

MINUTES
STATE HEALTH FACILITIES COUNCIL

Thursday, July 15, 2021

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 limited agenda was impractical due to the schedules of the Council members and the resources of the Department. The meeting was initiated in room 418 of the Lucas State Office Building and was conducted via Google Meet, 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.

9:00 AM Roll Call

MEMBERS PRESENT: Dr. Harold Miller, Chairperson; Aaron DeJong; Brenda Perrin; and Jake Porter

STAFF PRESENT: Becky Swift (present in the conference room)

OTHER STAFF PRESENT: Heather Adams, Counsel for the State

OTHERS PRESENT: Kendell Watkins, Kendall R. Watkins PC; Alissa Smith, Dorsey & Whitney, LLP; Kelly Eastin and Jay Winger, ChildServe Habilitation Center; Jennifer Lindberg, Brown Winick Law; Kris Hansen and Pat O’Leary, Western Point Senior Living, LLC; and Peg Bradke, UnityPoint-Cedar Rapids;

I. APPROVAL OF MINUTES OF PREVIOUS MEETING (May 20, 2021)

A motion by DeJong, seconded by Perrin, to approve the minutes of May 20, 2021, carried unanimously by voice vote.

II. EXTENSION REQUESTS

1. Strawberry Point Lutheran Home, Strawberry Point, Clayton County: Addition of 18 CCDI beds, \$4,488,137 (*Approved 7/30/2021, First Extension Request*)

Staff report by Becky Swift. The applicant was represented by Kendall Watkins, Kendall R. Watkins PC. The applicant made remarks and answered questions posed by the Council. A motion by Perrin, seconded by DeJong, to grant a six (6) month extension carried 4-0.

2. WellSpire LLC, Bettendorf, Scott County: Construction of a 40 bed nursing facility, \$9,065,542 (*Approved 7/17/2019, Second Extension Request*)

Staff report by Becky Swift. The applicant was represented by Alissa Smith, Dorsey & Whitney, LLC. The applicant made remarks and answered questions posed by the Council. A motion by DeJong, seconded by Perrin, to grant a six (6) month extension carried 4-0.

3. ChildServe Habilitation Center, Johnston, Polk County: Addition of 16 pediatric nursing facility beds, \$4,331,452 (*Approved 7/17/2019, Second Extension Request*)

Staff report by Becky Swift. The applicant was represented by Kelly Eastin and Jay Winger, ChildServe. The applicant made remarks and answered questions posed by the Council. A motion by Perrin, seconded by Porter, to grant a 12 month extension carried 4-0.

III. PROJECT REVIEW

1. Western Point Senior Living LLC, Cedar Rapids, Linn County - Construction of a 16 bed dedicated CCDI nursing facility
\$4,965,400

Staff report by Becky Swift. The applicant was represented by Jennifer Lindberg, Brown Winick Law; Kris Hansen and Pat O'Leary, Western Point Senior Living LLC, and Peg Bradke, UnityPoint – Cedar Rapids. The applicant made a presentation and answered questions posed by the Council. A motion by DeJong, seconded by Perrin, to enter exhibits presented by the applicant in support of oral testimony into the record carried unanimously by voice vote.

There were no affected parties in attendance.

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

IV. VOTE ON PROPOSED CHANGES TO 641 IAC 203.3 – RADIATION THERAPY STANDARDS

The proposed changes were reviewed at the May 20, 2021 meeting. No additional changes have been made since that time.

A motion by DeJong, seconded by Porter, to approve the proposed changes to 641 IAC 203.3, carried 4-0.

V. DISCUSSION OF 2022 MEETING DATES (February, May, July, October)

Becky Swift provided the proposed dates for 2022, which are:

February 9 and/or 10
May 18 and/or 19
July 13 and/or 14
October 19 and/or 20

She asked Council members to check their calendars and let her know if any of those dates don't work.

Chairperson Miller reminded the Council that the next meeting is tentatively scheduled for Tuesday, August 31, 2021, via Google Meet. If this changes, Council members will be notified.

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

The meeting adjourned at 10:33 am.

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

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

CHILDSERVE HABILITATION CENTER)

JOHNSTON, IOWA)

DECISION

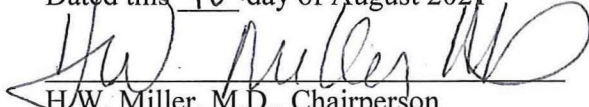
This matter came before the State Health Facilities Council for review on Thursday, July 15, 2021. The applicant was represented by Kelly Eastin and Jay Winger, ChildServe Habilitation Center.

The project, the addition of 16 pediatric nursing facility beds, was originally approved July 17, 2019, at an estimated cost of \$4,331,452. The original completion date for the project was June 2021; the completion date following their first extension was late December 2021. The new completion date is June 2022. The first phase of the project, to transition five single rooms to double and to add a bed to a large nursery for a total increase of six beds, was completed in September 2019. The second phase, to build the 16 bed pediatric nursing facility, has been delayed due to the COVID-19 pandemic. ChildServe Habilitation Center was not allowed to do construction on their building during the pandemic, and they used the project space for the required COVID unit. ChildServe Habilitation Center is now moving forward on the project, and have vacated the building, removed walls and rerouted plumbing. All necessary contracts were signed in October 2019. To date a total of \$884,868 has been spent on the project.

The Council, after reading the extension request and hearing comments by staff, 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 12 day of August 2021



H.W. Miller, M.D., 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)

STRAWBERRY POINT LUTHERAN HOME)

STRAWBERRY POINT, IOWA)

DECISION

This matter came before the State Health Facilities Council for review on Thursday, July 15, 2021. The applicant was represented by Kendall Watkins, Kendall R. Watkins, PC.

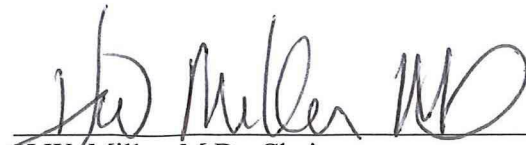
The project, the construction of an 18-bed chronic confusion and dementing illness (CCDI) unit addition was originally approved on July 30, 2020 at an estimated cost of \$4,488,137. The original completion date for the project was June 2021; the new completion date is June 2022. The delays to the project are primarily related to COVID-19 and the 2020 derecho that affected the ability of Strawberry Point Lutheran Home to get supplies and contracts. Their existing unit is getting new heating and cooling systems and has newly installed lighting. Because of unknown financial issues, they have put this project on hold and should know within the next few months if they can move forward, which will include having access to material needed. The applicant stated in their extension request that they will have a possible increase in cost due to the increased price of materials and the ability to get ahold of these materials. They provided a new projected cost of \$5,116,476, however the real increase in cost is unknown. They will submit a cost overrun if needed as they have firmer cost projections. They have signed off on architectural plans. Noted during testimony is that the facility is having difficulty obtaining bids for the project and that they hope to have revised bids within six months. They have spent \$8,000 to date on the project.

The applicant had requested a 12 month extension, but the Council indicated that they wanted to know how the project was progressing prior to next July. They determined that at six months the applicant would have more information about progress on the project as well as costs.

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 progress has been made in developing the project.

The extension is valid for six (6) months.

Dated this 12 day of August 2021

A handwritten signature in black ink, appearing to read "H.W. Miller MD". The signature is written in a cursive style with a horizontal line underneath it.

H.W. Miller, M.D., 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)

WELLSPIRE, LLC)

BETTENDORF, IOWA)

DECISION


This matter came before the State Health Facilities Council for review on Thursday, July 15, 2021. The applicant was represented by Alissa Smith, Dorsey & Whitney, LLP.

The project, the construction of a 40 bed nursing facility, was originally approved July 17, 2019, at an estimated cost of \$9,065,542. The original completion date for the project was January 2021; the new completion date at the time of the first extension was July 2021. The current completion date is October 2021. Work, except some of the interior finishes, landscaping and exterior stone has been completed. There have been some weather delays and some product availability delays due to COVID. The construction contract was executed on December 23, 2019 and financing was completed in 2 phases - December 2019 and March 2020. Spent to date is approximately 90% of the total capitalized soft and hard costs for the entire 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 six (6) months.

Dated this 12 day of August 2021


H.W. Miller, M.D., 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 APPLICATION OF)
)
WESTERN POINT SENIOR LIVING LLC) **DECISION**
)
CEDAR RAPIDS, IOWA)

This matter came before the State Health Facilities Council for hearing on Thursday, July 15, 2021.

The applicant proposes to build a 16-bed dedicated Chronic Confusion and Dementing Illness nursing facility for residents with Alzheimer’s and related dementia diseases at an anticipated cost of \$4,965,400.

Western Point Senior Living, LLC applied through the Iowa Department of Public Health for a Certificate of Need.

The record includes the application prepared by the project sponsor and written analysis prepared by Iowa Department of Public Health staff and all the testimony presented at the hearing. Becky Swift of the Iowa Department of Public Health summarized the project in relation to review criteria. Jennifer Lindberg, Brown Winick Law; Kris Hansen and Pat O’Leary, Western Point Senior Living, LLC; and Peg Bradke, UnityPoint – Cedar Rapids represented the applicant. The applicant made remarks and answered questions.

No affected parties appeared at the hearing.

The Council, after hearing the above-mentioned testimony and after reading the record, voted 4-0 to grant a Certificate of Need. As a basis for their decision the Council, considering all the criteria set forth pursuant to Iowa Code Section 135.64 (1 and 2) (2019) made the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Western Point Senior Living, LLC (“Western Point”) proposes to build a 16-bed cottage style Chronic Confusion or Dementing Illness (“CCDI”) nursing facility (“The Cottages”) in Cedar Rapids for individuals with Alzheimer’s and related dementia diseases.
2. According to the Department of Inspections and Appeals (“DIA”) "Chronic Confusion or Dementing Illness" is a special license classification for nursing facilities or a special unit within such a facility providing care to persons who suffer from chronic confusion or dementing illness.

3. The Cottages will be owned by Western Point Senior Living, LLC, a joint venture structured as a limited liability company between Western Homes Communities and UnityPoint Health – Cedar Rapids. Western Homes Communities, through its affiliates, will manage the facility.
4. Noted during testimony is that the goal of Western Point Senior Living is to modernize the approach to providing care through a household model and ensure services are available when needed.
5. Western Home Communities opened Iowa’s first freestanding small house nursing homes for people with dementia in Cedar Falls, Iowa, in 2015. UnityPoint Health – Cedar Rapids has long been engaged in providing long-term care to the community’s elderly population and believes that this joint venture is an effective way to modernize its approach and ensure that these critical services are available when needed. Noted is that the facility in Cedar Falls has had a waiting list since it opened in 2015.
6. Noted during testimony The Cottages will be the first free-standing long-term level of care for the target population in Cedar Rapids.
7. All of the proposed beds will be Medicare and Medicaid certified. Western Home Services’ historical experience in prior Cottage developments, and Western Point’s expectation for this project is for the Cottages to have private pay residents. During the course of operation, it also can be expected that Western Point will provide Part-A Medicare services to the residents. It is possible that a resident may exhaust all of his or her private pay resources and convert to Medicaid. Western Point’s percentage of Medicaid occupancy in the future, if any, is expected to be quite small. Western Point strongly desires not to force residents to move out because they have expended all their resources and would make every effort to prevent that outcome.
8. The Cottages will be built following the household model previously developed and implemented by Western Home Communities in Cedar Falls. The physical environment is designed to support the household philosophy of care. This model was developed in conjunction with many stakeholders and caregivers to maximize the use and function of long-term care facilities for the residents.
9. It was noted during testimony that the household model has several benefits for both residents and staff, including the promotion of well-being and health, authentic and meaningful engagement, a focus on individual needs, and resilience and adaptability.
10. The Cottages will primarily serve the north side of Linn County, with some reach into Benton County, but is adjacent to other rural counties that are underserved for long-term care beds. Residents in those counties may also access CCDI care at The Cottages.

11. Residents of The Cottages will generally be in their 70's or older at the time of admission. As designed, the facility allows each resident to have a private bedroom and bathroom as well as providing ample room for group activities and care.
12. According to the Alzheimer's Association, in 2019 more than one in eight Iowans aged 65 and older lived with Alzheimer's, and as many as 73,000 will have the disease in 2050, a 10.6% rise in the prevalence of the disease.
13. In May 2019, Western Home Services, Inc. retained Viewpoint Consulting Group, Inc. to perform an assessment on the demand for senior housing in Cedar Rapids, Iowa. The study concluded that while the overall population in the primary market area for the project increased by 14.7% over the last decade, the age 65+ and 75+ populations grew more rapidly at 30%. The study also concluded that the age group 70 to 74 was projected to increase by 20.8% by 2024.
14. The study determined a total demand within the primary service area for 259 memory care beds in 2023. Given the existing and proposed units available, there is currently an unmet demand for 35 memory care units in the primary market area in 2023.
15. Stated during testimony was that there are challenges in Cedar Rapids in placing memory care patients. Further stated was that the population to be served needs specialized care and that it is difficult to modernize existing facilities to meet their needs.
16. The calculated bed need formula indicates a current underbuild in all of the seven contiguous counties around Linn County. The underbuild for Linn County is 83 beds. Overall the eight-county area, as calculated by the bed need formula, is underbuilt by 2,597 beds. See the following table for additional bed information.

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

County	Projected 2026 Population Age 65+	# of NF Beds needed per bed need formula	# of licensed & approved NF Beds as of June 2021	Difference – Formula vs. Licensed & Approved*
Linn	39,675	2,254	1,423	-831
Benton	5,936	416	162	-254
Buchanan	4,373	280	136	-144
Cedar	4,270	298	210	-88
Delaware	4,469	309	189	-120
Iowa	3,957	275	237	-38
Johnson	25,482	1,475	559	-916
Jones	5,046	350	144	-206
Totals	93,208	5,657	3,060	-2,597

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

Sources: Long-Term Care Bed Need Formula and Department of Inspections & Appeals; Summary of Long Term Care Entities; Population projections – Woods & Poole Economics, Inc.

17. Over the span of the last three years, the total number of beds in the eight-county area has increased by 54 beds. There has been an increase of 96 beds in the past three years for Linn County. See the following table for additional detail.

**Nursing Facility Beds by County
Difference in Number Between June 2018 and June 2021**

County	# of NF Beds (facilities) as of June 2018	# of NF Beds (facilities) as of June 2021	Difference in # of NF Beds
Linn	1,327 (16)	1,423 (18) ¹	+96
Benton	172 (3)	162 (3) ¹	-10
Buchanan	136 (2)	136 (2) ¹	0
Cedar	210 (4)	210 (4)	0
Delaware	191 (2)	189 (2)	-2
Iowa	237 (4)	237 (4)	0
Johnson	557 (7)	559 (7) ²	+2
Jones	176 (2)	144 (2)	-32
Totals	3,006 (40)	3,060 (42)	+54

¹The hospital based facilities are not included in the Benton and Buchanan County totals, nor is the Mercy Medical Center – Hallmar unit in Linn County. ²In addition, as a licensed only private pay facility that does not take Medicare or Medicaid, Atrium Village (20 beds), is not included in the Johnson County total.

Source: Department of Inspections and Appeals, Summary of Long-Term Care Entities

18. There are currently 3,060 licensed and approved nursing facility beds in the seven counties with 194 licensed beds in dedicated CCDI units and an additional 79 beds in hospital-based units.

Number of CCDI Beds by County

County	# of CCDI Beds (facilities)
Linn	79 (3)
Benton	19 (1)
Buchanan	0
Cedar	0
Delaware	20 (1)
Iowa	15 (1)
Johnson	37 (2)
Jones	24 (1)
Totals	194 (11)

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

19. The following table displays hospital-based nursing care units in the eight-county area.

County	Hospital based NF	Hospital based SNF	Hospital based SNF/NF
Linn			
Benton	40 (1)		
Buchanan	39 (1)		
Cedar			
Delaware			
Iowa			
Johnson			
Jones			
Totals	79 (2)	0	0

Source: Department of Inspections and Appeals, Summary of Long-Term Care Entities

20. Linn County has a population of approximately 226,206, with 36,872 (16.3%) of those residents aged 65 years and older. They state that using the Alzheimer’s Association’s recognized statistic that one in eight Iowans’ has some form of dementia equals 4,536 residents in the Linn County area that may need dementia or memory care.
21. The applicant states that there are currently 1,585 licensed beds in Linn and Benton counties, and that the proposed 16 beds would represent 1% increase in overall capacity. They state that the projected impact on other senior care facilities will be minimal.
22. There are 19 nursing facilities in Linn County, however, one facility, Crestview Acres, is temporarily closed due to the 2020 derecho in Iowa, so that facility was not counted. In a census survey conducted in June 2021, the facilities ranged in occupancy from 100% at Oakview Nursing and Rehabilitation to 34% at Northbrook Manor Care Center, for a county-wide occupancy rate of 70%. If Northbrook Manor and St. Luke’s Helen G. Nassif Transitional Care Center, which indicated during the census call that they are only using 48 of their 67 beds, at 37% are suppressed, the county census increases to 75%. Reasons cited for lower census numbers included being an older facility and a lot of newer facilities in the area; the effects of COVID on total numbers; and lower numbers being typical. The seven contiguous counties report occupancies ranging from 59% to 92%. Noted is that Buchanan County, at 59% occupancy, is approximately 34 miles from Linn County and has no CCDI beds. Below is a summary of the results of a phone survey conducted in June 2021 of facilities in the eight county area.

**Phone Survey of Nursing Facilities Located in Linn County
& Counties Contiguous to Linn County
Conducted June 2021**

Facility & Phone by County	Licensed Beds	Current Occupancy	Percent Occupied
LINN COUNTY			
Cottage Grove Place – The Club	64	40	63%
Crestview Acres	100	Facility temporarily closed	
Hallmark Care Center MV	55	40	73%
Heritage Specialty Care	201	142	70%
Hiawatha Care Center	109	101	93%
Linn Manor Care Center	38	30	79%
Living Center West	100	74	74%
Manorcare Health Services of Cedar Rapids	105	72	69%
Mercy Medical Center - Hallmar	55	34	62%
Meth Wick Health Center	69	60	87%
Northbrook Manor Care Center	130	44	34%
Oakview Nursing and Rehabilitation – The Views of Marion	40	40	100%
Rehabilitation Center Of Lisbon	64	49	77%
St. Luke's Helen G. Nassif Transitional Care Center	67	25	37%
Terrace Glen Village	40	32	80%
The Gardens Of Cedar Rapids	40	29	73%
West Ridge Care Center	60	43	72%
Willow Gardens Care Center	91	60	66%
Winslow House Care Center	50	45	90%
TOTALS	1,378	960	70%
BENTON COUNTY			
Belle Plaine Specialty Care	46	30	65%
Keystone Nursing Care Center	55	38	69%
The Vinton Lutheran Home	61	48	79%
Virginia Gay Hospital HSP- NF	40	34	85%
TOTALS	202	150	74%
BUCHANAN COUNTY			
ABCM Rehab Center of Independence East	50	30	60%
ABCM Rehab Center of Independence West	86	36	42%
Buchanan County Health Center HSP-NF	39	37	95%
TOTALS	175	103	59%
CEDAR COUNTY			
Cedar Manor Nursing Home	60	50	83%
Clarence Nursing Home	46	46	100%

Crestview Specialty Care	65	59	91%
Mechanicsville Specialty Care	39	29	74%
TOTALS	210	184	92%
DELAWARE COUNTY			
Edgewood Convalescent Home	56	49	88%
Good Neighbor Society	133	109	82%
TOTALS	189	159	84%
IOWA COUNTY			
Colonial Manor of Amana	60	41	68%
English Valley Nursing Care Center	60	35	58%
Highland Ridge Care Center	59	52	88%
Rose Haven Nursing Home	58	43	74%
TOTALS	237	171	72%
JOHNSON COUNTY			
Atrium Village	20	16	80%
Briarwood Healthcare Center	62	42	68%
Iowa City Rehab and Health Care Center	89	62	70%
Lantern Park Specialty Care	90	78	87%
Lone Tree Health Care Center	44	33	75%
Oaknoll Retirement Residence	58	50	86%
Solon Nursing Care Center	96	67	70%
Windmill Manor	120	83	69%
TOTALS	579	431	74%
JONES COUNTY			
Anamosa Care Center	64	49	77%
Monticello Nursing and Rehab Center	80	58	73%
TOTALS	144	107	74%

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

County	RCF Beds (Facilities)	Home Health Agencies	Adult Day Services	Assisted Living Units (Facilities)	ALP/D
Linn	248 (6)	8	115 (2)	1,240 (13)	913 (16)
Benton	78 (2)	3	0	84 (3)	72 (1)
Buchanan	0	0	40 (1)	84 (2)	104 (1)
Cedar	0	1	0	36 (1)	70 (1)
Delaware	60 (1)	1	0	128 (2)	0
Iowa	2 (1)	1	0	174 (3)	0
Johnson	22 (2)	3	66 (2)	746 (7)	411 (8)
Jones	51 (1)	1	0	80 (2)	0
TOTALS	461 (13)	18	221 (5)	2,572 (34)	1,570 (27)

Source: Department of Inspection and Appeals website

24. There were five letters of support received for this project. The letters cite the great need for dementia specific care in the area; the growing population of older adults increasing the prevalence of dementia and need for CCDI beds; the value of the household model; the positive influence the projects' specialized care and services would bring to the area; and the stellar leadership and vision of Western Home Communities as reasons for their support.
25. There were no letters of opposition received for this project.
26. One facility, Oaknoll Retirement Residence in Iowa City, submitted their utilization data, and stated in email correspondence that they were a neutral party.
27. The applicant notes that they will hire 16.125 staff, mostly in the area of nursing, for this project. The applicant further notes that they offer a generous benefits package, and that they will work with a recruiter and utilize several strategies to recruit employees, which may include direct mailers, a job fair, open interviews, and visiting local community colleges. Noted during testimony was that the staff would have the proper training and skills to work with the residents of the facility.
28. The new residence will be 10,649 square feet with 4,325 square feet dedicated to private resident rooms with bathrooms.
29. The applicant states they have \$525,000 cash on hand for the project and that they will borrow \$4,400,000. They also state that they have \$40,400 in gifts and contributions. The applicant provided a letter from Lincoln Savings Bank outlining the economic feasibility of issuing revenue Bonds. They state that proceeds from the Bonds will be used to finance the acquisition, construction, and equipping of The Cottages. The total project cost is \$4,965,400. The applicant notes a turn-key cost of \$312,500 per bed.
30. Western Point Senior Living projects an operating deficit in year one of the project

CONCLUSIONS OF LAW

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

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

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

1. The Council concludes that less costly, more efficient or more appropriate alternatives to the proposed health service are not available and the development of such alternatives is not practicable. The Council concludes that the population to be served by Western Point Senior Living are individuals who are diagnosed with chronic confusion or dementing illness and that there are only 79 CCDI beds in Linn County. Also noted was that Western Point will be the only free-standing, household model, CCDI unit in the county. Therefore, the Council determined 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 calculated bed need formula indicates a current underbuild in all seven of the counties around Linn County. The underbuild for Linn County is 831 beds. Overall the eight-county area, as calculated by the bed need formula, is underbuilt by 2,597 beds. The phone survey conducted by Department staff indicates an overall occupancy in Linn County of 70%. The Council traditionally requires utilization over 85% to indicate appropriate occupancy rates of long term care facilities. Here, the specific focus on CCDI beds, of which there are only 79 in Linn County; the small number of beds that will be added (16); the impact of COVID-19 on long-term care occupancy; and the growing rate of Alzheimer's and dementing illness in the area were all taken into consideration by the Council. Additionally, the Council noted that there were five letters of support for the project, no letters of opposition received and no affected parties appearing at the hearing. Therefore the Council concludes that the Western Point Senior Living project will have little impact on the appropriate and efficient use of other nursing facilities. Iowa Code Sections 135.64(1) and 135.64(2)b.

3. The Council concludes that the new facility will be 10,649 square feet with 4,325 square feet dedicated to private resident rooms with bathrooms. The Council notes that the facility will be built in the household model, of which there are none specific to CCDI residents in Linn County. The Council also notes a turn-key cost of \$312,500 per bed. 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 concludes that patients will experience problems in obtaining care of the type which will be furnished by the proposed health service, in the absence of that proposed service. The Council concludes that CCDI units serve those that need both nursing and dementia care and that there are only 194 CCDI beds in Linn County and the seven surrounding counties. The Council notes that the incidence of Alzheimer's and dementing illness is expected to rise significantly in the area and it is estimated that the total demand within the primary service area

will be for 259 memory care beds by 2023. Also noted are challenges faced in Cedar Rapids in placing memory care patients. Further noted was that the population to be served needs specialized care and that it is difficult to modernize existing facilities to meet their needs. The Council concludes that the specialized services needed by the target population and the significant underbuild of CCDI units in this service area demonstrates 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) (2019), led the Council to find that a Certificate of Need should be awarded.

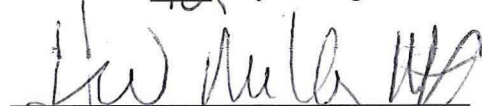
The decision of the Council may be appealed pursuant to Iowa Code Section 135.70 (2019).

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 12 day of August 2020



H.W. Miller, M.D., Chairperson
State Health Facilities Council
Iowa Department of Public Health

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