



2026 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 135.63, as needed, to complete the application. 4. Upload additional documentation, as needed.

Primary Contact

CFO Jim Henkenius

Primary Contact Employer

Jim Henkenius

Primary Contact Email

jihenkenius@stewartmemorial.org

Facility Name

Stewart Memorial Community Hospital DBA Stewart Memorial Clinic Rockwell City

Facility Address

401 East High Street, Rockwell City, Iowa 50579

Project Title

Rockwell City Clinic- New Facility

Project Type

New Facility

1. Applicant and Facility Overview

a. Project Purpose and Objectives:

The current Stewart Memorial Rockwell City Clinic has significantly outgrown its current capacity for care with current need exceeds existing facility capacity. This building project improves access for rural residents, older adults, and individuals with mobility limitations who face increased barriers to care. Building a new clinic will provide critical space to meet community demand for needed services including primary medical care, in-house lab and x-ray services, and behavioral health services. Further, the existing clinic will undergo renovation to expand the physical, occupational, and speech-language therapy services that are presently located in the basement level of the clinic. The original clinic was designed to house two medical providers, lab and radiology services, and a few years after opening, a single physical therapist clinic was added in the lower level. Presently, the clinic accommodates two medical providers, a behavioral health provider, two physical therapists, an occupational therapist, and a speech-language pathologist. Given the large number of providers and services providing care in the space, patients and staff have to make do with care areas that are suboptimal for the type of treatment being provided. This includes taking a stair lift down to therapy services for patients with mobility issues, converting a small exam room into a behavioral health treatment space/provider office, and utilizing the "therapy gym" designed for one person, as also the occupational and speech therapy space. The new clinic aligns with community needs as indicated by the 2024 community needs assessment (CHNA) for demand in behavioral health services and improving access to care, such as expansion of pediatric therapy services, given the local school district's elementary and middle schools are located in the same community.

Objectives:

1. Expand Clinical Capacity to Meet Community Demand

Develop and construct a new Stewart Memorial Rockwell City Clinic to address current space limitations and support the growing demand for primary medical care, behavioral health services, and therapy services.

2. Improve Access to Behavioral Health Services

Provide purpose designed, private, and appropriately sized behavioral health treatment and provider spaces that align with community needs.

3. Enhance Therapy Services Through Renovation of the Existing Clinic

Renovate the current clinic space to appropriately expand and modernize physical, occupational, and speech language therapy services, ensuring facilities match the scope and intensity of care being delivered.

4. Improve Patient Safety, Accessibility, and Experience

Eliminate physical barriers to care—such as reliance on stair lifts for therapy access—and create fully accessible, patient centered spaces that support individuals with mobility challenges and other special needs.

5. Provide Appropriate, Functional Care Environments for Providers

Replace converted and suboptimal care spaces with purpose built exam rooms, therapy gyms, and treatment areas that support efficient workflows, privacy, and clinical best practices.

6. Support Growth in Pediatric Therapy Services

Expand and enhance therapy services to better serve pediatric patients, responding to community needs and proximity to local elementary and middle schools.

7. Strengthen Workforce Recruitment and Retention

Create a modern, well designed clinical environment that supports current providers and enhances Stewart Memorial's ability to recruit and retain high quality medical, behavioral health, and therapy professionals.

8. Align Facilities with Long Term Community Health Needs

Develop a clinic infrastructure that is scalable and flexible, ensuring Stewart Memorial can continue to respond to evolving healthcare needs in Rockwell City for years to come.

b. Relationship to Long-Range Development Plan:

The Rockwell City Clinic construction project directly supports Stewart Memorial's long range development plan and strategic priorities. Keeping patients safe, improving access to care, and serving as a regional employer of choice are key tactics outlined in Stewart Memorial's strategic plan. This project advances those goals by creating modern, purpose designed clinical environments that enhance patient safety and expand capacity for care delivery. At the same time, improved facilities will provide an ideal work environment for physicians, clinicians, and staff, strengthening Stewart Memorial's ability to recruit and retain high quality healthcare professionals. In turn, the new clinic construction supports future growth in services and providers, ensuring sustainable access to care for the Rockwell City community over the long term.

c. Description of Proposed Service/Program:

The Rockwell City Clinic Renewal Project was intentionally designed to align with priorities identified in the Community Health Needs Assessment (CHNA), particularly the need to expand access to care and increase behavioral health services within the community. Through strategic relocation and expansion of services, the project strengthens Stewart Memorial's ability to meet the evolving healthcare needs of patients across all ages and stages of life.

The newly constructed clinic will provide expanded primary medical care for patients of all ages, including pediatrics, geriatrics, and individuals managing chronic conditions, improving access to comprehensive, coordinated care close to home. The new facility will also house behavioral health services for children, adults, and seniors, including dedicated space for pediatric play therapy that supports age-appropriate, trauma-informed care. In addition, the Community Pharmacy, currently located in a small and limited space

within the existing clinic, will relocate to a larger, handicap-accessible location within the new building. This relocation will enhance patient privacy, improve accessibility, and strengthen integration with medical and behavioral health services, advancing the CHNA goal of improving access to essential healthcare resources.

CHNA Priority: Expand Access to Care

Expected Outcomes

Primary Medical Care

- Increased access to primary medical care for patients of all ages through expanded, purpose designed clinical space that accommodates pediatrics, adults, seniors, and patients with chronic conditions.
- Reduced barriers to care by co locating services in a modern, accessible facility that improves patient flow, appointment availability, and care coordination.
- Improved continuity of care for individuals and families by providing comprehensive medical services close to home.

Community Pharmacy Services

- Improved access to pharmacy services through relocation into a larger, handicap accessible space within the new clinic.
- Enhanced patient privacy and medication counseling opportunities, supporting better understanding of prescriptions and improved medication adherence.
- Increased coordination between pharmacists, medical providers, and behavioral health providers, improving overall care access and convenience for patients managing complex health needs.

Overall Access Impact

- Reduced delays in care and fewer referrals outside the community, strengthening Rockwell City's ability to meet healthcare needs locally.
- Improved patient experience and satisfaction through accessible, efficient, and patient centered environments.

CHNA Priority: Increase Behavioral Health Services

Expected Outcomes

Behavioral Health Care Expansion

- Expanded availability of behavioral health services for patients of all ages by housing services in purpose designed, private treatment spaces that support effective care delivery.
- Improved patient comfort, dignity, and confidentiality, reducing stigma and encouraging earlier engagement in behavioral health care.

Pediatric Behavioral Health and Play Therapy

- Increased access to pediatric behavioral health services through dedicated play therapy space that supports age appropriate, trauma informed care.
- Improved outcomes for children experiencing behavioral, emotional, or developmental challenges by providing environments tailored to pediatric treatment needs.

Integrated Care Impact

- Stronger integration of behavioral health with primary medical care and pharmacy services, supporting whole person care and improved long term outcomes.
- Increased capacity to respond to growing community demand for behavioral health services as identified in the Community Health Needs Assessment.

Combined Community Impact

- Improved health outcomes across the lifespan by expanding access to medical, behavioral health, and pharmacy services in a single, accessible location.
- Reduced barriers to care for seniors, children, and individuals with mobility challenges through accessible design and coordinated service delivery.
- A sustainable, future ready healthcare infrastructure that directly responds to CHNA identified priorities and strengthens the health of the Rockwell City community.

d. Target Population: Specify geographic and demographic areas.

The Rockwell City Clinic serves patients across a broad rural service area extending over 30 miles from Rockwell City, including Calhoun County and portions of Sac, Webster, and Pocahontas counties. The clinic maintains a strong patient base within the Pocahontas area, supported in part by the presence of a medical provider who resides in that community. This longstanding connection has reinforced access to care for residents across county lines and strengthened regional trust in services provided through the Rockwell City Clinic.

Demographically, the clinic serves patients across the lifespan, providing primary medical care and behavioral health services for pediatric, adult, and geriatric populations, as well as individuals managing chronic medical conditions. The clinic's comprehensive service model allows it to meet the diverse healthcare needs of children, families, seniors, and medically complex patients—many of whom rely on local access to care due to transportation limitations and rural geography.

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

Stewart Memorial maintains strong, collaborative relationships with a broad network of healthcare providers and community services throughout the region, supporting coordinated and comprehensive care for patients across the lifespan. Key partners include Calhoun County Public Health, Calhoun County EMS, Community Pharmacy, Fistler Chiropractic, Nick Hildreth Memorial Clinic, Manson Good Samaritan Care Center, UnityPoint Home Health, St. Croix Hospice, Sunny View Independent Living, and Opportunity Living, an Intermediate Care Facility for Individuals with Intellectual Disabilities.

Stewart Memorial works closely with Calhoun County Public Health on a variety of public health initiatives, including Women, Infants, and Children programming, participation in regional mental health coalitions, and most notably the administration of the Community Health Needs Assessment and subsequent strategic planning around identified priorities. These collaborations ensure alignment between clinical services and community wide health initiatives.

Ongoing partnership with Calhoun County EMS supports emergency care delivery, community education opportunities, and coordinated emergency preparedness efforts. These relationships strengthen system readiness and ensure seamless transitions of care for patients requiring emergency services. The clinic's rehabilitation services team routinely collaborates with Fistler Chiropractic and the Nick Hildreth Memorial Clinic through referrals and shared care planning to support patient recovery through physical, occupational, and speech language therapy services. These partnerships enhance continuity of care and improve rehabilitation outcomes.

Rockwell City Clinic providers serve as the primary medical providers for residents of Opportunity Living, requiring close coordination to meet the unique medical and support needs of the ICF ID population. In addition, clinic providers are frequently the providers of choice for residents and patients of Manson Good Samaritan Care Center, UnityPoint Home Health, St. Croix Hospice, and Sunny View Independent Living, working collaboratively with professional staff to deliver consistent, compassionate, and patient centered care.

Through these strong partnerships, Stewart Memorial plays a central role in the regional healthcare network by delivering coordinated services that strengthen access to care, improve outcomes, and support the health and well being of the communities it serves.

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

Funding for the Rockwell City Clinic Renewal Project will be supported through a combination of Stewart Memorial cash reserves, a gift from the Stewart Memorial Foundation, and proceeds from a community capital campaign. This diversified funding approach reflects strong organizational planning and broad

community investment in the project's success.

Stewart Memorial maintains a solid financial position and has a demonstrated history of responsible fiscal management. In addition, the organization has established relationships with local lending institutions, providing access to additional financing options if needed. While supplemental financing is not anticipated, these relationships ensure flexibility and financial stability throughout the life of the project.

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:

Rockwell City Clinic is a provider based Rural Health Clinic (RHC) operated by Stewart Memorial Community Hospital and serves a 30+ mile rural service area that includes Calhoun County and portions of Sac, Webster, and Pocahontas counties. The clinic functions as a key access point for primary care, behavioral health, and therapy services in a region characterized by long travel distances, limited healthcare workforce availability, and a growing reliance on outpatient services. Documented demographic trends and sustained utilization data clearly demonstrate the need for continued investment in clinic capacity and infrastructure.

The Calhoun County Community Health Needs Assessment (CHNA) identifies access to quality health services and support as the county's top health infrastructure priority. Calhoun County has a population of approximately 9,668 residents, all living in rural settings. The population is aging, with 23.5% of residents age 65 and older, while 21.3% are under age 18. These age groups drive sustained demand for primary care, chronic disease management, therapy services, and behavioral health care.

The CHNA also documents high prevalence of chronic conditions such as cardiovascular disease, diabetes, osteoarthritis, and COPD, as well as elevated rates of unintentional injuries, particularly falls, which increase demand for rehabilitation services. Behavioral health access remains a significant concern, with limited provider availability and widespread community reports of unmet need. Transportation barriers and long travel distances further heighten reliance on local care delivered through Rockwell City Clinic.

Medical Clinic Utilization

Medical clinic visit data show consistently high utilization over the past three years:

- 2023: 7,351 visits
- 2024: 7,442 visits
- 2025: 7,184 visits

This steady volume has been maintained despite increased provider time out of clinic due to family medical needs, demonstrating that utilization levels reflect strong, ongoing community demand rather than excess capacity. The data indicate that primary care services at Rockwell City Clinic are operating at or near capacity to meet local and regional needs.

Therapy Utilization Reflecting Aging and Injury Trends

Physical therapy utilization aligns with demographic trends and CHNA identified needs related to aging and injury prevention:

- 2023: 2,218 visits
- 2024: 2,180 visits
- 2025: 2,573 visits

Utilization remained stable and increased in 2025 despite periods of provider absence related to maternity leaves, reinforcing that demand for these services is persistent and community driven. Therapy services are essential to helping older adults maintain mobility and independence and to supporting recovery following injury or illness.

Behavioral Health Growth Demonstrating Unmet Demand

Behavioral health utilization data show significant and accelerating growth:

- 2023: 876 visits
- 2024: 1,161 visits
- 2025: 1,380 visits

This nearly 60% increase over three years demonstrates growing community demand for behavioral health services in a region with limited providers. The current clinic space was not designed to support this level of behavioral health activity, limiting privacy, efficiency, and opportunities for further expansion.

Facility Constraints and Need for Renewal

The Rockwell City Clinic facility was originally designed to support two providers, yet it now houses a multidisciplinary team delivering primary care, behavioral health, and therapy services to a multi county rural population. Demographic trends identified in the CHNA, combined with sustained and growing utilization across all service lines, demonstrate that facility limitations, not lack of demand, now constrain access to care.

The Rockwell City Clinic Renewal Project is necessary to align clinic capacity and infrastructure with clearly documented community need, ensuring continued access to essential rural health services for residents across the clinic's extended service area. Available data clearly demonstrate that demand exceeds the capacity of the existing facility, underscoring the need for this investment.

b. Assessment of Existing Services and Gaps:

Rockwell City Clinic serves a rural, multi county area including Calhoun County and portions of Sac, Webster, and Pocahontas counties. While outpatient medical, behavioral health, and therapy services are available locally and through limited nearby providers, an assessment of existing services shows that current capacity and facility design are insufficient to meet demonstrated community demand. Rockwell City Clinic is the only medical clinic in Rockwell City that provides on site laboratory and X ray services, making it a central access point for both routine and urgent outpatient diagnostic care.

Adequacy of Existing Services

Primary care services within the community are appropriate in scope but constrained in capacity. Medical clinic visits have remained consistently high, exceeding 7,100 visits annually over the past three years, even during periods of reduced provider availability related to family medical needs. This sustained volume indicates that existing medical services are being utilized at or near capacity rather than exceeding community need. As the only clinic in Rockwell City offering on site lab and X ray services, Rockwell City Clinic also absorbs diagnostic demand that cannot be met elsewhere locally, further intensifying pressure on limited clinical space.

Therapy services demonstrate similar demand patterns. Physical therapy visit volumes remained steady from 2023 through 2024 and increased in 2025, despite provider maternity leaves, indicating persistent need driven by chronic disease management, injury recovery, and an aging population. These utilization trends suggest that existing therapy resources are necessary but constrained by current space limitations as indicated by 2025 growth when an additional physical therapist day was able to be added in fall.

Behavioral health services represent the most significant service gap. Visit volumes have increased substantially over a three-year period, reflecting growing community demand in a region with limited behavioral health capacity. While services are available, the existing clinic environment limits the ability to expand behavioral health services or accommodate continued growth. At present, behavioral health

patients average a waiting list time of 2-3 months before being able to begin services.

Utilization Rates and Capacity Gaps

Utilization data show that similar outpatient services in the community—particularly those provided through Rockwell City Clinic—are fully engaged:

- Primary care visit volumes remain consistently high
- Therapy services show sustained and increasing demand
- Behavioral health visits continue to grow at a rapid pace

The Rockwell City Clinic facility was originally designed to support two providers and does not reflect its current role as a multidisciplinary rural health hub delivering medical, diagnostic, behavioral health, and therapy services. Physical space constraints limit patient flow, scheduling flexibility, diagnostic efficiency, and service expansion, creating clear gaps between demonstrated community need and existing facility capacity.

c. Alternatives Analysis:

Several alternative approaches were evaluated to address the space and capacity limitations of the Rockwell City Clinic while carefully considering cost, effectiveness, and long term sustainability.

Renovation of an Existing Facility for a Medical Clinic

One alternative considered was renovating an existing long-term care facility that has recently closed within the Rockwell City community to serve as an updated medical clinic. This option was ultimately not selected because preliminary cost estimates for renovation were comparable to the cost of new construction, without providing the same level of flexibility or long term value. Renovation would limit the ability to design purpose built spaces that support modern clinical workflows, team based care, and future growth. In contrast, new construction allows the clinic to be fully designed to meet current and anticipated service needs and to be strategically located near key community resources, including the Rockwell City elementary school and independent living apartments, enhancing coordination and community integration.

Relocation of Therapy and Behavioral Health Services to a Separate Facility

Another alternative considered was maintaining the current medical clinic space while relocating therapy and behavioral health services to an off site facility that would require renovation. This option was also discarded for both financial and clinical reasons. Relocating therapy services outside of the current provider based setting would require a transition to a different reimbursement model, resulting in a significant reduction in revenue and threatening the long term sustainability of these services.

Additionally, separating behavioral health services from primary medical care was determined to be counterproductive to patient centered, team based care. Close physical proximity between medical and behavioral health providers supports timely collaboration, integrated treatment planning, and effective management of behavioral health medications. Physically separating these services would introduce barriers to coordination, increase inefficiencies, and diminish the quality of care for patients with complex or co occurring conditions.

Selected Approach

After evaluating these alternatives, constructing a new medical clinic facility with integrated behavioral health services, followed by renovation of the existing space for therapy services, was determined to be the most cost effective, clinically sound, and sustainable solution. This approach maximizes the value of investment, preserves appropriate reimbursement structures, supports integrated care delivery, and positions Rockwell City Clinic to effectively meet current and future community needs.

The Rockwell City Clinic Renewal Project is necessary to align clinic capacity and infrastructure with clearly documented community need, ensuring continued access to essential rural health services for residents across the clinic's extended service area. Available data clearly demonstrate that demand exceeds the capacity of the existing facility, underscoring the need for this investment.

d. Accessibility Considerations:

Rockwell City Clinic is a provider based Rural Health Clinic that primarily serves residents living in or near Rockwell City, while also attracting patients from a broader 30+ mile rural service area across Calhoun County and portions of Sac, Webster, and Pocahontas counties. Local residents rely on the clinic for routine and ongoing care, while patients from surrounding communities seek services at Rockwell City Clinic due to the quality, continuity, and comprehensive nature of care provided, particularly where comparable services are limited or unavailable closer to home.

For patients living in Rockwell City and adjacent areas, the clinic offers convenient access to primary care, behavioral health, therapy services, and on site diagnostic lab and X ray services in a single, trusted location. The clinic is the only medical clinic in Rockwell City with on site laboratory and X ray capabilities, allowing patients to receive evaluation, testing, and follow up care in one visit, improving efficacy of treatment plans, and reducing unnecessary travel between communities.

The Rockwell City Clinic Project preserves and strengthens this access. Therapy services will remain in close geographic proximity of the new clinic, maintaining continuity of care while significantly improving functionality. The project includes expanded parking capacity, with additional handicap accessible parking spaces, improving convenience and access for all patients, including seniors and individuals with disabilities or mobility issues.

For patients traveling from outside the immediate area, the ability to access multiple services in one centralized location is especially important. Rural transportation limitations often require patients to coordinate rides or minimize the number of trips needed for care. Maintaining co located services on the same campus supports efficiency, reduces travel burden, and enhances care coordination for patients coming from greater distances.

By improving facilities while keeping services centralized and accessible, the renewal project ensures Rockwell City Clinic can continue serving both local residents and a wider rural population, supporting access to high quality healthcare for communities outside metropolitan areas.

e. Community Input/Support:

The Rockwell City project has overwhelming community support as indicated by the attached letters of support from key community members including the Rockwell City mayor, Calhoun County's director of public health, director of economic development, and county supervisor who is also a public health board member. Further, the project was developed utilizing the most recent CHNA data and input to further meet community identified needs.

Document Upload (if needed)

CgGoSF-calhoun-county-chna-report-2021.pdf

Letter of Support.economic development.pdf

Rockwell City Clinic Letter of support Public Health.doc

County Board of Health & Supervisor Letter.pdf

Mayor Letter of Support.pdf

f. Non-discriminatory Access:

Rockwell City Clinic will provide services in a manner consistent with Iowa Certificate of Need requirements and the non discrimination policies of Stewart Memorial Community Hospital and Clinics. Services are offered to all persons without regard to race, color, sex, gender, national origin, disability, religion, age, or sexual orientation, in compliance with 45 CFR Parts 80, 84, and 91, respectively. There is no distinction in eligibility for services or in the manner by which services are provided, and all referrals for care are accepted without regard to these protected characteristics.

Stewart Memorial Community Hospital and Clinics do not discriminate in the provision of healthcare services because an individual is unable to pay, or because payment is made through Medicare, Medicaid, or the Children's Health Insurance Program (CHIP). Access to medically necessary services is based solely on clinical need and appropriateness, and financial or insurance status does not restrict or delay care.

Rockwell City Clinic operates under an inclusive clinical practice model that supports both allopathic (MD) and osteopathic (DO) medical practices. Providers are credentialed and granted privileges based on licensure, qualifications, and scope of practice, without preference for degree type. Through these established policies and practices, the clinic ensures that all services authorized through this Certificate of Need application are provided fairly, equitably, and without discrimination, consistent with state and federal requirements.

3. Impact on Existing Providers

a. Impact Assessment:

The proposed Rockwell City Clinic Renewal Project is expected to have a positive and stabilizing impact on existing healthcare providers within the service area. The project is designed to modernize and expand services that are already being utilized and relied upon by the community and by other local providers, rather than introduce new or duplicative service lines. Local providers currently refer patients to Rockwell City Clinic for medical care, behavioral health services, diagnostic testing, and rehabilitative therapy. This project strengthens the clinic's ability to continue serving as a referral destination and care partner, improving coordination and continuity of care across the local healthcare system.

The project does not create unnecessary duplication of services. Medical staffing levels are expected to remain largely unchanged currently, limiting any potential impact from direct competition. Instead, growth is intentionally focused on behavioral health and rehabilitative therapy services, areas where unmet need has been clearly demonstrated and where capacity constraints currently exist. Enhancing these services supports—not displaces—existing providers by expanding access to care that is already in short supply and by reducing delays for referred patients.

Renovation and expansion of the Rockwell City Clinic will also address existing gaps in service delivery caused by facility limitations, not lack of provider availability or market demand. The current clinic space restricts workflow efficiency, privacy, and service capacity, particularly for therapy and behavioral health services. The proposed project alleviates these constraints without redistributing services away from other communities or negatively affecting existing facilities. Therapy services will remain on the same campus, preserving established referral patterns and continuity for patients and providers alike.

The project does not involve relocation that would adversely affect other facilities, organizations, or populations served. Instead, it reinforces Rockwell City Clinic's role as a centralized healthcare access point that supports surrounding providers through referrals, shared care responsibilities, and coordinated treatment planning. By strengthening the existing healthcare infrastructure, the project enhances regional service stability and supports collaborative rather than competitive relationships among providers.

Overall, the Rockwell City Clinic Renewal Project aligns with Iowa CON requirements by promoting efficient use of healthcare resources, avoiding unnecessary duplication, and strengthening existing provider networks. The anticipated impact on other providers is positive, with minimal competitive effect and meaningful benefits for patient access, referral efficiency, and continuity of care.

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

The Rockwell City Clinic Renewal Project provides demonstrated community and economic benefit by maintaining and strengthening an essential component of the local healthcare delivery system. Rockwell City Clinic operates as a provider based Rural Health Clinic serving residents of Rockwell City and surrounding rural areas, while also drawing patients from the broader region due to the availability and continuity of services. The proposed project represents a reinvestment in existing infrastructure that aligns facility capacity with demonstrated utilization and community need (10A.714(1)(e), (h)).

Broader System Effect

The project supports efficient use of healthcare resources by modernizing an existing facility that has

outgrown its original design, rather than introducing duplicative services. Sustained utilization of primary care services and increasing demand for behavioral health and rehabilitative therapy demonstrate that the clinic plays a stabilizing role within the regional healthcare system. The project focuses growth in service areas where unmet need exists, behavioral health and therapy, thereby supporting referral partners, reducing delays in care, and improving system coordination (10A.714(1)(e), (o)).

Therapy services will remain co located on the same campus as the medical clinic, preserving established referral patterns, supporting integrated care delivery, and avoiding fragmentation of services. The project does not negatively impact existing providers or create unnecessary competition; instead, it enhances services that community providers already rely on for patient referral and care continuity (10A.714(1)(h)).

Community and Economic Value

Rockwell City Clinic represents a significant and ongoing economic presence in the community. The facility supports a total of 16 full time positions between Stewart Memorial (13 FTE) and Community Pharmacy (3 FTE), providing stable healthcare employment in a rural setting. Almost \$3 million flows through just the rural health clinic annually in revenue and operating expenses, supporting wages, benefits, supplies, and contracted services and contributing to local and regional economic activity (10A.714(1)(h), 10A.714(2)(b)).

The availability of local, high quality healthcare also plays a critical role in economic development and workforce recruitment. Access to reliable medical, behavioral health, diagnostic, and therapy services is a key factor considered by businesses evaluating rural locations and by individuals considering relocation for employment. The Rockwell City Clinic, particularly as the only medical clinic in Rockwell City offering on site laboratory and X ray services, supports community competitiveness by reducing travel burden for employees, supporting workforce stability, and enhancing overall quality of life (10A.714(1)(e)).

Planned facility improvements, including expanded parking and additional handicap accessible parking spaces, improve campus functionality and support continued service delivery for both residents and employers who rely on the availability of local healthcare services (10A.714(1)(e)).

Overall, the Rockwell City Clinic Renewal Project supports the broader healthcare delivery system while providing measurable economic and community benefit. The project sustains essential services, supports local employment and economic activity, strengthens the community's ability to attract and retain businesses and workforce, and aligns with the orderly and efficient development of healthcare services consistent with Iowa Code 10A.714 (1)(e), (h), (o), and (2)(b).

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

Stewart Memorial Community Hospital and Clinics utilize formal and informal shared and cooperative arrangements to maximize efficiency, reduce unnecessary duplication, and align clinical services with broader community health priorities. These partnerships support the effective use of limited rural healthcare resources while strengthening coordination across providers and community organizations. Stewart Memorial works closely with Calhoun County Public Health on a range of initiatives that directly support community health needs and efficient service delivery. By aligning clinical services with countywide public health strategies, Stewart Memorial ensures that resources are directed toward the most pressing needs and that efforts are not duplicated across organizations. This coordinated approach strengthens prevention, early intervention, and continuity of care.

Ongoing partnership with Calhoun County Emergency Medical Services (EMS) further enhances system efficiency and readiness. Stewart Memorial and EMS collaborate to support emergency care delivery, community education efforts, and coordinated emergency preparedness and response planning. These relationships promote seamless transitions of care for patients requiring emergency services and ensure that emergency and hospital resources are used effectively and appropriately.

Stewart Memorial also maintains cooperative relationships with a range of community based service providers, including Community Pharmacy, UnityPoint Home Health, St. Croix Hospice, and Sunny View Independent Living. Through these partnerships, Stewart Memorial works collaboratively to ensure patients receive consistent, compassionate, and patient centered care while allowing each organization to operate within its area of expertise. Rather than expanding internal services unnecessarily, Stewart Memorial relies on these specialized partners to deliver pharmacy, home health, hospice, and independent living services, thereby maximizing efficiency and avoiding duplication of resources.

Collectively, these shared and cooperative arrangements enable Stewart Memorial to extend the impact of

its services, focus institutional resources where they are most effective, and support a coordinated healthcare delivery system that benefits patients and the broader community. The Rockwell City Clinic Renewal Project builds upon these established partnerships, ensuring that facility investments complement existing collaborations and further enhance efficient use of healthcare resources across the service area.

4. Financial and Operational Feasibility

a. Financial Projections and Feasibility:

See attached spreadsheet for detailed information.

Stewart Memorial Community Hospital and Clinics will fund the Rockwell City Clinic Renewal Project through a combination of internal financial resources and community support, including organizational cash reserves, a gift from the Stewart Memorial Foundation, and proceeds from a community capital campaign. Stewart Memorial also maintains established relationships with local lending institutions, providing access to additional financing if needed, although supplemental borrowing is not anticipated.

Financial projections demonstrate that the Rockwell City Clinic will remain operationally viable following project completion, with continued growth in revenue and sustained positive operating performance, while avoiding material increases in costs to patients or payers. Total revenue is projected to increase from approximately \$3,992,797 in 2027 to \$4,314,822 in 2029, driven primarily by professional fee revenue and supported by laboratory, radiology, and medical supply-related services.

After contractual adjustments, net revenue is projected to grow from \$1,809,590 in 2027 to \$1,943,156 in 2029, reflecting stable reimbursement patterns and sustained service demand.

Operating expenses are projected to increase from \$1,410,745 in 2027 to \$1,682,610 in 2029. This increase is primarily attributable to planned depreciation associated with capital investment, as well as modest growth in salaries and operational costs consistent with maintaining current service levels.

Despite these increases, the clinic is projected to maintain positive operating performance throughout the three-year projection period. Revenue over expenses is projected at \$398,845 in 2027, \$234,918 in 2028, and \$260,546 in 2029. These projections demonstrate that the clinic will operate above break-even each year, even after accounting for increased depreciation and operating expenses.

The Rockwell City Clinic is projected to operate above break-even throughout the three-year projection period. Positive operating margins are anticipated each year, even after accounting for depreciation and modest increases in operating margins associated with the capital investment. These projections demonstrate that the clinic will remain financially stable and self-sustaining, consistent with the financial feasibility requirements of Iowa Code 10A.714(1)(f) and (p).

Overall, the financial projections support the conclusion that the Rockwell City Clinic Renewal Project is financially feasible and sustainable. The project is supported by diversified funding sources and demonstrates the ability to maintain positive operating margins over time, consistent with the requirements of Iowa Code 10A.714(1)(b), (f), (i), and (p).

Document Upload (3-year budget projections)

Rockwell City Clinic 3 year forecast.xlsx

b. Staffing and Operations:

The Rockwell City Clinic Renewal Project is operationally and financially feasible and is supported by Stewart Memorial Community Hospital and Clinics' established governance structure, experienced leadership team, and proven rural health clinic operating model. The project modernizes existing operations rather than creating new service lines and aligns facilities with services and staffing already in

active use.

Organizational Structure and Oversight

Stewart Memorial operates under the direction of its Board of Directors and an experienced executive leadership team, including the Chief Executive Officer, Chief Financial Officer, Chief Nursing Officer, and Chief Clinic Officer. The Chief Clinic Officer provides senior leadership oversight and strategic direction for all clinic operations, ensuring alignment with organizational goals, regulatory requirements, financial performance, and quality standards across Stewart Memorial's clinic network.

Daily operations of the Rockwell City Clinic are managed by the Outlying Clinic Director of Nursing, who provides onsite leadership for staffing coordination, clinical workflows, scheduling, patient flow, and day to day operational functions. This management structure ensures responsive local oversight while maintaining system wide consistency through executive leadership support.

Centralized administrative functions include human resources, finance, purchasing, compliance, quality and utilization review, information technology, and facilities management. These services support clinic operations, improve efficiency, and avoid unnecessary duplication of resources.

Staffing Model and Service Delivery

The Rockwell City Clinic supports a multidisciplinary team delivering primary medical care, behavioral health services, onsite laboratory, X-ray, along with physical, occupational, and speech language therapy, and independent pharmacy services. Sustained utilization across all service lines, with continued growth in behavioral health and therapy, demonstrates that current staffing levels are appropriate and necessary to meet community demand.

The renewal project does not require immediate or substantial staffing increases. Instead, it supports existing staff by providing purpose designed clinical space that improves workflow efficiency, privacy, patient safety, and throughput, allowing staff to practice more effectively within their current roles.

Operational Integration and Quality Management

Operational oversight is supported through collaboration between the Chief Clinic Officer, the Outlying Clinic Director of Nursing, and department leaders responsible for mental health services, therapy services, laboratory, radiology, pharmacy, quality improvement, infection control, and care coordination. This integrated model supports interdisciplinary collaboration, coordinated scheduling, and compliance with all state and federal requirements.

Workforce Stability and Sustainability

The current clinic environment presents space and accessibility limitations that challenge staff efficiency and satisfaction. The renewal project directly addresses these issues, enhancing the care environment and strengthening Stewart Memorial's ability to recruit and retain qualified medical, behavioral health, and therapy professionals in a competitive rural workforce market. Improved facilities support staff practicing at the top of licensure and improve long term workforce stability.

Financial and Operational Sustainability

Staffing costs are already incorporated into Stewart Memorial's operating budget and financial structure. Because the project modernizes existing services rather than expanding scope, staffing expenses are expected to remain stable, with any future growth paced to demonstrated utilization and reimbursement. Consistent primary care volumes and increasing demand for behavioral health and therapy services support ongoing operational viability.

Stewart Memorial Community Hospital and Clinics has the organizational capacity, leadership structure, staffing infrastructure, and operational systems necessary to support the Rockwell City Clinic Renewal Project. With executive oversight provided by the Chief Clinic Officer and daily management by the

Outlying Clinic Director of Nursing, the project is operationally sound, financially responsible, and sustainable, and meets the requirements of Iowa Code 10A.714(1)(b), (f), (i), and (p).

c. Short and Long-term Viability:

The Rockwell City Clinic Renewal Project demonstrates strong short and long term viability based on sustained utilization, measurable growth in key service lines, rural demographic trends, and alignment with community health priorities identified through the Calhoun County Community Health Needs Assessment (CHNA). The project ensures that existing, in demand services remain accessible, operationally efficient, and financially sustainable.

Short Term Viability Supported by Current Utilization

Current utilization data confirm that Rockwell City Clinic services are well established and operating at or near functional capacity:

Primary Care Visits

- o 2023: 7,351 visits
- o 2024: 7,442 visits
- o 2025: 7,184 visits

Primary care volumes have remained consistently high over a three year period, despite provider absences related to family medical needs. This demonstrates stable demand rather than excess capacity and confirms continued need for local access to primary care services.

Physical Therapy Services

- o 2023: 2,218 visits
- o 2024: 2,180 visits
- o 2025: 2,573 visits

Therapy visits increased in 2025 following the addition of limited provider availability, indicating pent up demand constrained primarily by space rather than lack of referrals. This trend supports the need for expanded and appropriately designed therapy environments.

Behavioral Health Services

- o 2023: 876 visits
- o 2024: 1,161 visits
- o 2025: 1,380 visits

Behavioral health utilization increased by nearly 60 percent over three years, reflecting significant unmet need. Current wait times of two to three months further confirm capacity limitations. Short term viability is strengthened by addressing these constraints to allow existing services to meet demand more effectively. Because the proposed project modernizes infrastructure rather than introducing new services or staffing models, operating costs remain predictable and are supported by established Rural Health Clinic reimbursement. Diversified capital funding through reserves, Foundation support, and a community capital campaign further reduces financial risk during implementation.

Long Term Viability Driven by Demographics and CHNA Findings

Long term viability is reinforced by persistent demographic and health trends documented in the CHNA:

Aging Population:

- o 23.5 percent of Calhoun County residents are age 65 or older
- o Increased prevalence of chronic disease, falls, and mobility limitations
- o Sustained demand for primary care, rehabilitation, and chronic condition management

Pediatric and Working Age Population:

- o 21.3 percent of residents are under age 18
- o Demand for pediatric primary care, speech therapy, occupational therapy, and behavioral health services
- o Proximity to elementary and middle schools strengthens utilization patterns

Behavioral Health Access Gap:

- o Mental health provider to population ratio exceeds 4,800:1, compared to the Iowa average of approximately 610:1
- o Only 68 percent of CHNA respondents felt behavioral health services were available and met needs
- o Growing utilization trends demonstrate sustained and increasing demand

These factors indicate that demand for clinic services is structural and long term rather than temporary. The renewal project allows Stewart Memorial to respond to these needs within an integrated care model that supports whole person care and reduces reliance on distant providers.

Operational and Workforce Sustainability

Long term sustainability is supported by Stewart Memorial's integrated management structure, with senior oversight by the Chief Clinic Officer and daily operational management by the Outlying Clinic Director of Nursing. Centralized administrative support improves financial control and operational consistency across clinics.

The project directly supports workforce sustainability by improving clinical environments that currently constrain efficiency and staff satisfaction. Purpose designed space enhances recruitment and retention of medical, behavioral health, and therapy professionals, a critical factor for maintaining access in a rural service area.

The Rockwell City Clinic Renewal Project is sustainable in both the short and long term. Consistent and growing utilization, rural demographic trends, documented behavioral health access gaps, and alignment with CHNA priorities demonstrate ongoing need. Modernizing existing facilities ensures that services with proven demand remain viable, accessible, and financially responsible, supporting the orderly and efficient delivery of healthcare services consistent with Iowa Code 10A.714.

5. Community and Economic Impact

a. Community Engagement:

The Rockwell City Clinic Renewal Project reflects documented community engagement, responsiveness to identified health needs, and demonstrated community support consistent with Iowa Code 10A.714. Stewart Memorial Community Hospital and Clinics has actively incorporated community input and public health priorities into the planning and design of the proposed project.

Evidence of Outreach and Community Input

Community engagement for this project was conducted through Stewart Memorial's participation in the Calhoun County Community Health Needs Assessment (CHNA), completed in collaboration with Calhoun County Public Health. The CHNA process included community surveys, stakeholder participation, and review of regional health data and was designed to capture input from residents, healthcare providers, public health officials, and community leaders across the service area.

The CHNA identified access to quality healthcare services, behavioral health capacity, chronic disease management, and rehabilitation services as priority needs. The Rockwell City Clinic Renewal Project directly responds to these concerns by modernizing and expanding space for primary care, behavioral health, and therapy services within an accessible, integrated campus.

Demonstrated Community Support

The proposed project is supported by formal letters submitted with this application from key community leaders, including the Mayor of Rockwell City, the Calhoun County Director of Public Health, a Calhoun County Supervisor who also serves as a Board of Health member, and the Calhoun County Director of

Economic Development. These letters demonstrate broad local and county level support and affirm the project's importance to community health, public health infrastructure, and economic stability.
Inclusion of Populations Served and Responsiveness to Concerns

The Rockwell City Clinic serves a largely rural population that includes older adults, children, individuals with chronic conditions, and residents facing transportation or mobility barriers. The project design directly addresses concerns identified through community input, including physical accessibility, privacy for behavioral health services, and the need to maintain local access to care without requiring travel to distant communities.

Planned improvements include elimination of stair lift access to therapy services, enhanced handicap accessible parking, and purpose designed behavioral health treatment space. These modifications demonstrate responsiveness to community concerns related to safety, dignity, and access.

The Rockwell City Clinic Renewal Project meets IDPH community engagement criteria by incorporating documented community input, aligning with CHNA identified priorities, and demonstrating broad support from community and public health leadership. The project reflects responsiveness to community identified access and capacity needs and supports the orderly and efficient development of healthcare services consistent with Iowa Code 10A.714.

b. Resource Availability:

The Rockwell City Clinic Renewal Project is supported by a strong foundation of existing personnel, leadership expertise, and system resources that are sufficient to sustain current operations and accommodate future needs. The project reinforces efficient use of available resources by enhancing the environment in which established services are delivered rather than expanding beyond current operational capacity.

Staffing and Leadership Capacity

Clinic services are delivered by an experienced multidisciplinary workforce providing primary medical care, behavioral health services, and physical, occupational, and speech-language therapy, supported by nursing and clinical support staff. Staffing levels reflect active utilization and are appropriate for current service demand. The proposed project does not depend on new or unproven staffing assumptions and does not require immediate workforce expansion to remain viable.

Leadership and operational accountability are provided through Stewart Memorial's established clinic management framework. Strategic oversight of clinic operations is maintained at the executive level, while daily clinic operations are managed locally by the Outlying Clinic Director of Nursing. This structure ensures consistent performance expectations, responsive on-site management, and alignment with system-wide quality and financial standards.

System Resources and Operational Support

The Rockwell City Clinic draws upon shared institutional resources that are already in place across Stewart Memorial Community Hospital and Clinics. These include centralized functions for human resources, financial management, purchasing, compliance, quality monitoring, information technology, and facilities maintenance. Access to these established resources allows clinic operations to remain efficient and compliant without creating additional administrative burden or redundant infrastructure. In addition, the clinic benefits from system-wide support for infection control, care coordination, employee health, and performance improvement, ensuring that services are delivered safely and consistently across care settings.

Resource Utilization and Alternatives

The renewal project represents a practical and judicious allocation of resources. Rather than pursuing separate facilities, duplicative services, or off-site care models, Stewart Memorial selected an approach

that optimizes the use of existing personnel, preserves provider-based Rural Health Clinic designation, and keeps care accessible within the community.

Other potential uses of resources were evaluated during planning, including renovation-only options and off-campus service delivery. These options were determined to be less effective due to space limitations, reimbursement impacts, and reduced care integration. The selected approach best aligns available resources with demonstrated demand and operational realities.

Sustained Resource Availability

By improving the physical care environment, the project strengthens long-term resource availability by supporting staff productivity, recruitment, and retention in a rural setting where workforce supply is limited. Modernized clinical space reduces inefficiencies and supports appropriate use of staff skills while helping ensure continuity of services relied upon by the community.

Available staffing, management, and system resources are sufficient and appropriate to support the Rockwell City Clinic Renewal Project. The proposal reflects efficient allocation of existing assets, minimizes unnecessary duplication, and ensures continued access to essential services. The project meets the resource availability criteria of Iowa Code 10A.714 and supports the orderly and sustainable development of healthcare services within the Rockwell City service area.

c. Organizational Relationships:

The Rockwell City Clinic Renewal Project is supported by established organizational relationships that enhance access to care, promote efficient use of healthcare resources, and support coordination across local and regional providers. These relationships allow Stewart Memorial Community Hospital and Clinics to deliver comprehensive services locally while maintaining appropriate connections to specialty care and workforce development resources.

Integration with Ancillary and Support Services

Rockwell City Clinic operates within the broader Stewart Memorial system and is supported by integrated ancillary and support services, including laboratory, radiology, pharmacy, therapy services, care coordination, quality and utilization review, infection control, information technology, and facilities management. This integration supports coordinated care delivery, efficient operations, and consistent quality standards, ensuring effective use of available healthcare resources within the service area.

Relationships with Specialty Providers

To ensure access to specialty care, Stewart Memorial Hospital maintains contractual relationships with external providers and organizations to provide specialist care close to home. Rockwell City Clinic providers coordinate referrals for specialty services including cardiology through Iowa Heart, dermatology through Radiant Complexions, ear, nose, and throat (otolaryngology) through ENT Specialists of Omaha, nephrology through UnityPoint Health, orthopedics through CNOS, urology through Siouxland Urology, and wound care through Restorix Wound.

These coordinated referral pathways allow patients to access specialized services while continuing to receive primary and follow up care locally. This approach supports continuity of care, reduces travel burden for a rural population, and avoids unnecessary duplication of specialty services within the community.

Educational and Workforce Development Partnerships

Stewart Memorial maintains extensive agreements with both in-state and out-of-state educational institutions to support clinical training and workforce development. Within the past year, these partnerships have included the University of Iowa, Purdue Global, Des Moines University, Allen College, Walden University, Chamberlain University, and A.T. Still University, in addition to active contracts with more than 20 additional educational institutions.

These affiliations allow Stewart Memorial, including the Rockwell City Clinic, to serve as a training site for students across multiple clinical disciplines. This supports development of a rural healthcare workforce pipeline, enhances recruitment and retention efforts, and ensures alignment with current clinical standards and best practices.

Stewart Memorial also maintains contractual relationships with professional education platforms, including HealthStream and MedBridge, which provide continuing education resources that support staff competency, regulatory compliance, and quality of care.

The Rockwell City Clinic Renewal Project builds upon strong organizational relationships that support coordinated care, efficient use of resources, and access to both local and specialty services. Integration with ancillary services, established referral networks, and extensive educational partnerships ensures services are delivered effectively and sustainably and supports the orderly and efficient development of healthcare services consistent with Iowa Code 10A.714.

6. Project Planning

a. Project Timeline:

The Rockwell City Clinic Renewal Project has been developed using a structured and phased approach to ensure timely completion, coordinated transition of services, and minimal disruption to ongoing operations. Major milestones include:

- Schematic Design: November 2025 through April 2026
- Design Development: Approximately 6 weeks, May through June 2026
- Construction Documents: Approximately 6 weeks, July through mid August 2026
- Bidding and Negotiation: Approximately 3 to 4 weeks, mid August through mid September 2026
- Construction: Estimated 9 to 12 months, October 2026 through June or July 2027
- Occupancy and Operational Readiness: August 2027

This timeline allows for orderly progression from planning through construction and occupancy. Preparation for operational readiness, including equipment installation, staff orientation, and workflow implementation, will occur during the final phase of construction to support a seamless transition into the new facility. Renovation of the existing clinic for therapy services will follow relocation of clinical operations and will be completed without disruption to patient care.

b. Innovative Components:

The Rockwell City Clinic Renewal Project incorporates several value added components that improve care delivery in a rural setting. The project emphasizes integration of services within a single, purpose designed campus, including primary care, behavioral health, diagnostic services, pharmacy, and therapy services. This model supports coordinated, team based care and reduces barriers associated with travel and fragmented service delivery.

The design includes dedicated behavioral health treatment space, including pediatric appropriate environments, improving privacy, patient comfort, and care effectiveness. Updated clinical space will also improve workflow efficiency through appropriately sized exam rooms, improved patient flow, and dedicated therapy areas that support multiple disciplines.

The project further supports workforce sustainability through active partnerships with numerous educational institutions, creating opportunities for clinical training and rural workforce development. In addition, access to continuing education platforms supports ongoing staff competency and alignment with best practices.

c. Regulatory Compliance:

The Rockwell City Clinic Renewal Project incorporates prudent cost control and resource stewardship strategies consistent with Iowa Code 10A.714(1)(q). The project will utilize a competitive bidding process to ensure fair and reasonable construction pricing and will engage experienced healthcare design and

construction professionals to support efficient and high-quality project delivery. Design efforts will include value engineering to optimize building layout, materials, and building systems, ensuring cost efficiency without compromising clinical function, patient safety, or regulatory compliance.

In addition, the project maximizes existing resources by renovating and repurposing the current clinic facility to accommodate therapy services rather than constructing new space for all service lines. This approach reduces overall capital expenditures, avoids unnecessary duplication of facilities, and extends the useful life of existing infrastructure while aligning space with current service demands.

Construction phasing and project management strategies will be implemented to minimize disruption to ongoing operations while avoiding unnecessary temporary relocation or inefficiencies in care delivery. Collectively, these measures demonstrate a responsible, efficient approach to construction cost management, support the prudent use of healthcare resources, and ensure continued project feasibility and long-term sustainability. These strategies further contribute to controlling overall project costs and limiting unnecessary increases in healthcare expenditures within the service area.

7. Special Criteria for Specific Services:

a. Alternative Consideration (135.63(2)(a)):

In compliance with Iowa Code 10A.714(2)(a), Stewart Memorial Community Hospital and Clinics carefully evaluated reasonable alternatives to the proposed Rockwell City Clinic construction and renovation project, including less costly or non-construction options. Each alternative was assessed for feasibility, cost effectiveness, operational impact, and ability to meet demonstrated community need.

Renovation of Existing Clinic Only

One alternative considered was renovation and reconfiguration of the existing Rockwell City Clinic without new construction. This approach was ultimately determined to be insufficient to address the scope of existing challenges. The current clinic was originally designed to support two medical providers and limited diagnostic and therapy services. It now accommodates primary care, behavioral health, laboratory and X-ray services, and multiple therapy disciplines within a footprint that no longer supports safe, efficient, or patient-centered care.

Exclusive renovation would not eliminate major structural limitations, including inadequate square footage, poor patient flow, and accessibility barriers such as the need for stair-lift access to therapy services for patients with mobility impairments. Additionally, renovation alone would not allow for the development of purpose-designed behavioral health treatment spaces or expanded diagnostic and pharmacy services. As a result, this alternative would perpetuate care inefficiencies and limit the clinic's ability to respond to sustained and growing community demand.

Renovation of an Alternate Existing Building

Stewart Memorial also evaluated the potential renovation of a recently closed long-term care facility within Rockwell City for use as a replacement medical clinic. Preliminary assessments indicated that renovation costs for this facility would be comparable to new construction while offering less functional flexibility and long-term value. Adapting an existing structure would constrain clinical design, limit future scalability, and increase ongoing maintenance costs.

In contrast, constructing a new clinic allows Stewart Memorial to design a facility that fully supports modern clinical workflows, integrated care delivery, accessibility standards, and anticipated growth in services. New construction also enables strategic site selection near community resources, including the local elementary school and independent living housing, strengthening accessibility and coordination of care.

Offsite Relocation of Certain Services

Another alternative considered was maintaining the current medical clinic location while relocating therapy

and/or behavioral health services to a separate offsite facility. This option was rejected due to both financial and clinical drawbacks. Relocating therapy services outside of a provider-based rural health clinic setting would require a shift in reimbursement structure, resulting in significant revenue loss and threatening long-term service sustainability.

Separating behavioral health services from primary medical care was likewise determined to be counter to best practices for integrated, team-based care. Close physical proximity between providers supports timely consultation, coordinated treatment planning, and effective medication management. An offsite model would fragment care delivery, increase inefficiencies, and negatively impact patient experience—particularly for individuals with co-occurring medical and behavioral health needs.

No-Build / Status Quo Option

Maintaining the status quo was also considered and determined not to be a viable alternative. Utilization data demonstrate sustained and growing demand across all service lines, with especially rapid growth in behavioral health services. Facility limitations—not lack of provider availability—are now the primary constraint on access to care. Failure to address these limitations would further exacerbate waiting times, accessibility challenges, provider workflow inefficiencies, and patient safety concerns.

Selected Approach

After evaluating all reasonable alternatives, Stewart Memorial determined that construction of a new Rockwell City medical clinic combined with renovation of the existing facility for therapy services represents the most cost-effective, clinically appropriate, and sustainable solution. This approach:

- Aligns facility design with demonstrated community need and utilization trends
- Preserves provider-based reimbursement models critical to rural service sustainability
- Enhances accessibility, safety, and patient experience
- Supports integrated, team-based delivery of medical, behavioral health, pharmacy, and therapy services
- Provides long-term flexibility and value while avoiding unnecessary duplication of services

Accordingly, the proposed project reflects prudent consideration of alternatives and represents the most effective means of meeting current and future healthcare needs for the Rockwell City community and surrounding rural service area, consistent with Iowa Code 10A.714(2)(a).

b. Utilization of Similar Facilities (135.63(2)(b)):

The Rockwell City Clinic Renewal Project demonstrates appropriate and efficient utilization of existing healthcare facilities within the local and regional service area. The project strengthens services that are already fully utilized and relied upon by the community rather than creating additional or duplicative capacity.

Rockwell City Clinic serves as a primary access point for outpatient medical, behavioral health, diagnostic, and therapy services for Rockwell City and surrounding rural communities. Utilization data show sustained primary care volumes, increased therapy utilization when limited capacity became available, and significant growth in behavioral health services accompanied by documented wait times. These trends indicate that existing facilities are operating efficiently and that access is constrained by physical space rather than lack of demand.

The project does not duplicate services provided by other local or regional providers. Instead, Rockwell City Clinic functions as a complementary component of the local healthcare system, supporting referral relationships with nearby clinics, long term care facilities, home health and hospice providers, public health, and other community partners. The clinic's status as the only medical clinic in Rockwell City offering onsite laboratory and X ray services further supports efficient system utilization by allowing patients to receive diagnostic and follow up care locally.

The renewal project modernizes and reconfigures existing services without adding new service lines or

redirecting utilization away from other providers. Therapy services will remain on the same campus, preserving established utilization patterns and care coordination. Behavioral health services will continue to be provided within an integrated model that supports collaboration with primary care and pharmacy services.

By improving function, accessibility, and patient flow within an existing clinical footprint, the project enhances overall efficiency of healthcare delivery in the region and reduces unnecessary travel or reliance on distant facilities. Accordingly, the Rockwell City Clinic Renewal Project meets the utilization criteria of Iowa Code 10A.714(2)(b) by supporting efficient use of similar facilities and avoiding unnecessary duplication.

c. Construction/Modernization (135.63(2)(c)):

The Rockwell City Clinic Renewal Project reflects a deliberate approach to modernization and efficient use of existing resources by combining new construction with targeted renovation of current facilities. This approach ensures that project investments are aligned with demonstrated need while maximizing the use of existing infrastructure and avoiding unnecessary duplication.

The project includes construction of a new medical clinic designed to accommodate primary care, behavioral health, diagnostic, and pharmacy services in a modern, accessible, and appropriately sized facility. The existing clinic will not be abandoned or replaced entirely; rather, it will be renovated and repurposed to support expanded physical, occupational, and speech-language therapy services. This dual approach allows Stewart Memorial Community Hospital and Clinics to reuse and modernize existing space in a manner that improves overall system efficiency and preserves prior investment in the facility.

Modernization efforts directly address functional limitations of the current building, which was originally designed for significantly fewer providers and services. The new clinic incorporates updated design standards, including larger and more accessible exam rooms, improved patient flow, appropriately designed behavioral health treatment areas, and enhanced accessibility features from parking through point of care. These improvements allow care to be delivered more efficiently and safely, particularly for patients with mobility limitations, bariatric needs, and those requiring coordinated, multidisciplinary services.

The project also supports service sharing and integration by maintaining co-located services within a single campus. Primary care, behavioral health, pharmacy, diagnostic services, and therapy services will operate in close proximity, improving care coordination, reducing duplication of resources, and allowing patients to access multiple services in a single visit. This integrated model reflects an efficient use of clinical staff, support services, and facility space and is particularly important in a rural setting where access and transportation can be challenging.

In addition, centralized support services provided by Stewart Memorial, including laboratory, radiology, information technology, and administrative functions, will continue to support both the new and renovated spaces. This shared services model further enhances operational efficiency and prevents the need for duplicative staffing or infrastructure.

Overall, the Rockwell City Clinic Renewal Project demonstrates compliance with Iowa Code 10A.714(2)(c) by modernizing both new and existing facilities, reusing available space where appropriate, and integrating services to maximize efficiency. The project represents a balanced approach that improves the quality and accessibility of care while ensuring responsible use of healthcare resources.

d. Access Concerns (135.63(2)(d)):

Failure to proceed with the Rockwell City Clinic Renewal Project would create a significant risk of serious access problems for residents of Rockwell City and the surrounding rural service area. Current utilization trends, documented facility limitations, and Community Health Needs Assessment findings demonstrate

that the existing clinic environment is no longer sufficient to support safe, timely, and equitable access to care.

Capacity Constraints and Growing Demand

Rockwell City Clinic delivers primary care, behavioral health, therapy, pharmacy, laboratory, and X ray services within a facility originally designed for substantially fewer providers and services. Primary care volumes have exceeded 7,100 visits annually for three consecutive years, therapy utilization has increased when limited capacity became available, and behavioral health visits grew by nearly 60 percent over three years. These trends indicate that services are operating at or near functional capacity, with demand exceeding what the current space can effectively support.

Behavioral health access is particularly constrained, with patients experiencing wait times of approximately two to three months before initiating services. Without appropriate space to expand scheduling and improve workflow, delays in care are expected to increase.

Physical and Accessibility Barriers

The configuration of the existing clinic creates meaningful access limitations for patients with mobility challenges. Exam rooms are small and were not designed to safely accommodate patients who use wheelchairs or individuals with bariatric needs, making it difficult for providers to deliver appropriate care and limiting the types of patients who can be comfortably and safely scheduled.

Therapy services are currently located on a lower level that requires stair lift access for patients with mobility impairments, creating additional barriers for seniors and individuals recovering from injury or illness. Behavioral health services are provided in converted, undersized spaces that limit privacy and flexibility.

In addition, the clinic has a limited number of handicap accessible parking spaces, many of which still require a significant walking distance to the front entrance, particularly for patients who drive themselves and have mobility limitations. For individuals with chronic conditions, disabilities, or reduced endurance, this creates an added barrier to accessing care and increases the risk of deferred or missed appointments.

Rural Access Risks

Rockwell City Clinic serves a geographically dispersed, 100 percent rural population with limited transportation options and few alternative access points. The clinic is the only medical clinic in Rockwell City offering onsite laboratory and X ray services. If existing access barriers persist, patients may be forced to travel to distant communities for routine care, increasing transportation burden, delaying treatment, and fragmenting care.

Workforce and Service Sustainability

Ongoing delivery of care in space that is cramped and difficult to adapt for patients with higher physical needs also affects provider efficiency and staff satisfaction. In a rural setting with limited workforce availability, continued facility inadequacies increase the risk of staff burnout, reduced service availability, and potential difficulty recruiting or retaining providers. Any reduction in staffing or clinic capacity would result in immediate and serious access issues for the community.

Conclusion

Without implementation of the Rockwell City Clinic Renewal Project, existing space constraints, accessibility barriers, and parking limitations will continue to restrict access to care and disproportionately affect patients with mobility and bariatric needs. The project is necessary to prevent worsening delays, improve physical accessibility from parking through point of care, and maintain reasonable access to essential outpatient services, consistent with Iowa Code 10A.714(2)(d).

e. UIHC Special Role (135.63(3)):

Not applicable

Signature

Jim Henkenius

Additional Supporting Documents Upload