



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 Brett Altman

Primary Contact Employer

Cass County Memorial Hospital (Cass Health)

Primary Contact Email

baltman@casshealth.org

Facility Name

Cass County Memorial Hospital (Cass Health)

Facility Address

1501 East 10th Street, Atlantic, Iowa 50022-1936

Project Title

New Equipment

Project Type

New Equipment

Would you like to request a summary review?

No

1. Applicant and Facility Overview

a. Project Purpose and Objectives:

Cass Health, located in Atlantic, Iowa, is the fifth largest critical access hospital in Iowa out of 83, making it a geographical hub for higher levels of care than what other rural southwest hospitals can provide. Cass Health has been in the top fifth percentile nationally for both quality and outcomes every year since 2016. A perennially award-winning hospital, Cass Health was a top 4 finalist for rural hospital of the year in 2024. In 2023, Governor Reynolds declared Cass Health a rural hospital center of excellence, based on our hub and spoke model in southwest Iowa, and in the same year Cass Health was awarded a nurse apprenticeship grant.

Over the course of the past nine years, Cass Health has managed to double its market share and volumes across the hospital due to increasing demand for access to quality services not offered elsewhere in southwest Iowa. Cass County, Iowa, shows a significantly aging population, with roughly a quarter of residents aged 65 and older, a higher proportion than the state average, a median age around 44-45, and the 65+ group being one of the fastest-growing segments, indicating a shift towards a more mature demographic compared to younger age groups. Improving timeliness of care, enhancing patient convenience to access care closer to home, and strengthening outcomes by getting patients more timely

treatment are at the root of our goal of obtaining a PET/CT.

Cass Health proposes to acquire a fixed positron emission tomography/computed tomography (PET/CT) system with limited facility remodeling (shielding, HVAC, electrical, architectural) to house the unit, with the anticipated model being the Canon Cartesion Prime Digital PET/CT Aero that supports full oncology, cardiac, and neurology applications. The project addresses access and timeliness gaps created by the present twice-monthly mobile PET/CT, reducing delays and out-of-region referrals, and serving a largely rural regional population with high oncologic burden. Iowa ranks second nationally in new cancer incidence and Cass County ranks first in Iowa per capita, underscoring the need for local, timely PET/CT access. The in-house PET/CT will enhance staging, restaging, treatment planning, coordination of care, and reduce travel burdens for medically underserved rural and elderly populations, while the CT component provides surge/backup capacity for emergency throughput.

Cass Health will ensure that the proposed PET/CT scanner will be offered in a physical environment that conforms to federal standards, manufacturer's specifications, and licensing agencies' requirements. The proposed PET/CT scanner has been certified for clinical use by the United States (US) Food and Drug Administration (FDA).

All project costs will be funded by Cass Health's operating cash and perhaps be supplemented with Rural Health Transformation grant dollars. In addition, we have recently been privately gifted \$500,000 by a family who lost two loved ones to cancer, and they requested designating the funds for improving timeliness and access to faster cancer diagnostics.

Additional supporting documentation and specifications related to the PET/CT system and related renovations are being submitted with this Application.

b. Relationship to Long-Range Development Plan:

This project aligns with Cass Health's 2025-2030 strategic plan under the access to healthcare services pillar. Furthermore, it supports the ongoing growth in oncology care and integrated specialty services, following the 2022 quadrupling of the Tyler Family Cancer Center's square footage and expansion from six to twelve infusion bays to meet rising regional cancer demand. The goal is to get earlier diagnoses and better outcomes as Cass County's data tends to show delayed diagnoses, and those late-stage diagnoses have led to poorer outcomes and more deaths than the average Iowa counties. Establishing fixed PET/CT capacity is part of our current (2025-2030) five-year strategic plan and is a natural progression to sustain quality, outcomes, and patient access that have contributed to Cass Health's Top 20 critical access hospital recognition. Top 20 is a national award based on objective data, including market share, quality, outcomes, patient satisfaction, and financial stability. Cass Health is the only hospital in the country that has received the Top 20 award for the past five consecutive years out of 1,361 hospitals. Additionally, Cass Health was recently recognized as a Forbes 2026 Top Hospital and has been a Top Workplace for midsized companies in Iowa for the past 15 consecutive years.

c. Description of Proposed Service/Program:

Cass Health will establish a fixed digital PET/CT program supporting oncology (staging, restaging, response), cardiology (perfusion/viability), and neurology (dementia and other indications). Operational scope includes fairly immediate access when clinically indicated, eliminating mobile bottlenecks and referrals to Omaha/Des Moines that come with longer waiting times after scheduling. The PET/CT's CT will also function as a secondary scanner to keep emergency throughput when the primary CT is occupied, maintaining the 25-minute arrival-to-CT guideline for acute stroke patients. Intended outcomes include reduced waiting times, improved coordination, decreased travel, faster diagnoses, and enhanced time-sensitive outcomes.

d. Target Population: Specify geographic and demographic areas.

Cass Health's service area includes Cass County and surrounding southwest and west-central Iowa

communities, supporting over 36,000 residents. Cass Health expects referrals across rural western and southwest Iowa due to limited fixed PET/CT access. More specifically, seven counties adjacent to Cass will be served, none of which have access to in-house PET/CT, including Adair, Adams, Audubon, Guthrie, Montgomery, Pottawattamie, and Shelby. Populations include oncology patients across this catchment area, as well as cardiology and neurology patients requiring PET.

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

The fixed PET/CT will reduce forced out referrals to outside facilities and metro centers (Omaha, Des Moines) driven by mobile capacity/frequency constraints, thereby enhancing continuity of care within Cass Health's oncology, cardiology, and neurology services. Cass Health already employs a Certified Nuclear Medicine Technologist, facilitating integration with existing imaging and specialty workflows and supporting regional providers who rely on timely PET/CT access. All necessary personnel are in place presently to offer full-time PET/CT services.

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

The PET/CT equipment cost is \$2,083,794 with a proposed full-service agreement priced at \$191,137.50 annually (total Service Agreement value \$1,146,825; 72-month option shown). The total estimated project cost exclusive of the Service Agreement is \$3,991,4151, including construction, shielding, HVAC, electrical, installation, training, workstation, accessories, software, and a 24-month service warranty. The Canon quote provided with the Letter of Intent is valid through March 31, 2026. All project costs will be funded with internal operating cash; however, Cass Health has applied for a \$2,719,139 Rural Health Transformation grant as well as being the recipient of a \$500,000 private gift, which may help subsidize the majority of the equipment and renovation costs.

Current # of Beds (if changing)

Current bed type (if changing)

Requested # of Beds (if changing)

Requested bed type (if changing)

Document Upload

2. Community Need and Service Gaps

a. Description of Need:

Demand for PET/CT is rising with Iowa's second highest national ranking in new cancer incidence and Cass County's highest per capita incidence in Iowa, which cannot be overlooked. Mobile PET/CT is available only twice monthly at Cass Health, causing delays or diversion to Omaha/Des Moines for timelier scans, imposing travel burdens and delaying care. There are no fixed PET/CT scanners in any of the continuous counties surrounding Cass. In 2022, Cass Health expanded their cancer center, which operates at or near capacity, evidencing sustained regional demand. PET/CT technology continues to expand beyond traditional oncologic staging and restaging, with emerging applications that significantly improve diagnostic accuracy. An example of this are new radiotracers and protocols that support advanced evaluation of prostate cancer (PSMA PET), which is Cass County's number one highest cancer diagnosis. The local addition of these advanced services will allow Cass Health to remain on the forefront of cancer care in the region.

b. Assessment of Existing Services and Gaps:

Existing PET/CT access in the region is constrained by limited mobile availability, producing long waits and fragmented care when patients must be sent to metro centers. Fixed PET/CT capacity in rural western Iowa is sparse, leaving accessibility gaps for Cass Health's predominantly rural service area despite

growing oncology volumes.

c. Alternatives Analysis:

- Continued mobile PET/CT: This option may be less capital-intensive initially but fails to resolve scheduling bottlenecks, delays, and care fragmentation. This option remains inadequate for urgent/complex cases.
- Out-of-region referral: This option ensures access but increases travel costs, time, disrupts coordination, and delays the commencement of treatment and adjustments.

d. Accessibility Considerations:

The in-house system eliminates dependence on infrequent mobile PET/CT visits and reduces transportation costs and barriers for travel to Omaha/Des Moines. Many times, family members have to take time off work, adding to the cost and inefficiency of not having this modality locally. It improves convenience by removing substantial transportation costs for low-income rural patients, less travel downtime, and allows expedited imaging for those in more remote rural areas. Services will be available for patients regardless of the patient's ability to pay.

e. Community Input/Support:

The Cass Health hospital board and medical staff provided support and approval for the acquisition of the digital PET CT during the October 15, 2024, strategic planning meeting. Additionally, letters of support from the community have been obtained.

Document Upload (if needed)

f. Non-discriminatory Access:

Cass Health will provide access without discrimination, consistent with its obligations as a rural hospital serving diverse populations, and inclusive of allopathic and osteopathic practices. The PET/CT program will follow standard non-discrimination policies applicable to all imaging services. Cass Health will accept referrals for CT services from all area physicians.

3. Impact on Existing Providers

a. Impact Assessment:

The project reduces unnecessary duplication by replacing inadequate mobile capacity with right-sized fixed access in a rural region with high oncologic burden. It will limit forced referrals to other facilities and better balance regional capacity, reducing gaps in timeliness and coordination while avoiding overbuild given documented need and sustained oncology volumes.

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

Local PET/CT access supports earlier and more efficient cancer care, reduced travel costs, and time away from work/family, strengthened care continuity, and helps retain care in the community. Additionally, improved emergency throughput via the secondary CT function benefits broader community health and system efficiency.

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

The PET/CT will be integrated with radiology and specialty services, using existing Certified Nuclear Medicine Technologist resources, and the CT component will serve as surge/backup to maximize utilization and throughput. Canon's training and service support further enhances operational efficiency. Cass Health maintains an established contractual relationship with Cardinal Health to ensure the reliable procurement and ongoing availability of all required radiopharmaceuticals. Therefore, protocols and relationships are already in place for the reliable procurement of all required radiopharmaceuticals.

4. Financial and Operational Feasibility

a. Financial Projections and Feasibility:

- Summary of capital and service:
 - Total project cost (exclusive of service agreement): \$3,991,415
 - Equipment \$2,175,311.
 - Construction (general/HVAC/electrical/shielding/architect/CM) \$1,816,104.
 - Annual full-service agreement option \$191,137.50 with a total Service Agreement cost of \$1,146,825.
 - The Canon quote is valid through March 31, 2026.
 - Funding: Internal operating cash.
 - Seven-year projections: To be attached in the budget upload with expected ramp-up reflecting transition from mobile/out-referral volumes to in-house capacity and associated payor mix and cost structure.
- Document Upload (7-year budget projections)
- Attached is a 7-year pro forma (revenues/expenses, break-even) and capital schedule consistent with the Canon quotation and construction budget lines.

Document Upload (3-year budget projections)

PET-CT Proforma Final 1.2.25.pdf

b. Staffing and Operations:

Cass Health already employs a Certified Nuclear Medicine Technologist and will integrate the fixed PET/CT into existing radiology workflows, with vendor-provided multiphase applications training, QA tools, and uptime/response commitments under the service agreement. Operational oversight will align with current imaging leadership structures and emergency department protocols for CT backup.

c. Short and Long-term Viability:

Viability is supported by documented need (oncology growth, mobile constraints), efficient use of shared CT capacity, and a service agreement with 98% uptime, 4-hour onsite response, software safety updates, and integrated applications training that sustains throughput and quality.

5. Community and Economic Impact

a. Community Engagement:

Cass Health will continue outreach to community stakeholders and regional providers and will submit letters and meeting notes as part of the public comment process once the application is posted by HHS.

b. Resource Availability:

The hospital has an existing Certified Nuclear Medicine Technologist; Canon provides comprehensive applications training, QA tools, remote diagnostics, and service coverage, ensuring availability and appropriateness of technical and management resources.

c. Organizational Relationships:

The PET/CT program supports regional referral relationships by reducing diversions to metro centers and facilitating coordinated care locally. Furthermore, Cass Health has existing workflows in place with local partners for advance imaging referrals. This existing infrastructure can be leveraged for this service line as well.

6. Project Planning

a. Project Timeline:

Service initiation will follow construction, installation, and staff training, sequenced within the Canon quotation validity window through March 31, 2026; formal public bidding for construction will occur after CON approval, and installation/commissioning will be coordinated with the vendor. It is anticipated that the construction associated with obtaining the PET/CT would take place between April 2027 and October

2027.

b. Innovative Components:

The Cartesien Prime Digital PET/CT provides digital PET detectors, TOF performance, dose-reduction technologies, and air-cooled design that lowers site complexity and supports faster scans and high-quality imaging; CT functions add surge capacity, directly supporting ED throughput.

c. Regulatory Compliance:

Cass Health will satisfy all applicable regulatory requirements (e.g., shielding, HVAC/electrical codes, QA and dose standards, equipment licensing for calibration sources) and coordinate permits, site specs, and Canon site preparation guidelines.

7. Special Criteria for Specific Services:

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

Modernizing the current mobile arrangement or continued sharing via mobile equipment does not resolve bottlenecks and delays. A fixed in-house PET/CT modernizes access, integrates with local care pathways, and adds shared CT capacity for emergencies.

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

Existing regional PET/CT access via a mobile unit is maximized but insufficient; referrals to Omaha/Des Moines reflect reliance on non-local capacity, indicating local fixed utilization would be appropriate and efficient.

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

The project is a remodeling of space adjacent to radiology, with targeted shielding/HVAC/electrical upgrades and vendor-aligned installation, a prudent modernization to integrate PET/CT with existing services.

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

As set forth above, without the project, serious access problems persist due to twice-monthly mobile limits, prolonged wait times, and travel to metro centers for timely care, and worsening outcomes for oncology and time-sensitive cases. See also Project Purpose and Objectives above.

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

Not applicable.

Signature

A handwritten signature in black ink, appearing to read "Tara Hall".

Additional Supporting Documents Upload

26.01.07 Cass Health's Certificate of Need Application - PET-CT.pdf

Canon Final room drawings.pdf

PET_CT Demo and Floor Plan.pdf

Shielding_PET_Area_251104_Cass.pdf