



Health and Human Services

## 2025 Iowa Certificate of Need (CON) Application

Instructions: 1. Complete all the sections below. 2. Provide concise, evidence-based responses, with supporting documentation or data as needed. 3. Reference Iowa Code 10A.714, as needed, to complete the application. 4. Upload additional documentation, as needed.

### Primary Contact

Mr. Michael Blume

### Primary Contact Employer

Southeast Iowa Behavioral Healthcare Center/Southeast Iowa Healthcare Center

### Primary Contact Email

mblume@seibhc.org

### Facility Name

Dave's Place, LLC dba Southeast Iowa Behavioral Healthcare Center / Southeast Iowa Healthcare Center

### Facility Address

3140 Plank Road, Keokuk, Iowa 52632

### Project Title

SEIBHC Conversion

## 1. Applicant and Facility Overview

### a. Project Purpose and Objectives:

Southeast Iowa Behavioral Healthcare Center (SIBHC) is a facility located in Keokuk, Lee County, Iowa that offers specialized services for individuals with mental illness.

Southeast Iowa Behavioral Healthcare Center opened as a 57-bed licensed ICF/PMI facility in 2010. In 2022, SIBHC applied for a Certificate of Need to convert 39 ICF/PMI beds to NF beds and simultaneously de-license 41 NF beds at an affiliated facility so there was no increase of NF beds in the county. The 39 NF beds are operated by Southeast Iowa Healthcare Center ("SIHC").

The CON was approved and SIHC now has 39 NF beds. SIBHC currently operates 16 ICF/PMI beds located in the same facility as SIHC. (the "Facility"). SIHC and SIBHC operate under the same license issued by the Department of Inspection, Appeals & Licensing (#560181). Notably, all 55 beds are dually certified Medicare and Medicaid.

SIBHC proposes to convert the 16 ICF/PMI beds to NF beds. Following the conversion, the 16 NF beds will be transferred to SIHC. SIHC will be the entity on the license for all 55 beds NF beds should the CON be granted.

Notably, there are no expected costs associated with the proposed project. Many of the patients currently utilizing the 16 ICF/PMI beds will remain at SIHC moving forward as they no longer qualify for ICF/PMI care but require more specialized NF care that SIHC is uniquely suited to provide.

The facility's existing NF beds are at full capacity, and the conversion of 16 ICF/PMI beds to NF beds would allow SIHC to continue providing seamless care for residents, who no longer qualify for ICF/PMI care, as determined by PASRR assessments.

While in the past several years, the average length of stay in the ICF/PMI had been five years, most of the recent admissions to SIBHC receive a 90-180 day PASRR. At the end of the PASRR term, most residents

cannot be placed to a nursing facility due to their mental illness and continue to be denied. They remain with SIBHC until NF placement can be found.

There have been some residents that had been accepted at other NF facilities, but their mental illness had overwhelmed their caregivers, necessitating a transfer back to a hospital or psychiatric ward setting before a return to ICF/PMI care; the "cycle" starts all over again. Our proposal will seek to minimize these unproductive cycles.

Though there are other facilities in the areas, including assisted living, hospice and home health, these facilities are not equipped or staffed to handle the mental illness component of the population served by the Facility.

This conversion supports a continuum of care, at no additional cost to the facility, by preventing disruptions in residents' lives and ensuring their mental health needs are met in a familiar environment. Stability is critical to those patients, and allows them to receive the best possible care.

**b. Relationship to Long-Range Development Plan:**

SIHC has served individuals who require additional support for mental health treatment for many years, and will continue to make that care a priority. There is no plan in place at this time to modify or alter that goal.

**c. Description of Proposed Service/Program:**

SIBHC proposes to convert the 16 ICF/PMI beds to NF beds. Following the conversion, the 16 NF beds will be transferred to SIHC. SIHC will be the entity on the license for all 55 beds NF beds should the CON be granted.

There are no changes to the facility required, and the shift to the new status can begin as soon as the CON is granted.

**d. Target Population: Specify geographic and demographic areas.**

The target patient population are individuals who no longer qualify for an ICF/PMI level of care but who still require additional support for mental health treatment and behaviors.

Though there are other facilities in the areas, including assisted living, hospice and home health, these facilities are not equipped or staffed to handle the mental illness component of the population served by the Facility. Residents who are discharged to a more traditional NF facility struggle to be transitioned and often fail. By converting the existing beds to NF, these residents can remain at the Facility and still have their mental illness needs met.

Many of the facilities in these counties are currently unable to accept patients requiring the specialized care for mental illness.

**e. Relation to Existing Provider Network: Summarize relationship with other health care providers/services in the region.**

SIHC has good relationships with existing providers in the region, and has developed a lot of referral sources. SIHC expects those to continue without disruption should the Project be approved.

**f. Funding Sources and Financial Resources: Identify and document sources of funding and financial viability.**

There are no costs associated with the project.

As there are no costs associated with the change in bed type, there is no budget for the project. As for financial projections, there is no material change expected in the expenses related to the change in bed type. The facility does not anticipate a negative fiscal impact based on the change in licensure, as it continues to see a need for NF beds that it is unable to satisfy given the existing licensure status.

**Current # of Beds (if changing)**  
16

**Current bed type (if changing)**  
PMI/ICF

**Requested # of Beds (if changing)**

**Requested bed type (if changing)**

**Document Upload**

CON Bed Utilization Statistics - Fillable form.1.pdf

CON Application - Bed Need Exhibit.1.pdf

## 2. Community Need and Service Gaps

**a. Description of Need:**

The facility's existing NF beds are at full capacity, and the conversion of 16 ICF/PMI beds to NF beds would allow SIHC to continue providing seamless care for residents, who no longer qualify for ICF/PMI care, as determined by PASRR assessments. This conversion supports a continuum of care, at no additional cost to the facility, by preventing disruptions in residents' lives and ensuring their mental health needs are met in a familiar environment. Stability is critical to those patients, and allows them to receive the best possible care.

SIHC has struggled to find facilities that are appropriate for residents in this position and is uniquely suited to continue to provide this care.

Many of the facilities in these counties are currently unable to accept patients requiring the specialized care for mental illness.

**b. Assessment of Existing Services and Gaps:**

See answers above.

**c. Alternatives Analysis:**

The decision to convert all SIBHC's existing beds to NF beds, rather than a smaller portion, was made because the facility continues to see an increased need for NF beds. It is not practicable to convert a smaller number, and SIBHC does not see the issues related to PASRR timing changing at any point soon. Additionally, there is no cost associated with converting all the 16 PMI beds.

**d. Accessibility Considerations:**

See answers above. In addition, this project will allow many patients to remain at the facility which is the best way to allow for continuity of care and accessibility to existing resources and the patients' families.

**e. Community Input/Support:**

See attached

**Document Upload (if needed)**

SIHC Waiver Letter 6.2025.1.pdf

Southeast BH - Waiver Approval Letter Decision 6-19-25 .docx

HFD surveys 1 of 2 1.pdf

**f. Non-discriminatory Access:**

No patients will be denied admission based on race, ethnicity or gender.

## 3. Impact on Existing Providers

**a. Impact Assessment:**

As detailed at length above, a need exists in the community for individuals who no longer qualify for ICF/PMI care but need NF care. Many facilities struggle to provide care to this vulnerable population. As noted in the findings in the Moratorium Waiver Review Request, "SIHC is uniquely positioned to address this need, as it already provides specialized services for individuals with mental illness and has the infrastructure and qualified staff to manage both NF and mental health care needs. The proposed

conversion would allow SIHC to continue caring for these residents without disrupting their routines, keeping them close to their families and ensuring their mental health needs are met.”

**b. Community and Economic Impact: Broader system effect and value-added to the community.**

As detailed at length above, a need exists in the community for individuals who no longer qualify for ICF/PMI care but need NF care. Many facilities struggle to provide care to this vulnerable population. As noted in the findings in the Moratorium Waiver Review Request, “SIHC is uniquely positioned to address this need, as it already provides specialized services for individuals with mental illness and has the infrastructure and qualified staff to manage both NF and mental health care needs. The proposed conversion would allow SIHC to continue caring for these residents without disrupting their routines, keeping them close to their families and ensuring their mental health needs are met.”

**c. Efficiency in Use of Resources: Shared/cooperative arrangements to maximize efficiency.**

SIHC believes this project provides for maximum efficiency of existing resources, as it requires no costs and leverages those existing resources to continue to provide care to SIHC’s patients.

## **4. Financial and Operational Feasibility**

**a. Financial Projections and Feasibility:**

There is no budget for the Project, as there are no associated costs with the license conversion. Notably, the daily rate for the beds will decrease with the change, however the facility does not expect any financial impact due to the change given the existing wait list and the likelihood that the residents will remain in the beds and there will be no gap in filling the beds.

**Document Upload (3-year budget projections)**

**b. Staffing and Operations:**

SIBHC will continue operations with the same existing staff levels, and does not anticipate any material change in day to day operations.

SIBHC has engaged in a number of discussions with individuals at the Department of Inspection and Appeals and the Department of Health and Human Services to prepare for this project. SIBHC requested and obtained a waiver of the existing moratorium on additional nursing beds from the Department of Health and Human Services.

SIHC is confident that existing staff will continue to provide high quality care to the residents, as evidenced by the recent successful state inspections.

The facility does not have any expected needs in staffing related to the Project. The facility does not anticipate a negative fiscal impact based on the change in licensure, as it continues to see a need for NF beds that it is unable to satisfy given the existing licensure status.

**c. Short and Long-term Viability:**

See answers above.

## **5. Community and Economic Impact**

**a. Community Engagement:**

As detailed at length above, a need exists in the community for individuals who no longer qualify for ICF/PMI care but need NF care. Many facilities struggle to provide care to this vulnerable population. As noted in the findings in the Moratorium Waiver Review Request, “SIHC is uniquely positioned to address this need, as it already provides specialized services for individuals with mental illness and has the infrastructure and qualified staff to manage both NF and mental health care needs. The proposed conversion would allow SIHC to continue caring for these residents without disrupting their routines, keeping them close to their families and ensuring their mental health needs are met.”

**b. Resource Availability:**

See answers above. Notably, there will be no changes to existing staffing at the facility.

**c. Organizational Relationships:**

We continue to explore services for our residents and recently contracted with a local therapy company, Key Rehab who provides PT, OT and ST to our resident population.

## **6. Project Planning**

**a. Project Timeline:**

The facility will experience no material change and will be able to shift billing for the new bed types as soon as the CON is granted.

**b. Innovative Components:**

This proposal will allow SIHC to continue to provide care to the vulnerable in its community with no additional costs. The value is that many of the residents are able to stay, and potentially avoid the back and forth placement concerns with facilities who are not uniquely suited to provide this care.

As noted in the attached findings in the Moratorium Waiver Review Request, "SIHC is uniquely positioned to address this need, as it already provides specialized services for individuals with mental illness and has the infrastructure and qualified staff to manage both NF and mental health care needs. The proposed conversion would allow SIHC to continue caring for these residents without disrupting their routines, keeping them close to their families and ensuring their mental health needs are met."

**c. Regulatory Compliance:**

As noted in the waiver letter, SIHC has satisfied the primary regulatory hurdle to adding NF beds. SIHC remains in compliance with all existing NF requirements.

## **7. Special Criteria for Specific Services:**

**a. Alternative Consideration (10A.714(2)(a)):**

N/A

**b. Utilization of Similar Facilities (10A.714(2)(b)):**

N/A

**c. Construction/Modernization (10A.714(2)(c)):**

N/A

**d. Access Concerns (10A.714(2)(d)):**

N/A

**e. UIHC Special Role (10A.714(3)):**

None

**Signature**

*Michael Blume*

**Additional Supporting Documents Upload**