

The February 8 and/or 9 meeting will be moved to the week of January 30. The exact date and time of this meeting will be determined at the next CON meeting.

A motion by Perrin, seconded by DeJong, to adjourn carried unanimously by voice vote.

The meeting adjourned at 2:28 pm.

**IOWA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
STATE HEALTH FACILITIES COUNCIL**

IN THE MATTER OF THE )  
CERTIFICATE OF NEED EXTENSION FOR )  
  
WESTERN POINT SENIOR LIVING, LLC )  
  
CEDAR RAPIDS, IOWA )

**DECISION**

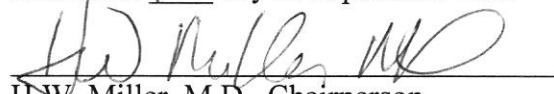
This matter came before the State Health Facilities Council on Wednesday, July 13, 2022.

The project, the construction of a 16-bed cottage style CCDI nursing facility, was originally approved on July 15, 2021 at an estimated cost of \$4,965,400. The original completion date for the project was March 1, 2023; the new completion date is March 1, 2024. There has been a minor change of location from that originally proposed. The new site is several hundred feet from the original site and borders the original parcel immediately to the south. This relocation resulted from the discovery of sub-surface soil conditions. Work completed includes extensive geotechnical and geophysical work on both the original and relocated site. Construction plans have been submitted to the Department of Inspections and Appeals and the applicant is a majority of the way through the city approval process for the building permit. Construction of the cottage remains to be done. Supply chain availability has required longer lead time for acquisition of materials resulting in project delays. Noted by the applicant in their extension request was that the cost of materials has increased, but that significant value engineering has been done to remain at the budgeted cost. The applicant anticipates signing contracts in late September 2022. To date \$399,101 has been spent on the project.

The Council, after reading the extension request and hearing comments by staff and the applicant, voted 4-0 to Grant an Extension of Certificate of Need per 641 Iowa Administrative Code 202.13. The decision is based upon a finding that sufficient progress has been made in developing the project.

The extension is valid for 12 months.

Dated this 19 day of September 2022



H.W. Miller, M.D., Chairperson  
State Health Facilities Council  
Iowa Department of Health and Human Services

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

**IOWA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
STATE HEALTH FACILITIES COUNCIL**

IN THE MATTER OF THE APPLICATION OF )  
 )  
UNITYPOINT HEALTH – DES MOINES ) **DECISION**  
IOWA METHODIST MEDICAL CENTER )  
 )  
DES MOINES, IOWA )

This matter came before the State Health Facilities Council for hearing on Wednesday, July 13, 2022.

The applicant applied via a request for summary review through the Iowa Department of Health and Human Services (“Department”) for a Certificate of Need for the acquisition of a da Vinci Xi Surgical Robot at a cost of \$1,709,500.

The record includes the application prepared by the project sponsor and written analysis prepared by Department staff and all the testimony and exhibits presented at the hearing. Abby Less of the Department summarized the project in relation to review criteria. Doug Gross, Brown Winick Law; and Dr. Erik Bedia and Tom Mulrooney, UnityPoint Health – Des Moines represented the applicant.

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) (2022) made the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. In their request for a summary review under Iowa Code section 135.67, UnityPoint Health – Des Moines, Iowa Methodist Medical Center (“Methodist”), sought State Health Facility Council approval for a da Vinci Xi Surgical Robot that was purchased and installed in January 2022.
2. The applicant noted in their summary review that the reason Methodist sought the Certificate of Need after the purchase was due to the mistaken belief that it did not have to obtain approval. They further noted that previously purchased surgical robots fell below the \$1.5 million review threshold, but that the rapidly increasing costs of the equipment pushed this purchase above the review threshold for the first time.

3. Methodist is a 482-bed not-for-profit hospital in Des Moines that is an affiliate of UnityPoint Health – Des Moines. Methodist provides primary, secondary, tertiary and increasingly quaternary care to patients in Des Moines and central Iowa.
4. Methodist was one of the first hospitals in the area to introduce the use of surgical robots when it began performing procedures assisted by a da Vinci Robot in 2004.
5. Methodist currently has two da Vinci surgical robots; a model X that was placed into service in 2010 and upgraded in 2017, and a model Xi that was placed into service in 2017. The new da Vinci surgical robot would be the second Xi robot at Methodist. Lutheran Hospital, which is affiliated with UnityPoint Health – Des Moines, also has a da Vinci Xi surgical robot that was placed into service in 2021 that is used mostly for general, and some gynecological, surgery.
6. UnityPoint Health – Des Moines continues to see increased volumes of complex cases, and ensuring its facilities have adequate technology to provide care for those cases is critical to the organization's long-term plans.
7. The service area for this project is a 30-county area in Central Iowa that have a combined population of 1,168,666. The primary service area consists of Polk, Dallas, Jasper, Poweshiek and Warren Counties.
8. The target population for this project is women who need access to surgical care for gynecologic oncology treatment, as well as other patients requiring complex urological or other surgical cases. Methodist anticipates that existing surgical patients can use the updated technology, as many of its surgeons are taking advantage of the technological advances provided by the robots.
9. Patients in Central Iowa need increased access to gynecologic oncology procedures. The applicant notes that while many women in the state travel to UIHC or Mayo Clinic for these procedures, the addition of the Xi Robot will allow Methodist to expand its current capacity to perform those procedures in Des Moines, thus allowing patients to have treatment closer to home, without having increased time and travel costs.
10. The applicant describes the unmet need for gynecologic oncology surgery in Iowa. Surgeons in only two hospitals, Methodist and UIHC, perform 88% of Iowa's inpatient cases. Further noted is that Methodist is the only hospital in the Des Moines metro area performing these procedures.
11. In response to staff questions, the applicant notes that there are currently only two hospitals with fellowship trained gynecologic oncologists whose primary practice is in Iowa – Methodist and the UIHC. They further note that while some gynecologists treat women with some cancers, most patients with advanced cancers are referred to a specialty trained gynecologic oncologist like those at Methodist and UIHC. Also noted is that the technological advances in robotic surgery coupled with Methodist's growth as a regional tertiary care center has increased the number of cases requiring these devices.

The increasing number of cases result in patients waiting for longer periods of time to schedule procedures, as there are currently only two robots that can be used. Also noted is that Methodist is aware of patients who have chosen to seek treatment outside the community because they have been waiting so long to have their procedure schedule.

12. Robotic surgery allows patients to have minimally invasive procedures that lessen pain, reduce narcotic use, facilitate early initiation of systemic chemotherapy and allow earlier return to work. This surgery is a more convenient alternative for patients who do not need inpatient stays for procedures that may have previously required ones.
13. The applicant states that there is no less costly or more effective alternative to the proposed purchase. They further state that the da Vinci Xi surgical robot is the newest model available, so there is no alternative. Also stated is that there is no less costly substitute as these devices are necessary to allow UnityPoint Health – Des Moines to attract and retain physicians who are accustomed to, and require, such equipment.
14. The manufacturer of the da Vinci robots cites an average utilization for the robots to be just over 300 cases per year. The robots at Methodist and Lutheran Hospital are at capacity, and will be used on nearly 1,000 cases in 2022. UnityPoint Health – Des Moines has been strategically locating some lesser complex procedures at Lutheran to keep the complex tertiary care focused at Methodist, but there is still a need for an additional robot to support that growth and existing case volume.
15. The existing robots at UnityPoint Health – Des Moines are at capacity, which causes access issues as patients are forced to wait to undergo these procedures until a robot is available. Adding more capacity will allow the surgeons at Methodist to increase the volume of complex cases they are able to perform, which will increase access and decrease time waiting for care.
16. There were two letters of support submitted. These letters cite the benefits of access to a minimally invasive technique that lessens pain, reduces narcotic use, facilitates early initiation of systemic chemotherapy, and allows earlier return to activities. They also highlight the increase in the number and volume of robotic specialties; scheduling for robotic procedures reaching capacity of the current platforms; and the need for the technology to attract out-of-state fellowship trained specialists as reasons for their support.
17. There were no letters of opposition submitted.
18. The purchase has helped facilitate the hiring of a new surgeon who will be starting this fall and performing gynecologic oncology and other complex surgical procedures. Methodist does not anticipate any additional staffing changes resulting from the project. It is anticipated that at least a dozen surgeons will use the new robot.
19. The total cost of the da Vinci surgical robot was \$1,709,500. It was purchased directly and paid for by cash on hand. The estimated useful life of the robot is 7 years.



## CONCLUSIONS OF LAW

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council notes that the da Vinci Xi Robot is the newest model of this equipment available and that there are no alternatives. Additionally, the Council concludes that there is no less costly substitute as these devices are necessary to allow UnityPoint Health – Des Moines to attract and retain skilled physicians who are accustomed to and require such equipment. The Council therefore concludes that there are no more appropriate, less costly services available in the area. Iowa Code Sections 135.64(1) and 135.64(2)a.

2. The Council concludes that existing facilities providing health services similar to those proposed are being and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The Council notes that the only facilities in Central Iowa using da Vinci Robots are located at Methodist and Lutheran Hospitals. They also note that the current robots are being used at or above capacity and will be used on nearly 1,000 cases in 2022. Additionally, the Council notes that that there were two letters of support received and no letters of opposition, and that no parties in opposition appeared at the hearing. Iowa Code Sections 135.64(1) and 135.64(2)b.

4. The Council notes the target population for this project are women who need access to surgical care for gynecologic oncology treatment and others patients requiring complex surgery. The Council finds that the existing robots at UnityPoint Health – Des Moines are at capacity, which causes access issues as patients are forced to wait to undergo these procedures until a robot is available. The Council concludes that adding more capacity will allow the surgeons at Methodist to increase the volume of complex cases they are able to perform, which will increase access and decrease time waiting for care. Additionally, the Council notes that surgeons at

Methodist and the University of Iowa Hospitals and Clinics (UIHC) perform 88% of gynecologic oncology inpatient surgery in Iowa and that the addition of the da Vinci Xi Robot at Methodist will allow central Iowa women to have their treatment locally instead of traveling to UIHC or Mayo Clinic. Therefore, 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. Iowa Code Sections 135.64(1) and 135.64(2)d.

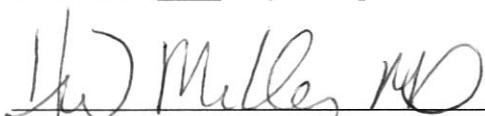
The facts, considered in light of the criteria contained in Iowa Code Section 135.64 (1 and 2) (2022), led the Council to find that a Certificate of Need should be awarded.

It is required in accordance with 641 Iowa Administrative Code 202.12 that a progress report shall be submitted to the Iowa Department of Health and Human Services 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 Department. Requests for extension of a Certificate of Need must be filed in writing to the Iowa Department of Health and Human Services 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 (641 Iowa Administrative Code 202.14).**

Dated this 19 day of September 2022



H.W. Miller, M.D., Chairperson  
State Health Facilities Council  
Iowa Department of Health and Human Services

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

**IOWA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
STATE HEALTH FACILITIES COUNCIL**

IN THE MATTER OF THE APPLICATION OF )  
 )  
WAUKEE SURGERY CENTER, LLC ) **DECISION**  
 )  
WAUKEE, IOWA )

This matter came before the State Health Facilities Council for hearing on Wednesday, July 13, 2022.

The applicant applied through the Iowa Department of Health and Human Services (“Department”) for a Certificate of Need for the establishment of an ambulatory surgery center at an estimated annual cost of \$1,825,000.

The record includes the application prepared by the project sponsor and written analysis prepared by Department staff and all the testimony and exhibits presented at the hearing. Abby Less of the Department summarized the project in relation to review criteria. The applicant was represented by Douglas A. Fulton, Brick Gentry, P.C.; Ben Vallier, CEO, The Iowa Clinic; Brandy Waters, Chief Operating Officer, The Iowa Clinic; Nate Esser, Chief Development Officer, The Iowa Clinic; David Zielke, Chief Financial Officer, The Iowa Clinic; and Dr. Christopher Kim, MD, Sports Medicine Orthopedic Surgeon, The Iowa Clinic.

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) (2022) made the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. The applicant proposes to establish a Medicare certified ambulatory surgery center, Waukee Surgery Center, LLC (“Waukee Surgery Center”), which will perform a variety of outpatient musculoskeletal surgical procedures.
2. Waukee Surgery Center will be subleased from The Iowa Clinic, PC, who will own the ASC, at fair market value. The initial sublease term is expected to be 20 years with a renewable option and with no prepayments or purchase option. Waukee Surgery Center also plans to lease state-of-the-art equipment for the ASC.
3. The annualized lease cost of the proposed project is \$1,825,000, which will be financed through debt services and cash on hand.

4. There is a current and growing need in central Iowa for consistent and timely access to the high-quality and cost-effective orthopedic care that can be delivered in the convenience of an ASC.
5. The applicant notes a payor mix of 32% Medicare/Medicare Advantage/Medicaid; 40% Wellmark Blue Cross/Blue Shield; 24% commercial; 2% worker's compensation; and 2% other payors.
6. Over the past few years it has become increasingly challenging to schedule less complex outpatient musculoskeletal surgery in a timely manner in a hospital. At one point in the past year, 35 Iowa Clinic patients had to delay their orthopedic surgery due to the lack of available operating room time at a hospital. The wait time for orthopedic surgeries is approximately 3.5 months and is expected to worsen as demand grows.
7. The service area will include 11 counties, including: Adair, Boone, Clarke, Dallas, Guthrie, Jasper, Lucas, Madison, Marion, Polk and Warren Counties, with an estimated population of roughly 800,000. In 2015, approximately of 13.4% of Iowans in the service area were 65 or older. By 2030, that figure is expected to grow to 17.7%, and by 2040, the population of over 65 and older in 9 of the 11 counties will be at least 20%.
8. The applicant states that the proposed project is the least costly and most appropriate alternative for outpatient surgical services. They note that performing certain musculoskeletal procedures in an ASC is typically a less costly alternative to performing these procedures in a hospital setting.
9. In order to provide access to persons who live in rural areas, the Iowa Clinic operates 19 rural outreach locations throughout central Iowa. The applicant states that the proposed ASC will be available to patients from these rural outreach locations. They further state that many of the same physicians who treat patients in these locations will be directly involved in patients' care in the proposed surgery center, which will improve continuity of care.
10. The applicant states that the Centers for Medicare and Medicaid Services ("CMS") encourages – and some commercial payors are requiring – providers to perform certain outpatient surgical procedures in an ASC setting to promote access and reduce costs. Based on The Iowa Clinic's claims data and Medicare data for common procedures that are expected to be performed at Waukee Surgery Center, the estimated average reimbursement savings of transitioning such procedures from a hospital outpatient department to the ASC is approximately 30%, with some procedures yielding a savings of 75%. The applicant states that these findings are consistent with extensive research on this trend, showing that the transition of certain procedures from a hospital setting to an ASC setting results in substantial savings to the health care system and all its participants.
11. The applicant notes that most similar services are currently being provided in hospitals but the most efficient and appropriate manner to provide patients musculoskeletal care is often in an ASC. They further state that a state-of-the-art facility designed for such care is

the optimal way to manage the patients' health, and to ensure access and high-quality comprehensive care at a low cost. They further note that the proposed ASC will free hospital space to be used for more complex surgical procedures that cannot be performed in an ASC, and that are currently hard to schedule in hospitals in the metro area.

12. The clinic has considered other options, including remodeling space at existing surgery centers but those options are limited and not financially feasible. The new ASC is the best option for a lower cost site of service to patients and insurers and for ease of access into and out of a healthcare facility.
13. The applicant states The Iowa Clinic routinely collaborates with area health care systems to improve quality and reduce healthcare costs, particularly through its joint ventures with UnityPoint Health – Des Moines and Lakeview Surgery Center, and with the rural outreach locations at which The Iowa Clinic physicians treat patients.
14. There were 10 letters of support submitted for this project. The letters cite improved patient satisfaction and access to care in an ASC; an outpatient setting being preferred by patients and employers for its lower cost, improved service, outcomes and convenience; times of high demand in a hospital creating significant delays for patients having a lower acuity of care need; patient demand for access to affordable orthopedic surgeries growing as the population ages; and the high level of patient safety that will be provided at Waukee Surgery Center as reasons for their support.
15. There were no letters of opposition received.
16. The new surgery facility will be approximately 18,000 square feet and will be located within a 7.5-acre medical campus that The Iowa Clinic is developing on land recently purchased in Waukee. The ASC will have three operating rooms that will be designed specifically for outpatient musculoskeletal procedures. The operating rooms will have a larger footprint than traditional ASC operating rooms to accommodate the equipment and staff that are typically involved in orthopedic outpatient surgical procedures, including joint replacements.

#### CONCLUSIONS OF LAW

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

- a. Less costly, more efficient or more appropriate alternatives to the proposed institutional health service are not available and the development of such alternatives is not practicable;
- b. Any existing facilities providing institutional health services similar to those proposed are being used in an appropriate and efficient manner;

- c. In the case of new construction, alternatives including but not limited to modernization or sharing arrangements have been considered and have been implemented to the maximum extent practicable;
- d. Patients will experience serious problems in obtaining care of the type which will be furnished by the proposed new institutional health service or changed institutional health service, in the absence of that proposed new service.

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council notes that the Centers for Medicare and Medicaid Services has recognized that many surgical procedures can be performed safely in an ASC with lower cost and improved patient convenience and comfort. The Council also notes that patients and payers want access to more convenient, comfortable, and less expensive options for outpatient services closer to home, with shorter wait times and more personalized care. The procedures performed in an ambulatory surgery center deliver each of these in a non-hospital setting that is, on average, 30% less costly than outpatient hospital settings. The Council also notes that Waukee Surgery Center will be built to modern orthopedic surgical standards, including operating rooms that are larger than at a general ASC to accommodate the equipment and staff needed to perform these types of procedures. The Council therefore concludes that there are no more appropriate, less costly alternatives available in the area. Iowa Code Sections 135.64(1) and 135.64(2)a.

2. The Council concludes that existing facilities providing health services similar to those proposed are being and will continue to be used in an appropriate and efficient manner and will not be impacted by this project. The Council notes that most similar services are currently being provided in hospitals but the most efficient and appropriate manner to provide patients musculoskeletal care is often in an ASC. The Council takes note that no hospitals and no existing surgery centers objected to this project. Additionally, the Council notes that that there were 10 letters of support received and no letters of opposition, and that no parties in opposition appeared at the hearing. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council notes that the applicant will construct an 18,000 square foot ASC with three operating rooms dedicated to orthopedic procedures. The Council further notes that the operating rooms will have a larger footprint than traditional ASC operating rooms to accommodate the equipment and staff that are typically involved in orthopedic outpatient surgical procedures, including joint replacements. 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 135.64(2)c.

4. The Council notes a current backlog of patients and that the current wait time at existing facilities for orthopedic surgery is three and a half months. Also noted by the Council is that the number of patients needing orthopedic surgery is growing as the population ages. The Centers for Medicare and Medicaid Services encourages – and some commercial payors are requiring – providers to perform certain outpatient surgical procedures in an ASC setting to promote access and reduce costs. Also noted is the rise in hip and knee joint replacement surgeries being performed in ambulatory surgery centers reflecting the nationwide trend toward moving low-risk

surgical procedures into lower-cost settings of care. Therefore, 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. 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) (2022), led the Council to find that a Certificate of Need should be awarded.

It is required in accordance with 641 Iowa Administrative Code 202.12 that a progress report shall be submitted to the Iowa Department of Health and Human Services 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 Department. Requests for extension of a Certificate of Need must be filed in writing to the Iowa Department of Health and Human Services 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 (641 Iowa Administrative Code 202.14).**

Dated this 19 day of September 2022



H.W. Miller, M.D., Chairperson  
State Health Facilities Council  
Iowa Department of Health and Human Services

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