2027 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
Mr Jay Halon

Primary Contact Employer

Primary Contact Email
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Facility Name
Bridgecrest Recovery

Facility Type
Hospital

Facility Address
1160 Seippel Rd, , IA 52002 -, Dubuque, Iowa 52002

Project Title
New facility - Bridgecrest Recovery

Proposed Project
Adding beds for the state for mental health services and substance abuse

Total Project Cost
4,000,000

Equipment Cost
750,000

Project Type
New Facility

Is this project application for a Nursing Facility?
No

Project Start Date
11/16/2026

Project End Date
3/31/2027

1. Applicant and Facility Overview

a. Project Purpose and Objectives:
Bridgecrest Recovery proposes to establish an adult residential behavioral health program in the Dubuque area of Eastern Iowa. The program would serve adults whose primary mental health condition requires a structured, 24-hour treatment environment. For adults with a co-occurring substance use disorder, the

program would address both conditions through one coordinated assessment, treatment plan, and discharge process.

The project would create a local step-down option for adults leaving inpatient psychiatric care and a residential referral option for adults who need more support than outpatient care can provide. MercyOne's Dubuque/Dyersville Community Health Needs Assessment identified mental health, including alcohol and drug misuse, as a priority and documented a shortage of mental health and substance use professionals. Bridgecrest aims to improve continuity of care and reduce the distance that patients and families must travel when an appropriate placement is unavailable locally.

The program would focus on access for rural and medically underserved residents, people with limited transportation or financial resources, racial and ethnic minority communities, adults with disabilities, and older adults whose care needs can be safely met in the proposed setting. Admission and discharge planning would address accessibility, communication needs, transportation, and connection to follow-up care.

b. Relationship to Long-Range Development Plan:
Bridgecrest Recovery's long-range plan is to develop a behavioral health treatment facility in Eastern Iowa that connects residential care with hospital and community-based services. Earlier planning focused on substance use treatment. The proposed model places adult mental health treatment at the center of the residential program and maintains substance use treatment as an integrated service for patients with co-occurring conditions.

Development would proceed in phases tied to licensure, staffing readiness, payer participation, and documented demand. The initial phase would focus on opening the approved residential service and establishing referral, transfer, and discharge procedures with regional providers. Bridgecrest would use referral volume, utilization, patient outcomes, and operating performance to evaluate any future expansion.

c. Description of Proposed Service/Program:
Bridgecrest Recovery proposes an adult mental health residential treatment program with integrated care for co-occurring substance use disorders. The proposed opening capacity is 95 residential beds at 1160 Seippel Rd Dubuque IA 52002 . The program would serve adults whose assessed needs require 24-hour residential structure and supervision and can be safely met at the approved level of care.

Services would include behavioral health assessment, psychiatric evaluation and medication management, individualized treatment planning, individual and group therapy, treatment for co-occurring substance use disorders, safety planning, and discharge coordination. Discharge planning would begin at admission and include arrangements for outpatient behavioral health care, medication continuity, and connections to community supports. Patients whose needs require acute inpatient psychiatry, emergency medical care, or a higher level of withdrawal management would be referred or transferred to an appropriate provider.

Intended outcomes include improved symptom management and daily functioning, continuity of psychiatric and substance use treatment, and successful transition to community-based care. Bridgecrest would monitor symptom and functional change from admission to discharge, completion of discharge plans, and connection to follow-up services.

d. Target Population: Specify geographic and demographic areas.
The proposed primary service area is Dubuque County and nearby Eastern Iowa communities within practical referral and travel distance of the facility. The proposed secondary service area includes other Iowa communities and nearby communities. Out-of-state admissions would depend on referral arrangements and applicable payer coverage.

The program would serve adults age 18 and older with a primary mental health condition requiring

residential treatment, including adults with co-occurring substance use disorders. Anticipated referral populations include adults stepping down from inpatient psychiatric care and adults referred by community providers after an assessment identifies a need for residential treatment. The program would seek to reach rural residents, individuals with disabilities, older adults whose care needs fit the program, racial and ethnic minority communities, and adults who face transportation, financial, or other barriers to accessing treatment.

e. Relation to Existing Provider Network: Summarize relationship with other health care providers/services in the region.
Bridgecrest Recovery would work with regional hospitals, psychiatric inpatient units, community mental health providers, substance use treatment programs, primary care providers, and community-based support organizations. The proposed residential program would provide a step-down option after inpatient treatment and a referral option for community providers when a patient's assessed needs exceed what can be supported in outpatient care.

Bridgecrest intends to develop referral and transfer procedures with Dubuque-area hospitals and regional psychiatric providers, including outreach to MercyOne Dubuque Medical Center. The program would also seek relationships with outpatient psychiatry, therapy, substance use treatment, and recovery support providers to coordinate follow-up care. Planned procedures would address admission criteria, clinical handoffs, emergency transfers, and discharge follow-up.

f. Funding Sources and Financial Resources: Identify and document sources of funding and financial viability.
Bridgecrest Recovery anticipates funding the proposed project through a combination of sponsor and investor equity and, if obtained, third-party financing. The capital plan will account for property acquisition, renovation and facility readiness, furniture and equipment, pre-opening expenses, and working capital through the occupancy ramp-up. Financing discussions are ongoing. Sources will be identified as committed or prospective and supported by written documentation as available.

Bridgecrest is updating its capital budget and operating projections for the proposed mental health residential model. The revised projections will reflect the proposed bed count, staffing and coverage requirements, payer participation and reimbursement by service, expected occupancy, collection timing, and operating expenses. The financial analysis will show the projected cash requirement through break-even and the effect of lower occupancy, delayed payer participation, or lower reimbursement.

Current # of Beds (if changing)
98

Current bed type (if changing)
N/A — New service

Requested # of Beds (if changing)
95

Requested bed type (if changing)
adult mental health residential treatment with integrated treatment for co-occurring substance use disorders

Document Upload

2. Community Need and Service Gaps

a. Description of Need:
Bridgecrest Recovery proposes an adult mental health residential program for residents of Dubuque County and surrounding Eastern Iowa communities. The program would serve adults who need 24-hour residential structure and treatment, including adults stepping down from inpatient psychiatric care and adults whose needs exceed what can be safely supported through outpatient services. The program would also provide integrated substance use treatment for residents with co-occurring disorders.

Iowa HHS reports that Dubuque County had 99,242 residents in 2024 and 17,711 residents enrolled in Medicaid in June 2025. Part of the county is designated as a mental health provider shortage area. Iowa HHS also reports that 890 Dubuque County residents received substance use treatment during state fiscal year 2025. The MercyOne Dubuque/Dyersville Community Health Needs Assessment identified mental health and substance misuse as a priority and reported shortages of professionals in both areas.

These indicators describe the population and the broader need for behavioral health services. The proposed residential capacity will be evaluated using referrals for this level of care, the availability and utilization of comparable services, delayed or out-of-area placements, and the expected length of stay.

b. Assessment of Existing Services and Gaps:
Iowa HHS's January 2026 inventory identifies 16 staffed adult inpatient psychiatric beds and four staffed child beds at MercyOne Dubuque Medical Center, and nine staffed older-adult psychiatric beds at Finley Hospital. MercyOne also offers adult partial hospitalization and treatment for co-occurring disorders. These services provide hospital-based care and structured daytime treatment. Bridgecrest's proposed role is to provide overnight residential treatment for adults whose clinical needs can be met at that level of care.

Iowa DIAL also lists a former nine-bed residential care facility for persons with mental illness in Dubuque as closed in January 2026. The bed need analysis will assess the services available through other regional residential providers, including their admission criteria, staffed capacity, occupancy, waiting times, payer participation, and ability to serve adults with co-occurring conditions. Local hospital bed counts establish inpatient capacity. Information on residential referrals, admissions, and placement delays is needed to quantify the gap for the proposed service.

c. Alternatives Analysis:
Lower-cost alternatives include referring patients to existing residential providers and expanding access to partial hospitalization, intensive outpatient treatment, and community-based follow-up. These approaches would serve adults who can obtain a timely placement elsewhere or who can safely live in the community while receiving treatment. They would leave a gap for adults who need overnight supervision and structured treatment when an appropriate residential placement is unavailable.

Bridgecrest's proposed approach is to adapt an existing facility and open residential beds in phases based on documented referral demand, staffing readiness, and financial feasibility. The facility and operating budgets will account for the renovations, safety modifications, equipment, and clinical coverage required for the proposed level of care. Phasing would allow Bridgecrest to match staffed capacity to observed utilization as the program develops.

d. Accessibility Considerations:
The proposed Dubuque-area location would provide a residential treatment option for eligible adults from Dubuque County and surrounding rural Eastern Iowa communities. Iowa HHS reports that 6.1% of Dubuque County households have no vehicle. At intake, Bridgecrest would identify transportation barriers and coordinate with referring providers, families, and available transportation services to support admission and discharge. Staff would help eligible patients identify payer-covered transportation where available.

Bridgecrest would plan for accessible entrances, patient rooms and bathrooms, reasonable accommodations, and interpreter and communication assistance. When clinically appropriate, the program would offer remote participation for families and outpatient providers during treatment and discharge planning. Once the service area is finalized, the application will document drive times from key referral communities and compare them with travel times to existing providers offering comparable care.

e. Community Input/Support:
Bridgecrest Recovery's initial outreach included discussions with hospital and community stakeholders about barriers to behavioral health placement, particularly for individuals seeking substance use treatment.

The MercyOne Dubuque/Dyersville Community Health Needs Assessment provides additional community input on mental health and substance use priorities.

For the proposed adult mental health residential program, Bridgecrest is seeking input from hospital discharge planners, psychiatric providers, outpatient clinicians, and community organizations. Requested input includes examples of delayed or out-of-area placements, estimated referrals for this level of care, barriers affecting patients with co-occurring disorders, and the role the program could play in regional discharge planning.

Document Upload (if needed)
UI ARC Letter of Support Bridgewater Recovery.pdf

f. Non-discriminatory Access:
Bridgecrest Recovery would apply uniform admission criteria based on clinical need, the suitability of the proposed level of care, and available capacity. The program would provide services without unlawful discrimination, including discrimination based on race, color, national origin, religion, sex, age, or disability. Bridgecrest would provide reasonable accommodations and language and communication assistance as appropriate and apply its published payer and financial policies consistently.

Bridgecrest would accept and evaluate referrals from both allopathic physicians (MDs) and osteopathic physicians (DOs) under the same criteria. Any applicable credentialing or clinical participation requirements would be applied consistently to qualified practitioners.

3. Impact on Existing Providers

a. Impact Assessment:
Bridgecrest Recovery proposes to add an adult residential level of care in the Dubuque area for individuals whose mental health needs require a structured, 24-hour setting and can be safely managed outside an acute hospital. The program would accept clinically appropriate referrals from inpatient psychiatric units and community providers and coordinate discharge back to local providers. It would also address co-occurring substance use disorders within the resident's treatment plan.

Bridgecrest would assess potential duplication by comparing the proposed service with regional programs on level of care, admission criteria, staffed capacity, occupancy, payer participation, and ability to serve adults with co-occurring disorders. The initial staffed capacity would be based on documented referral demand and the availability of appropriate placements at existing facilities. The project is planned as a new service at an existing property and does not involve relocating an operating program or transferring an existing patient population.

b. Community and Economic Impact: Broader system effect and value-added to the community.
The project would give Eastern Iowa providers a local residential referral option for clinically appropriate adults who need continuing treatment after a psychiatric hospitalization or more support than outpatient services can provide. A closer placement could make it easier for families and community clinicians to participate in treatment and discharge planning. The program would track referral-to-admission time, referral disposition, and whether residents connect with follow-up services after discharge.

The project would return an existing property to healthcare use and create clinical and support positions as beds open. Anticipated local spending includes facility improvements, maintenance, food service, and other operating purchases. Employment and spending estimates will be based on the final staffing plan and project budget.

c. Efficiency in Use of Resources: Shared/cooperative arrangements to maximize efficiency.
Bridgecrest would seek cooperative arrangements with regional providers for referrals, emergency

transfers, laboratory and pharmacy services, specialty consultation, transportation, and outpatient follow-up. Where appropriate, Bridgecrest would use existing community services and contract for specialty support. The facility would maintain the on-site and on-call coverage required for its approved level of care.

Bridgecrest would use a standard referral and discharge process, including transfer of relevant records with appropriate consent, medication reconciliation, and confirmation of follow-up appointments. These arrangements would help receiving providers continue treatment and reduce repeated assessments where prior information remains clinically appropriate.

4. Financial and Operational Feasibility

a. Financial Projections and Feasibility:
Project costs will include property acquisition or lease costs, renovations and life-safety improvements, furnishings and equipment, pre-opening payroll and training, licensure and professional fees, contingency, and working capital through the occupancy ramp-up. Anticipated funding sources include sponsor and investor equity and third-party financing, subject to written commitments. The financing schedule will show the amount and status of each source, its expected availability, and any remaining funding gap.

Three-year projections will reflect the proposed licensed and staffed beds, opening schedule, patient days, length of stay, payer mix, net reimbursement, and collections timing. Expenses will include staffing and benefits, contracted clinical coverage, facility costs, insurance, supplies, administrative costs, and financing costs where applicable. The projections will identify monthly operating break-even, the peak cash requirement, and the effects of slower admissions, delayed payer participation, and lower reimbursement.

Document Upload (3-year budget projections)
Iowa V3.4.xlsx

b. Staffing and Operations:
The facility administrator would oversee daily operations, staffing, compliance, and financial performance. Clinical leadership would oversee assessment, treatment planning, quality of care, and discharge coordination. Psychiatric and prescribing coverage, nursing, licensed mental health clinicians, substance use clinicians, direct-care staff, and case management would support the residential program. Administrative functions would include admissions, utilization review, billing, quality assurance, and facility support.

The staffing plan will show full-time equivalents and coverage by shift for the opening census and each expansion phase. It will identify on-site and on-call responsibilities, weekend and holiday coverage, and relief coverage for vacancies and absences. Before opening, Bridgecrest would verify credentials and required background checks, train staff on resident safety and emergency procedures, and confirm clinical coverage and transfer arrangements.

c. Short and Long-term Viability:
Bridgecrest plans to open with a staffed census that can be supported by available cash, referral volume, payer arrangements, and qualified personnel. Management would evaluate admission conversion, staffed-bed occupancy, authorizations, payer denials, collections, turnover, and cash reserves during ramp-up. Additional beds would be staffed when demand and operating resources support expansion.

Long-term viability would depend on maintaining reliable referral relationships, retaining clinical staff, collecting sufficient revenue for the approved service, and monitoring patient outcomes. Management would review actual performance against the budget regularly and adjust hiring and the timing of expansion as utilization and collections become clear.

5. Community and Economic Impact

a. Community Engagement:
Bridgecrest's initial Eastern Iowa outreach included discussions with healthcare and community contacts about behavioral health placement barriers, particularly for individuals seeking substance use treatment. For the revised mental health proposal, Bridgecrest plans to obtain input from hospital discharge teams, outpatient clinicians, rural referral sources, people with lived experience, families, disability-serving organizations, and organizations serving underserved communities.

Bridgecrest would document the outreach dates, participants, issues raised, and responses. Topics would include eligibility, transportation, accessibility, family involvement, and continuity of care. Feedback would inform admission procedures, patient communication, accommodation practices, and discharge planning.

b. Resource Availability:
The project would use an existing building, subject to a facility assessment for the proposed use. Personnel needs include psychiatric and prescribing coverage, nursing, licensed therapy, substance use expertise, direct-care staff, and case management. Bridgecrest would assess regional recruitment availability, compensation, shift coverage, and backup staffing before setting the opening census.

Resource alternatives include contracting for specialty services, using telehealth where permitted and appropriate, sharing ancillary services, and opening fewer staffed beds initially. Bridgecrest would evaluate the availability of these resources and the effect of recruitment on neighboring providers as it develops its staffing plan.

c. Organizational Relationships:
Bridgecrest would seek working relationships with area hospitals, outpatient behavioral health providers, primary care practices, pharmacies, laboratories, and transportation providers. Planned arrangements would define referral criteria, emergency transfers, information exchange, and responsibilities for follow-up care. Bridgecrest would also identify regional and non-local specialty providers that can accept referrals when a resident needs services beyond the facility's scope.

Bridgecrest plans to work with applicable Medicaid managed care organizations and commercial health plans to confirm provider participation requirements, covered services, authorization, and reimbursement. Any formal specialty, transfer, payer, or academic arrangements will be described in the application according to their documented status.

6. Project Planning

a. Project Timeline:
Bridgecrest would first confirm the facility classification, proposed bed count, and CON reviewability with Iowa HHS and the Department of Inspections, Appeals, and Licensing, as applicable. The planning phase would also include validation of referral demand, assessment of the building, and completion of the project budget and capital plan.

The development phase would include securing site control and funding, obtaining required approvals, completing facility improvements, and pursuing payer enrollment and contracting. Clinical and operational preparation would include hiring leadership and staff, developing policies, establishing transfer and referral procedures, and completing training and required inspections.

Bridgecrest would begin admissions after applicable approvals are in place and required staffing, emergency coverage, and operating resources are ready. The opening target is 3/31/27, subject to regulatory review, facility readiness, and financing. Staffed capacity would increase in phases as referral volume and staffing support expansion.

b. Innovative Components:

The program would use a single treatment plan for primary mental health conditions and co-occurring substance use disorders. Discharge planning would begin at admission and include coordination with the referring provider, medication continuity, and scheduling of follow-up care. When appropriate, remote participation would allow rural providers and families to join care conferences.

The program would use symptom and functional measures, discharge follow-up, and referral data to evaluate whether residents are receiving care at the appropriate level and connecting to community services after discharge. These measures would guide clinical quality improvement and decisions about staffed capacity.

c. Regulatory Compliance:
Bridgecrest would confirm the applicable facility and service classifications with Iowa HHS and the Iowa Department of Inspections, Appeals, and Licensing. If the project requires a CON, Bridgecrest would obtain approval at the required stage. If the proposed program is classified as a subacute mental health care facility, Bridgecrest would pursue licensure under Iowa Code Chapter 135G and meet the applicable administrative rules. Bridgecrest would also confirm any separate licensure or approvals required for the proposed substance use services.

Before opening, Bridgecrest would obtain applicable zoning, building, fire and life-safety, occupancy, and facility approvals. Operational policies would address professional credentials, staff screening, resident rights, accessibility, medication management, emergency transfers, incident reporting, and confidentiality, including HIPAA and 42 CFR Part 2 where applicable. Bridgecrest would separately confirm payer enrollment, coverage, and authorization requirements for each service it intends to bill.

7. Special Criteria for Specific Services:

a. Alternative Consideration (135.63(2)"a"):
Alternatives include using available capacity at existing residential providers, coordinating shared placements with regional partners, expanding partial hospitalization or intensive outpatient options, and opening a smaller residential phase. The comparison will consider service eligibility, travel time, actual placement availability, capacity to treat co-occurring conditions, and capital and operating costs. Bridgecrest’s proposed approach is to adapt an existing property and size the opening phase to the number of clinically appropriate referrals that available services cannot accommodate in a timely manner.

b. Utilization of Similar Facilities (135.63(2)"b"):
The utilization analysis will compare providers that serve adults at a clinically comparable level of care. For each comparable provider, the analysis will document available information on licensed and staffed beds, patient days, occupancy, admissions, waiting time, referral restrictions, and payer participation. It will also assess whether apparent capacity is available to the proposed population, including adults with co-occurring substance use disorders. Inpatient psychiatric and outpatient services will be evaluated for their roles in referral, stabilization, and follow-up.

c. Construction/Modernization (135.63(2)"c"):
The project proposes adaptive reuse of an existing property. Bridgecrest would evaluate which portions can be used for resident rooms, treatment space, staff operations, and support services. The scope and budget would reflect required modifications for accessibility, life safety, and the approved clinical service. Bridgecrest would use shared or contracted ancillary services where practical and complete the improvements needed for the initial operating phase before adding staffed capacity.

d. Access Concerns (135.63(2)"d"):
The access concern is that adults who need 24-hour mental health treatment below the acute inpatient level may face delayed discharge, prolonged travel, or gaps in treatment when an appropriate residential placement is unavailable. These barriers may be greater for rural residents, individuals with limited

transportation, and individuals who need treatment for both mental health and substance use conditions.

The bed need analysis will quantify this concern using documented referral and placement delays, cases referred outside the service area, reasons placements were declined, and the availability of clinically appropriate alternatives. These findings will be used to determine the number of beds needed at opening.

e. UIHC Special Role (135.63(3)):
Not applicable. Bridgecrest Recovery is the applicant. Any future referral, education, or specialty relationship with University of Iowa Health Care would be described separately if formalized.

Signature



Additional Supporting Documents Upload