

Heather L. Campbell
Direct Dial: (515) 283-4652
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E-mail: hlcampbell@belinmccormick.com

September 16, 2015

Ms. Kala Shipley
Certificate of Need Program
Department of Public Health
Lucas State Office Building
Des Moines, Iowa 50319-0075

Re: *Presbyterian Village dba Grand JiVanté Additional Information for 9/17/15 Meeting*

Dear Ms. Shipley:

Enclosed please find the following additional information we would ask the Council be provided prior to the meeting tomorrow:

1. Copy of most recent Ackley City Council resolution related to the proposed purchase of Grand JiVante and referred to in our reconsideration request.
2. Copy of Emailed statement from Korey DeBerg concerning:
 - Issues related to the opposition group's visit to the Green Belt Bank and Trust concerning the proposed project in Iowa Falls. Green Belt Bank and Trust is Grand JiVante's bank. The purpose of the visit was to convince Green Belt Bank and Trust to stop doing business with Grand JiVante and to not fund the proposed Iowa Falls project.
 - Cancellation of a farm contract between Mr. Ronnie Brandt and Korey DeBerg's father. Mr. DeBerg had farmed the land for many years. But because Mr. DeBerg's son is involved in management at Grand JiVante, and Mr. Brandt opposed the project, he threatened to cancel the land contract if the project moved forward. In August 2015, Mr. DeBerg received a notice that Mr. Brandt cancelled the land contract.
3. Copy of Emailed Statement of Nikki Winterberg concerning attendance at town hall meeting in April 2015.

Some of the Council members made statements at the August 4, 2015 meeting concerning the lack of, or poor, communication by Grand JiVante concerning the project. When the Grand JiVante representative asked to respond to those statements, he was denied the opportunity to do so. The statement from Korey is submitted to demonstrate the lengths to which the opposition will go to attempt to stop this project, and the reasons

for the decisions not to respond to requests to meet with members of the opposition group.

They also demonstrate that even though the opposition professes to want Grand JiVante to have board members from Ackley, that is only true if a board member opposed the proposed project. Two board members who live in Ackley and supported the project have resigned due to the constant harassment and/or calls to boycott their business. Other individuals who have been subjected to harassment as a result of supporting the project have been reticent to get involved any further due to these tactics.

4. Copies of Non-Reviewability Letters Submitted by Project Sponsors in 2014 and 2015, all of which were ultimately determined to be non-reviewable, and the Council upheld those determinations.

These letters demonstrate that the Department has historically requested very basic information from project sponsors that is centered on the statutory requirements for the replacement exception. The Council has confirmed those determinations and has not allowed extraneous information to affect its decisions. Grand JiVante provided that information and far more, and confirmed it on a number of occasions prior to the Department's issuance of the non-reviewability determination letter on June 29, 2015. While the Department continued to receive volumes of paper related this project following issuance of its determination letter, it continued to focus on what was required by the statute and did not change its position. However, it scheduled time on the August 4, 2015 Council meeting agenda to hear presentations. That is unusual and in this case, it resulted in the Council determining there were inconsistencies in the information it received, despite the fact that none of it was relevant to the statutory inquiry. This demonstrates the Council materially failed to follow its adopted procedures in reaching its decision.

Thank you, and I look forward to the meeting tomorrow.

Sincerely,



Heather L. Campbell

HLC/

cc: Julie Hinders

Enclosure

ATTACHMENT 1

RESOLUTION 15-26

A RESOLUTION TO PURCHASE THE PRESBYTERIAN VILLAGE, D/B/A GRAND JIVANTÉ.

WHEREAS, the City of Ackley, in the County of Hardin, State of Iowa, is an incorporated municipality authorized and empowered by the provisions of Chapter 419 of the Code of Iowa, 2015 as amended (the "Act"), to acquire by purchase land, buildings, improvements and equipment, or any interest therein, suitable for the use of any health care facility, as defined in Section 135C.1 of the Iowa Code;

WHEREAS, The Presbyterian Village, d/b/a Grand JiVanté ("Grand JiVanté"), is a health care facility within the meaning of Section 135C.1 and has operated a nonprofit nursing facility in Ackley for almost eighty years;

WHEREAS, the Ackley community has consistently supported Grand JiVanté with millions of dollars in financial support and countless hours of volunteer service;

WHEREAS, Grand JiVanté is the largest private employer in the Ackley community;

WHEREAS, the management of Grand JiVanté has indicated that it will not be renovating the existing Ackley nursing facility;

WHEREAS, Grand JiVanté has proposed to close its nursing facility in Ackley and build a new nursing facility in Iowa Falls (the "Project");

WHEREAS, the Project would deprive the Ackley community of its only nursing facility and would result in the loss of a significant number of jobs in Ackley;

WHEREAS, the City of Ackley desires to make an offer to purchase Grand JiVanté's nursing facility in Ackley on the terms set forth in these resolutions to allow the facility to continue serving the Ackley community.

NOW, THEREFORE BE IT RESOLVED, by the Ackley City Council that the City Council hereby declares its intention to make an offer to purchase the Grand JiVanté nursing facility located in Ackley, Iowa for a purchase price to be determined at a later date based upon a valuation of the nursing facility's fair market value (the "Purchase").

RESOLVED FURTHER, that all commitments on the part of the City and Grand JiVanté herein are subject to the condition that on or before one year from the date hereof (or such other date as shall be mutually agreed to) the City and Grand JiVanté shall have agreed to mutually acceptable terms relating to the Purchase.

RESOLVED FURTHER, that the City will begin the proceedings necessary to authorize the Purchase subject to due compliance with all requirements of law.

RESOLVED FURTHER, that the City Council hereby directs the Mayor to provide notice of these resolutions to the Board of Directors of Grand Jivanté.

By: *Del Brass*

Date: 9-9-15

Attest: *Cynthia Kos/Kenr*

Date: 9-9-15

ATTACHMENT 2

Heather L. Campbell

From: Julie Hinders [JHinders@grandjivante.com]
Sent: Tuesday, September 15, 2015 4:28 PM
To: Heather L. Campbell
Subject: Fwd: Statement

Sent from my iPhone

Begin forwarded message:

From: Korey DeBerg <KDeBerg@grandjivante.com>
Date: September 15, 2015 at 4:27:17 PM CDT
To: Julie Hinders <JHinders@grandjivante.com>
Subject: FW: Statement

The following statement relates specifically to Ronnie Brandt, Nick Graham, and Reverend David Boogerd. I currently serve as the CFO/COO for Grand Jivante and have been employed with the organization since July of 2013. In my position, I maintain the banking, insurance, and legal relationships for the company and work closely with these individuals. Grand Jivante banks with a local bank located in Ackley, Green Belt Bank and Trust (GBBT), and we have enjoyed that relationship for the past few years. GBBT's main location is located in Iowa Falls and earlier this spring, the above mentioned three individuals went to Iowa Falls to discuss with the CEO of GBBT the banking relationship that existed with Grand Jivante. Please note none of these individuals currently serve on GBBT's Board of Directors nor do they have any affiliation with GBBT. The only discussions that Green Belt should be having regarding their relationship with Grand Jivante should be internally among management, among their Board of Directors, FDIC regulators, and myself (CFO) and Julie Hinders (CEO) who represent Grand Jivante. Going to our bank and having a conversation regarding GBBT's relationship with us is highly inappropriate. And it is also interesting to note that Mr. Ronnie Brandt has an ownership interest in Ackley State Bank so he should not be advising another bank, a local bank, as to how to manage their banking relationships. Conversations that these three individuals had with the CEO of GBBT stemmed around the fact GBBT needed to stop doing business with Grand Jivante and that they shouldn't fund the new project. Again, these are not conversations that these people should be having with Grand Jivante's bank and clearly shows that these individuals are trying to rule by fiat.

While I could write many more examples of the inappropriateness of these individuals and the lack of ethics and morals these people are demonstrating, I will focus on just one more. This one does not directly involve David Boogerd and Nick Graham but I can only assume these two are behind it. My father farms in the area and has been farming Mr. Ronnie Brandt's land for at least the past 20 years and I am sure it is longer than that. This year, my dad would have farmed around 800 acres of land of Mr. Ronnie Brandt's land. Around the end of May and a couple weeks after visiting GBBT, Ronnie called my dad and wanted to speak to him. My dad happily obliged and went to Mr. Brandt's residence where Mr. Brandt brought up Grand Jivante's project and how it needed to be stopped and that he needed to get involved. My dad made many comments to Ronnie that were pretty clear cut that he was not going to do that and would not support Mr. Brandt and his gang of opposition but would rather support his son and Grand Jivante as he knew they were doing the right thing. When my dad asked Ronnie many questions related to the project, he could not answer. When asked why his construction company was allowed to build hog confinements in the early 1990's even though there was a strong opposition to it,

he said it was good for the economy. When asked how Grand JiVante's project was any different, he could not answer. At the end of the discussion, Mr. Brandt stated that if the project moved ahead, something would need to be done with the land. In August, my father received notice that he would not be renting his land for the 2016 crop year. A relationship that had lasted over 20 years was over. A relationship that had no problems up until this pointed terminated. A relationship that Mr. Brandt had acknowledged that the contract probably went in his favor was over.

I hope my example of the GBBT story and my father's relationship with Mr. Brandt clearly demonstrates that this group is ruling by fiat and are trying to use fear and intimidation to get their ways. It didn't work with GBBT and it didn't work with my father. You can clearly see from my dad's example and his encounter with Ronnie Brandt that these groups are uniformed citizens (even though we have done many press releases on this) and are using fear and intimidation to get their way. They are trying to ruin our professional relationships and even family relationships as well. At the end of the day, you can say what you want about our organization but we have more morals and ethics and wont engage in this kind of crap. We are all adults here even though some of us aren't acting like it.

Submitted by Korey DeBerg, CFO/COO of Grand JiVante on September 15, 2015

Julie Hinders, M.H.A., CEO

Ackley (p) 641.847.3531/Iowa Falls (p) 641.316.1020

www.grandjivante.com



What are you waiting for? Grand JiVante has assisted living apartments available right now in Ackley!

Contact Doug Miller @ 319-400-1586 for more details.

ATTACHMENT 3

I attended the first "town meeting" on April 15, 2015 at a local church here in Ackley. Nick Graham did most of the speaking and presented the crowd with a "slide show" which included some history on Grand Jivante' and statistics of "already struggling nursing homes in Hardin County" Nick also spoke in length of how he has tried on numerous occasions to contact members of management (Korey DeBerg and Julie Hinders) from Grand Jivante' to discuss options with them about keeping beds here in Ackley. Once mentioning these two names the crowd then became vocal in stating that the only way to keep beds in Ackley was to get Julie Hinders, Korey DeBerg and the board members fired and start over from scratch.

[REDACTED] Crowd members also spoke about the need to keep hounding state officials on this matter, keep calling the home every 10 minutes demanding to speak with Julie... keep hounding, keep hounding, keep hounding until they are heard and Julie, Korey and the board members are all fired.

Nikki Winterberg

ATTACHMENT 4



Lutheran Homes

Serving all faiths since 1895

2421 LUTHERAN DRIVE
MUSCATINE, IOWA 52761-9392
(563) 263-1241 • (563) 263-4180 fax
www.lutheran-homes.org

February 6, 2014

Barb Nervig
Iowa Department of Public Health
Lucas State Office Building
321 E. 12th Street
Des Moines, Iowa 50319-0075

RE: Lutheran Homes Society
Lic. #: 700428

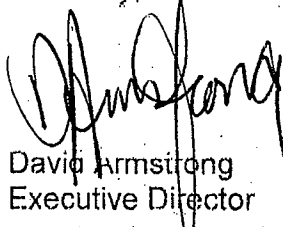
Dear Mrs. Nervig:

Lutheran Homes Society, a Skilled 155 bed licensed facility consisting of 136 nursing facility beds and 19 Chronic Confusion or Dementing illness beds, is developing a \$18 million dollars addition and re-modeling project. The purpose of the project is to reduce the number of semi-private rooms and increase the number of private rooms for our residents. To accomplish this a new connecting 24 bed private room addition will be added. The existing nursing home will be re-modeled to accommodate 15 more private rooms.

The project does not represent an increase in our licensed capacity. Lutheran Homes will remain at 155 beds. The project also does not represent a change in the services we currently provide.

Lutheran Homes is asking if the above mention project is in need of a Certificate of Need?

Sincerely,



David Armstrong
Executive Director

...of the
... ..
... ..
... ..
... ..



Iowa Department of Public Health
Promoting and Protecting the Health of Iowans

Gerd W. Clabaugh, MPA
Director

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

July 22, 2014

David Armstrong, Executive Director
Lutheran Homes
2421 Lutheran Drive
Muscatine, IA 52761-9392

RE: Lutheran Homes Society Lic.#700428

Dear Mr. Armstrong:

The Department is in receipt of your request for a reviewability determination regarding the renovation and construction project at Lutheran Homes Society in Muscatine.

It is understood from your letter that the plan consists of constructing a new connecting 24-bed private room addition and remodeling the existing nursing home to accommodate 15 more private rooms.

It is also understood from your letter that the project will not add new health services or additional bed capacity; the facility is currently licensed for 155 skilled nursing beds and will maintain that number upon completion of the project. It is understood that all construction will occur on the existing physical site of the facility. The estimated cost of the project is \$18,000,000.

The project as described constitutes the modernization of an institutional health facility, which is not reviewable under Iowa Code section 135.63(2)"1."

This determination of non-reviewability was considered by the State Health Facilities Council at their meeting on July 21, 2014 and they voted to affirm the Department's determination. Please advise should you have any questions.

Sincerely,

Barb Nervig
Certificate of Need Program

9-5-14



REPLY TO DES MOINES OFFICE

September 3, 2014

Ms. Barb Nervig
Certificate of Need Program
Health Facilities Council
Department of Public Health
Lucas State Office Building
321 E. 12th St.
Des Moines, IA 50319-0075

Re: East Village Center for Wellness & Rehab

Dear Ms. Nervig:

Our firm represents East Village Center for Wellness and Rehab (hereinafter "East Village") a forty-four (44) bed nursing facility located at 600 East Fifth Street, Des Moines, Iowa. The East Village nursing facility unit is currently leased from East Village Iowa Partners Iowa, LLC, which currently operates the balance of building as an apartment complex for non-elderly tenants. East Village is contemplating replacing its current nursing facility unit with a new forty-four (44) bed nursing facility building to be constructed on property located in Des Moines, Polk County.

The proposed building would also add assisted living units, as independent senior living apartments, but would not add any new health services for which certificate of need approval would be required.

Once the new building is completed, the residents currently residing at East Village would be given the choice to move to the replacement facility.

Upon the opening of the new building, the existing nursing facility unit located at 600 East Fifth Street, Des Moines, Iowa would be closed, the space used for other purposes by the property owner and thus would no longer be used as a health care facility.

East Village is requesting a written confirmation from the Department of Public Health that the proposed replacement of East Village would not require certificate of need approval, pursuant to the provisions of Iowa Code, including §135.63(2)(1) and §135.61(18)(b).

If I can provide any additional details associated with this proposed project, do not hesitate to contact the undersigned.

DAVIS BROWN KOEHN SHORS & ROBERTS P.C.

September 3, 2014
Page 2

Very truly yours,

DAVIS, BROWN, KOEHN, SHORS & ROBERTS, P.C.

A handwritten signature in black ink, appearing to read "Kendall R. Watkins", written in a cursive style.

Kendall R. Watkins

cc: David Armington



Iowa Department of Public Health
Promoting and Protecting the Health of Iowans

Gerd W. Clabaugh, MPA
Director

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

October 17, 2014

Ken Watkins
DavisBrown Law Firm
215 10th Street, Ste. 1300
Des Moines, IA 50309

RE: East Village Center for Wellness & Rehab

Dear Mr. Watkins:

The Department is in receipt of your request for a reviewability determination regarding the replacement of a 44-bed nursing facility within the same county.

It is understood from your letter that East Village Center for Wellness and Rehab is a 44-bed nursing facility located at 600 East 5th Street in Des Moines (Polk County) that is contemplating replacing the current nursing facility with a 44-bed nursing facility to be constructed in Des Moines, Polk County. It is further understood that the proposed building would also have assisted living units, as independent senior living apartments and no new health services would be offered. Finally, it is understood that once the new building is completed, the existing nursing facility located at 600 East 5th Street would be closed; the space used for other purposes and thus would no longer be used as a health care facility.

The project as described, the replacement of a 44-bed nursing facility within the same county with no new health services or additional bed capacity, is not reviewable under Iowa Code section 135.63(2)"1."

This determination of non-reviewability will be considered by the State Health Facilities Council at their meeting on October 21, 2014. Please advise should you have any questions.

Sincerely,

Barb Nervig
Certificate of Need Program



EDWIN N. MCINTOSH
Partner; Health Law Department Co-Head
(515) 699-3272
FAX (877) 733-5450
mcintosh.edwin@dorsey.com

March 23, 2015

Kala Shipley
Department of Public Health
Certificate of Need Program
Lucas State Office Building
Des Moines, Iowa 50319

Re: ***Grundy County Memorial Hospital Reviewability Determination***

Dear Ms. Shipley:

I represent Grundy County Memorial Hospital (the "Hospital"). The Hospital operates a 55 long-term care bed unit which is a distinct part unit of the Hospital. The Hospital intends to transfer the beds and license associated with the Hospital's long-term care unit to Creekside, Inc. which is a local nonprofit corporation established to develop a senior living campus in Grundy Center. The facility will be managed by Western Home Communities which owns or manages several long term care facilities in Iowa. Creekside, Inc. will be the licensee of a new nursing facility with 55 beds licensed under 135C of the Iowa code.

Creekside is working with a developer to build three nursing cottages and non-licensed independent living on land which it has acquired in Grundy Center. It is anticipated that the real estate will be owned by the developer, but Creekside, Inc. will lease the buildings and will be the licensee of the nursing home.

Section 135.63(2)(o) of the Certificate of Need law provides that a change of ownership, licensure, organizational structure or designation of the type of institutional health facilities does not require a Certificate of Need if the health services offered by the successor institutional health facility are unchanged.

Section 135.63(2)(l) provides that a replacement or modernization does not require a Certificate of Need if the replacement or modernization does not add new health services or additional bed capacity for existing health services notwithstanding any other provision in the statute. With respect to a nursing facility, replacement means establishing a new facility within the same county as the prior facility to be closed. The proposal will not result in any new beds or new services but will be a replacement of the distinct part long-term care unit of the Hospital with a new nursing home.

— — — This will improve services to the community in many ways. The current long-term care unit of the Hospital was constructed in 1972. The 55 beds are composed of 27 semi-private rooms and one private room. The rooms have a sink and toilet that is shared by two residents.

Kala Shipley
March 23, 2015
Page 2

There are common showering areas for the facility. The new facility will be developed with three cottages totaling 55 beds. They will be built in a modern neighborhood style. The rooms will all be private rooms each with a bathroom including a shower. The facility will replace the outdated institutional model of care at the Hospital with a new resident centered care model.

On August 17, 2009, the Department of Public Health (the "Department") issued a determination that the Pella Regional Health Center could transfer 36 beds licensed as a distinct part long-term care unit to Wesley Retirement Services, Inc. for operation as a licensed nursing facility without a Certificate of Need.

In a subsequent reviewability determination letter dated November 14, 2011, the Department determined that Pella Regional Health Center could not retain 15 of its long-term care beds and transfer the remaining of the long-term care beds to Wesley to build a new nursing facility. A significant reason for that determination was the fact that Pella Regional Health Center intended to retain 15 long-term care beds which meant that Pella Regional Health Center would have 15 skilled beds and Wesley would construct a 77 bed nursing facility.

On March 31, 2011 the Department issued a nonreviewability determination to Orange City Area Health System which owned and operated a 50 bed licensed nursing home and a 33 bed long-term care unit operated as part of Orange City Area Health System. The project involved combining those two separate facilities into a new \$19,000,000 nursing facility licensed under Chapter 135C. That determination of non-reviewability stated, "A Certificate of Need is not required for the replacement of a nursing facility if the replacement does not add new health services or additional bed capacity for existing health services and the new facility is established within the same county as the prior facility to be closed." Iowa Code 135.63(2)"f".

The Department of Inspections and Appeals ("DIA") treats distinct part long-term care units as nursing facilities even though they are licensed as part of the hospital. (See, Department of Inspections and Appeals, Health Facilities website which lists, "Hospital-Based Nursing Facilities and Hospital-Based Skilled Nursing Facilities/Nursing Facilities.")

Section 481 I.A.C. 51.38 states:

481—51.38 (135B) Long-term care service.

51.38(1) Long-term care service definition. Long-term care service means any building or distinct part of a building utilized by the hospital for the provision of a service (except as provided by 51.38(2) below) that falls within the definition of a health care facility as specified in Iowa Code chapter 135C and Iowa Code section 135C.1(12), nursing facility, as it would be applied were it not operating as part of a hospital licensed under Iowa Code chapter 135B.

Rule 51.38(2) states that the requirements for the hospital's long-term care service are generally the same as required by Iowa Code chapter 135C for nursing facilities.

Kala Shipley
March 23, 2015
Page 3

Based on Sections 135.63(2)(l) and 135.63(2)(o) of the Certificate of Need statute and the previous determinations of the Department and Council with respect to the Pella Regional Health Center and Orange City Health System projects, Grundy County Memorial Hospital requests a determination that the proposed replacement of the 55 bed long-term care unit of the Hospital with a 55 bed nursing facility licensed to Creekside, Inc. does not require a Certificate of Need.

Sincerely,



Edwin N. McIntosh

ENM:sv

cc: Jennifer Havens
Heather Adams



Iowa Department of Public Health
Promoting and Protecting the Health of Iowans

Gerd W. Clabaugh, MPA
Director

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

April 17, 2015

Ed McIntosh
Dorsey & Whitney LLP
801 Grand, Suite 4100
Des Moines, IA 50309-2510

Re: Grundy County Memorial Hospital Reviewability Determination

Dear Mr. McIntosh:

The Department is in receipt of your request for a reviewability determination regarding the change in licensure and replacement of the 55 long term care beds located as a distinct part long term care unit of the Grundy County Memorial Hospital.

The Department is requesting that you provide the following information:

- 1) Describe the chronology of events to include the transfer of the beds and license associated with the hospital's long term care unit, the construction of the three nursing cottages, and the initiation of services at the proposed nursing facility.
- 2) Will Grundy County Memorial Hospital cease offering long term care services upon the opening of the proposed new nursing facility?

Please provide the above information to this office no later than close of business Thursday, April 23, 2015.

Sincerely,

Kala Shipley
Certificate of Need Program



**GRUNDY COUNTY
MEMORIAL HOSPITAL**
A PARTNER OF ALLEN HOSPITAL

April 22, 2015

201 EAST J AVENUE
GRUNDY CENTER, IA 50638-2096
319-824-5421
FAX 319-824-3337
www.grundycountyhospital.com

Kala Shipley
Certificate of Need Program
Iowa Department of Public Health
Lucas State Office Building
321 E. 12th Street
Des Moines, Iowa 50319

Re: **Grundy County Memorial Hospital Reviewability Determination**

Dear Ms. Shipley:

The following is in response to your questions regarding the reviewability determination regarding the licensure and replacement of the 55 long term care beds located as a distinct part long term care unit of the Hospital.

1. Describe the chronology of events to include the transfer of the beds and license associated with the hospital's long term care unit, the construction of the three nursing cottages, and the initiation of services at the proposed nursing facility.

Construction is anticipated to begin in the spring of 2016 and is expected to be completed in 2017. The distinct part nursing facility license at Grundy County Memorial Hospital will be transferred to Creekside upon completion of the Creekside project.

2. Will Grundy County Memorial Hospital cease offering long term care services upon the opening of the proposed new nursing facility?

Yes. Upon licensing of Creekside, all long-term residents of the Hospital will be transferred to Creekside and Grundy County Memorial Hospital will cease offering long-term care services.

Sincerely,


Jennifer Havens



Iowa Department of Public Health
Promoting and Protecting the Health of Iowans

Gerd W. Clabaugh, MPA,
Director

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

April 28, 2015

Ed McIntosh
Dorsey & Whitney, LLP
801 Grand Avenue, Suite 4100
Des Moines, IA 50309

RE: Grundy County Memorial Hospital Reviewability Determination

Dear Mr. McIntosh:

The Department is in receipt of your request for a reviewability determination regarding the replacement and change in ownership and licensure the 55 long term care beds located as a distinct part long term care unit of the Grundy County Memorial Hospital (Hospital).

It is understood from your letter of March 23, 2015, and the responses to staff questions dated April 22, 2015, that the Hospital currently operates a 55 long-term care bed unit which is a distinct part of the Hospital. The Hospital is anticipating transferring the 55 beds and license to Creekside, Inc., a local non-profit corporation established to develop a senior living campus. It is also understood Creekside is working with a developer that will own the real estate and build three nursing cottages and non-licensed independent living in Grundy Center and that Creekside will lease the buildings. It is also understood the distinct part nursing facility license at the Hospital will be transferred to Creekside upon completion of the Creekside project. It is further understood the facility will be managed by Western Home Communities and will not result in any new beds or services. Finally, it is understood that the Hospital will cease offering the long-term care services simultaneously with the initiation of the services at the newly constructed site licensed by Creekside, Inc. and that the Hospital consents to this arrangement.

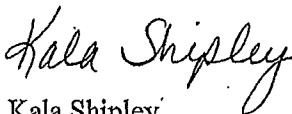
The proposal as described is not reviewable under Iowa Code sections 135.63(2)"l" and "o" as it constitutes a replacement of a nursing facility and a change in ownership, licensure, or designation of the type of institutional health facility. The distinct part long-term care unit of the hospital constitutes an institutional health facility and a nursing facility as that term is defined in Iowa Code. See Iowa Code §§ 135.61(14)(b), 135.61(9), 135C.1(14), and 481 IAC 51.38. The replacement of an institutional health facility is not reviewable if the replacement does not add new health services or additional bed capacity, and with respect to a nursing facility "replacement" means establishing a new facility within the same county as the prior facility to be closed. Iowa Code § 135.63(2)(l). Hence the exclusion for replacement is on the condition that the change results in no new health services or additional bed capacity and the distinct part long term-care bed unit at the Hospital is closed and ceases to offer nursing facility services following the replacement.

The change in ownership, licensure, organizational structure, or designation of the type of institutional health facility is not reviewable if the health services offered by the successor institutional health facility

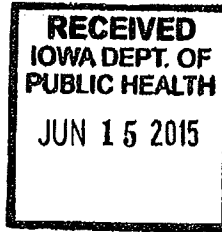
are unchanged, the facility offering the services consents to the change in ownership, licensure, organizational structure, or designation of the type of facility and ceases offering the health services simultaneously with the initiation of the offering of health services by the successor facility. Iowa Code § 135.63(2)(o). Hence the exclusion as it constitutes a change in ownership, licensure and designation of the type of institutional health facility is on the condition the health services offered by the Creekside, Inc. are unchanged, the Hospital ceases offering nursing facility services simultaneously with the initiation of services by Creekside, and the Hospital consents to the changes.

This determination of non-reviewability is on the agenda of the next State Health Facilities Council meeting for their consideration. This meeting is scheduled for Wednesday, May 6, 2015. Please advise should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Kala Shipley".

Kala Shipley
Certificate of Need Program



Heather L. Campbell
Direct Dial: (515) 283-4652
Direct Fax: (515) 558-0652
E-mail: hlcampbell@belinmccormick.com

June 15, 2015

Ms. Kala Shipley
Certificate of Need Program
Department of Public Health
Lucas State Office Building
Des Moines, Iowa 50319-0075

Dear Ms. Shipley:

Our office represents Pleasant Manor Care Center, located at 413 North Broadway Street in Mount Pleasant, Henry County, Iowa. It is a free-standing nursing/skilled nursing facility currently licensed for 50 beds. Our client desires to build a 50-bed replacement facility in Mount Pleasant, Henry County, Iowa.

We are writing pursuant to 641 IAC 202.3 to request a determination that the proposed replacement Facility is not reviewable under the state Certificate of Need program. Iowa Code Section 135.63(1) provides in relevant part that a Certificate of Need is not required for:

“The replacement or modernization of any institutional health facility if the replacement or modernization does not add new health services or additional bed capacity for existing health services, notwithstanding any provision in this division to the contrary. With respect to a nursing facility, ‘replacement’ means establishing a new facility within the same county as the prior facility to be closed...” (2014).

The proposed replacement facility will not add new health services or additional beds to the current 50-bed license. The location for the replacement facility will be in Mount Pleasant, within Henry County, which is the same county as the existing facility.

Accordingly, we request the Department issue a determination that the proposed replacement facility is not reviewable and place this item on the agenda for the August 4, 2015 meeting of the Health Facilities Council.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Heather L. Campbell".

Heather L. Campbell

HLC/lm
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Iowa Department of Public Health
Promoting and Protecting the Health of Iowans

Gerd W. Clabaugh, MPA
Director

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

July 15, 2015

Heather Campbell
Belin McCormick, P.C.
666 Walnut Street, Suite 2000
Des Moines, IA 50309

Re: Pleasant Manor Care Center Replacement Project

Dear Ms. Campbell:

The Department is in receipt of your request for a reviewability determination for the replacement of a 50-bed nursing facility in Mount Pleasant, Iowa with a facility to be constructed in Mount Pleasant, Iowa.

The Department is requesting that you provide the following information:

- What are the future plans for the space currently housing the 50 nursing facility beds located at 413 North Broadway Street in Mt. Pleasant, Iowa upon the opening of the proposed replacement nursing facility?

Please provide the above information to this office no later than close of business on Tuesday, July 21, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Kala Shipley".

Kala Shipley
Certificate of Need Program

Heather L. Campbell
Direct Dial: (515) 283-4652
Direct Fax: (515) 558-0652
E-mail: hlcampbell@belinmccormick.com

July 22, 2015

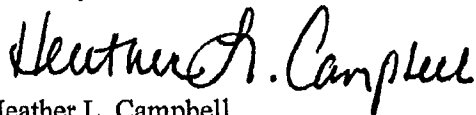
Ms. Kala Shipley
Certificate of Need Program
Department of Public Health
Lucas State Office Building
Des Moines, Iowa 50319-0075

Dear Ms. Shipley:

I am writing in response to your letter dated July 15, 2015, in which you asked for additional information concerning the proposed replacement of Pleasant Manor Care Center, located at 413 North Broadway Street in Mount Pleasant, Henry County, Iowa. At this time, the owner of the facility is exploring options for the current space, including a sale of the land and building. The current owner will cease operations at that location upon the opening of the replacement facility, and the terms of any purchase agreement for the current space will make clear to the purchaser that only the land and building, and not the nursing facility business or Certificate of Need, is included in the sale.

Should you have questions or require additional information, please contact me.

Sincerely,



Heather L. Campbell

HLC/im



Iowa Department of Public Health
Promoting and Protecting the Health of Iowans

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July 22, 2015

Heather Campbell
Belin McCormick, P.C.
666 Walnut Street, Suite 2000
Des Moines, IA 50309

RE: Replacement of 50-bed nursing facility

Dear Ms. Campbell:

The Department is in receipt of your request for a reviewability determination regarding the replacement of a 50-bed nursing facility within the same county.

It is understood from your letter that Pleasant Manor Care Center is a 50-bed nursing facility located at 413 N. Broadway Street, Mt. Pleasant (Henry County). It is understood that Pleasant Manor is contemplating replacing the current nursing facility with a 50-bed nursing facility to be constructed in Mt. Pleasant, Henry County. It is further understood that no new health services would be offered at the new facility. Finally, it is understood that once the new building is completed, the existing nursing facility located at 413 N. Broadway Street in Mt. Pleasant would be closed; the space used for other purposes and thus would no longer be used as a health care facility.

The project as described, the replacement of a 50-bed nursing facility within the same county with no new health services or additional bed capacity, is not reviewable under Iowa Code section 135.63(2)"1."

This determination of non-reviewability will be considered by the State Health Facilities Council at their meeting on August 4, 2015. Please advise should you have any questions.

Sincerely,

Kala Shipley
Certificate of Need Program