



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

CEO Cory Nelson

Primary Contact Employer

Primary Contact Email

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Facility Name

Sioux Center Health

Facility Address

1101 9th Street SE, Sioux Center, Iowa 51250

Project Title

Acquisition of Equipment - da Vinci Robot Surgical System

Project Type

New Equipment

Would you like to request a summary review?

Yes

1. Applicant and Facility Overview

a. Project Purpose and Objectives:

Sioux Center Health ("SCH") located in Sioux Center, Sioux County, at 1101 9th St SE, is a licensed critical access hospital with 19 inpatient beds. Our mission is bringing hope, health, and healing to life. As a key provider of healthcare services to Northwest Iowa and the surrounding region, our organization is committed to maintaining and expanding access to high-quality primary and secondary care.

To support this commitment, SCH proposes to enter into a contractual agreement for a da Vinci 5 robotic surgical system (specifically, the da Vinci 5 or "dv5") manufactured by Intuitive Surgical. This fifth-generation robotic platform is designed to enhance surgical precision and patient outcomes.

Visual representations of the da Vinci 5 robotic surgical system have been submitted as "EXHIBIT A – Da Vinci 5 System.pdf."

b. Relationship to Long-Range Development Plan:

Within SCH's strategic plan is the addition of a robotic surgical platform to support our objective to ensure access to a broad spectrum of high-quality healthcare services to our rural communities, including

advanced surgical care. SCH's Surgery Center is staffed by and continually recruiting highly trained proceduralists across multiple specialties, including general surgery, colorectal, urology, and OB/GYN. These providers manage both complex and routine surgical needs, and the availability of robotic-assisted surgery will further enhance the standard of care provided.

As surgical education and practice patterns continue to evolve, the demand for robotic technology has increased significantly. The majority of surgeons entering practice today are primarily trained on robotic systems, specifically the da Vinci 5 technology, and expect such high-level tools to be integrated into their clinical environments. In many cases, physicians are more proficient and comfortable performing procedures robotically rather than through traditional laparoscopic approaches.

A comprehensive review of historical procedural volume by surgeons specializing in general surgery, colorectal, urology, and OB/GYN at SCH has demonstrated a clear and ongoing need for robotic-assisted surgical services. The analysis indicates that several hundred procedures currently performed annually could be more appropriately and efficiently completed using the da Vinci 5 system. These procedures include, but are not limited to, appendectomies, colorectal resections, hysterectomies, cholecystectomies, complex urologic and prostate surgeries, and hernia repairs. These services are not only clinically appropriate for robotic assistance but also represent a growing demand that is expected to increase following the implementation of the da Vinci surgical system.

c. Description of Proposed Service/Program:

Robotic-assisted surgery has become a recognized standard of care for numerous procedures, offering clinical advantages such as reduced recovery times, lower infection risks, and improved surgical precision. Nationally and regionally, the proportion of procedures completed robotically continues to rise and is projected to increase in the coming years.

d. Target Population: Specify geographic and demographic areas.

The proposed project's service area encompasses approximately 93,697 residents across five counties: Sioux, O'Brien, Plymouth, Osceola and Cherokee. A map outlining this geographic region is provided as "EXHIBIT B – SCH Service Area.pdf."

Critical access hospitals like SCH are increasingly tasked with addressing disparities in access to specialty care for rural populations. These disparities persist despite broader efforts to improve health equity. As a regional healthcare provider serving Sioux County and the greater northwest Iowa area, SCH continues to work toward improving both the availability and quality of care close to home.

The addition of the da Vinci 5 robotic surgical system at SCH will directly support this mission by enhancing our organization's ability to meet the surgical needs of its diverse patient population. While women seeking gynecologic care will benefit significantly from the technology, the system has broader applications across general surgery and urology as well. As aforementioned, robotic-compatible procedures make the platform increasingly relevant across many specialties.

According to recent reports from the American Hospital Association (2025), while approximately 20% of the U.S. population resides in rural communities, fewer than 10% of physicians practice in those same areas — a statistic that has shown little improvement over time. Similarly, data from the National Library of Medicine confirms that while one-fifth of Americans live in rural counties, fewer than 10% of the nation's clinicians are located there. This mismatch results in a lack of local access to specialty care and often forces rural patients to travel significant distances for treatment, typically to larger urban centers such as Sioux Falls, SD, or Rochester, MN, in the case of patients from SCH's service area.

By acquiring a da Vinci 5 system, SCH will help alleviate this geographic barrier to care and enable patients to receive timely, high-quality surgical treatment within our own communities. Furthermore, technology is instrumental in supporting long-term sustainability. Today's surgeons, particularly those

recently completing training, are educated primarily on robotic systems and expect this equipment to be part of their clinical environment. The absence of such technology places rural hospitals at a competitive disadvantage in recruiting and retaining surgical specialists.

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

After unsuccessful efforts recruiting surgeons to the area due to lack of da Vinci 5 technology, SCH and Floyd Valley Healthcare (FVH) continued a strategic partnership on recruitment for general surgeons and anticipates significant difficulty attracting qualified candidates without robotic capabilities. The da Vinci 5 is not a luxury, rather it has become a standard component of modern surgical care and an essential tool for rural hospitals to remain viable and competitive in today's healthcare landscape.

By integrating the da Vinci 5, SCH aims to enhance surgical capabilities, strengthen provider recruitment, and most importantly: improve access to specialty care and surgical outcomes for the patients and the rural communities we serve.

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

The da Vinci 5 will be acquired by entering an 84-month lease with Intuitive. The total cost of the system will be \$3,109,813 with monthly payments of \$34,992 (5% interest rate). SCH intends to fund the lease of the system with cash on hand through operations and not incur any additional debt due to acquiring the da Vinci 5 system. For reference, a copy of SCH's balance sheet dated June 30, 2025, showing sufficient resources is attached as "EXHIBIT C - Balance Sheet.pdf."

Current # of Beds (if changing)

Current bed type (if changing)

Requested # of Beds (if changing)

Requested bed type (if changing)

Document Upload

EXHIBIT A - Da Vinci 5 System.pdf

EXHIBIT B - SCH Service Area.pdf

EXHIBIT C - Balance Sheet.pdf

2. Community Need and Service Gaps

a. Description of Need:

Most patients in SCH's service area who require or would benefit from robotic-assisted surgery must leave the state or region to receive care. This creates a significant barrier to access, especially for underserved populations, rural residents, and those with limited financial resources or transportation options. The lack of local access to advanced surgical technologies like the da Vinci 5 contributes to delays in care, increased travel-related burdens, and poorer health outcomes due to postponed or forgone procedures.

b. Assessment of Existing Services and Gaps:

Not offering this technology has broader implications beyond patient care. The absence of robotic capabilities hampers SCH's ability to recruit and retain highly skilled surgical specialists. This challenge impacts not only the availability of robotic surgery, but also diminishes access to those specialties overall, such as general surgery, gynecology, and urology, which are essential to comprehensive community care. Furthermore, without access to surgical services, facilities in Iowa risk losing their maternal care designation — an outcome that significantly hinders future community growth by limiting essential healthcare services that families depend on when choosing where to live and raise children.

c. Alternatives Analysis:

While conventional laparoscopic and open surgical techniques remain acceptable treatment options in many scenarios, they do not offer the same clinical advantages as robotic-assisted surgery.

By not investing in the da Vinci 5, SCH would not be able to strengthen local surgical capacity, enhance health equity by reducing out-of-state referrals, or help ensure that residents of the service area receive timely, high-quality care across vital specialties without having to leave their community. This project reflects a commitment to improving clinical outcomes, patient experience, and long-term health access for all, including traditionally underserved populations.

d. Accessibility Considerations:

The introduction of the da Vinci 5 robotic surgical system directly addresses this unmet need by bringing high-quality, minimally invasive surgical care closer to home. This system offers several clinical advantages that translate into better health outcomes for patients, including:

- **Reduced Complications:** Enhanced precision and visualization reduce the risk of surgical complications and infections.
- **Faster Recovery:** Smaller incisions and more accurate movements lead to shorter hospital stays and quicker return to daily activities, which is especially important for patients with limited support systems.
- **Lower Postoperative Pain and Fewer Readmissions:** Improved surgical accuracy decreases trauma to surrounding tissues, leading to less pain and lower likelihood of readmission.
- **Expanded Access to Complex Procedures:** The da Vinci 5 allows surgeons to safely perform complex procedures that may not be possible using traditional open or laparoscopic techniques.

e. Community Input/Support:

The SCH community board provided support and approval for the acquisition of the da Vinci 5 robotic surgical system during the September 2025 meeting. Medical staff is also in support of enhanced surgical technology for recruitment and retention of general surgeons.

Document Upload (if needed)

f. Non-discriminatory Access:

SCH's mission of bringing hope, health, and healing to life calls us to provide healthcare services to all in need, regardless of age, race, sex, creed, national origin, or ability to pay. We believe that access to medically necessary healthcare is a fundamental right. Our commitment is grounded in respect for human dignity and includes ensuring equal access to care for all, including the poor and medically indigent. We recognize that caring for the sick is a shared societal responsibility and that healthcare institutions must lead in delivering cost-effective, necessary care while also advocating for fair reimbursement and systemic support for the underserved. In alignment with this mission, the use of the da Vinci 5 robotic surgical system will not result in changes to the charges patients receive for procedures traditionally performed without robotic assistance. Any associated increased costs will be offset by retained surgical volume and are considered a necessary investment to support the recruitment and retention of highly skilled surgeons.

3. Impact on Existing Providers

a. Impact Assessment:

The proposed project's service area encompasses approximately 93,697 residents across five counties: Sioux, O'Brien, Plymouth, Osceola and Cherokee. A map outlining this geographic region is provided as "EXHIBIT B – SCH Service Area.pdf."

In 2024 alone, a total of 258 births occurred at SCH, with patients coming from over 32 different ZIP codes, underscoring our organization's broad regional reach. This birth volume exceeds that of any other hospital located within the same 25-mile radius.

SCH and OCAHS both currently offer Mako robotic assist surgeries for knee replacements. The Mako cannot be utilized for soft tissue surgeries like the da Vinci 5. SCH and OCAHS are the primary referral areas in the region and complete the vast majority of all surgical procedures. Adding the da Vinci 5 is simply an investment in updating existing services and technology to meet the standard of care expected by patients and specialists.

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

As one of our highest-demand service lines, surgery is critical to meeting the healthcare needs of our region. Located in rural Northwest Iowa, SCH serves patients across all income levels and a wide range of surgical cases. Expanding access to advanced surgical technology at SCH will allow more individuals to receive high-quality care locally, minimizing the need to travel outside the region. This investment also supports the recruitment and retention of skilled surgeons and ensures the long-term strength of our surgical program. A strong, well-equipped regional hospital is essential not only for the health of our communities, but also for the continued growth and vitality of Northwest Iowa as a whole.

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

Robotic-assisted surgery, a highly advanced form of minimally invasive surgery, has consistently demonstrated improved patient outcomes, including lower conversion rates to open procedures, reduced blood loss and transfusion needs, shorter hospital stays, faster recoveries, fewer postoperative complications, reduced opioid use, and better cosmetic results. By implementing a da Vinci 5 surgical system, SCH enhances clinical precision and operational efficiency.

As aforementioned, FVH and SCH are continuing a joint recruitment strategy for general surgeons and have identified robotic capability as a critical factor in attracting and retaining qualified candidates.

4. Financial and Operational Feasibility

a. Financial Projections and Feasibility:

The da Vinci 5 will be acquired by entering an 84-month lease with Intuitive. The total cost of the system will be \$3,109,813 with monthly payments of \$34,992 (5% interest rate). SCH intends to fund the lease of the system with cash on hand through operations and not incur any additional debt due to acquiring the da Vinci 5 system.

Purchasing the da Vinci 5 system allows SCH to retain services and increase recruitment of surgeons to grow and add service lines. Even with increased costs, SCH does not anticipate a net loss in connection with acquiring the da Vinci 5 system. Three-year financial projections associated with the operation of the da Vinci 5 have been uploaded as "EXHIBIT D – Pro Forma.pdf."

Document Upload (3-year budget projections)

EXHIBIT D - Pro Forma.pdf

b. Staffing and Operations:

SCH surgeons who will be using the da Vinci 5 are highly trained. New surgeons, upon completion of Residency, have been trained on surgical robots such as the da Vinci 5 and expect the facilities in which they work to have this technology available. It is now common for surgeons to vet available equipment during the recruitment process.

SCH sees this specifically in areas of general surgery, urology, colorectal, and OB/GYN, where providers have specifically stated their expectations that the facility will continue to invest in these newer technologies.

SCH's surgeons are as follows:

- Nicholas Mouw, MD

- Brooke Konz, MD
- Additional signed surgeon starting August 2026 who will be fully trained on the da Vinci 5 system upon completion of their residency

The recruitment of additional surgeons remains a strategic priority for SCH leadership.

c. Short and Long-term Viability:

SCH has a surgeon who was highly trained to perform surgery on the da Vinci 5 system during residency, and the additional signed surgeon beginning in August 2026 is trained on the da Vinci 5 system. Other surgeons will undergo appropriate training. The da Vinci 5 system is a necessary resource to attract and retain top quality surgeons. SCH has cash on hand to implement and sustain the project.

5. Community and Economic Impact

a. Community Engagement:

SCH strives to provide equitable, patient-centered care to underserved populations who have long been at risk of falling through the gaps of the healthcare system. By expanding advanced surgical services in an outpatient setting closer to where people live, having a da Vinci 5 helps reduce unnecessary inpatient admissions and supports a more efficient, patient-friendly model of care. It also enables patients to recover at home, which can lead to better outcomes and a more comfortable healing process.

As part of our longstanding mission of bringing hope, health, and healing to life, we are committed to serving all individuals, regardless of race, ethnicity, or ability to pay. To help fulfill this mission, we staff bilingual financial navigators who work directly with patients to understand their coverage options, identify financial assistance programs, and reduce cost-related barriers to care.

b. Resource Availability:

The da Vinci 5 Surgical System will be supported by existing staff and leadership. Additional labor and facilities will not be required to sustain this system.

c. Organizational Relationships:

The da Vinci 5 Surgical System will be seamlessly integrated into our existing ancillary and support services, including imaging, anesthesia, sterile processing, nursing, and postoperative care. These established services are already equipped to support a wide range of surgical techniques. Additionally, this investment will further strengthen our collaboration with current outreach (specialty) providers.

6. Project Planning

a. Project Timeline:

The SCH Executive Board approved the purchase of the da Vinci 5 surgical system in August 2025, contingent upon Certificate of Need (CON) approval. Pending approval and subject to delivery, installation, and training timelines, SCH anticipates offering da Vinci 5 surgical services in the first quarter of 2026. The projected implementation milestones are as follows:

- October-December 2025: Equipment order placed, pending CON approval
- October-November 2025: Offsite training for surgeons and clinical staff
- November–December 2025: System delivery and on-site training for surgical staff prior to operating room deployment
- December 2025 – January 2026: First surgical cases performed using the da Vinci 5 system

This timeline reflects our commitment to a smooth and timely implementation, ensuring the surgical team is fully trained and prepared to deliver high-quality, minimally invasive care.

b. Innovative Components:

Robotic-assisted surgery, as an advanced form of minimally invasive surgery, has been shown to improve clinical outcomes, including lower conversion rates to open procedures, reduced blood loss and transfusions, shorter hospital stays, faster recovery, fewer postoperative complications, decreased opioid use, and improved cosmetic results. The da Vinci 5 surgical system enhances precision and efficiency, supporting better use of healthcare resources.

c. Regulatory Compliance:

The SCH Surgery Center operates in full compliance with CMS guidelines. The SCH surgeons will be using the da Vinci 5 are highly trained. As aforementioned, new surgeons, upon completion of Residency, have been trained on surgical robots such as the da Vinci 5 and expect the facilities in which they work to have this technology available. It is now common for surgeons to vet available equipment during the recruitment process.

7. Special Criteria for Specific Services:

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

Alternative consideration would include utilizing current surgical practices. This would not allow for the high-quality, minimally invasive surgical care close to home or recruitment of high-quality surgeons.

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

SCH and FVH have a strategic partnership to recruit general surgeons and anticipates significant difficulty attracting qualified candidates without robotic capabilities.

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

No new construction will be required to accommodate the da Vinci 5, a mobile system, at SCH. However, this modern technology translates into better healthcare outcomes for patients including: reduced complications, faster recovery, lower postoperative pain, fewer readmissions and expanded access to complex procedures.

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

Offering this level of surgical technology close to home helps reduce the burden of long travel times for rural patients, improving access to high-quality care without the added strain of distant referrals.

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

NA

Signature

A handwritten signature in black ink that reads "Cory Nelson". The script is fluid and cursive, with the first letters of each word being capitalized and prominent.

Additional Supporting Documents Upload