



## Finding of Fact Certificate of Need (CON) Application Packet:

<b>Project Name:</b>	Elko Community Health Center, LLC (referred to as the "Project")
<b>Project Address:</b>	2100 Idaho Street, Elko, NV 89801
<b>County:</b>	Elko
<b>County Population:</b>	52,778 (2019)
<b>City/Town Population:</b>	20,341 (2019)
<b>Number of Beds:</b>	17
<b>Type of Beds:</b>	4 operating room beds; 4 procedure room beds; and 9 recovery room beds
<b>Organization Type:</b>	Limited Liability company, for profit
<b>Application Contact:</b>	David Kilper, <a href="mailto:David.Kilper@communityhdp.com">David.Kilper@communityhdp.com</a>
<b>Letter of Intent Contact:</b>	Jarrett Portz, <a href="mailto:Jarrett.portz@communityhdp.com">Jarrett.portz@communityhdp.com</a>

**Summary:** Certificate of Need is a process whereby certain proposed new construction projects must submit an application to document the needs for the project according to criteria specified in state CON law and regulations, [NRS 439A.100](#) and [NAC 439A.010](#) through [NAC 439A.675](#). The CON reviews are conducted under the Primary Care Office and final determinations are made by the Director, Nevada Department of Health and Human Services.

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# ***Attachment A:***

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## Finding of Fact - Elko Community Health Center Certificate of Need Application

Department of Health and Human Services

State of Nevada

## I. Background

Date:	Action:
July 2, 2020	DHHS received a Letter of Intent (LOI) (Attachment B) for Elko Community Health Center (CHC) (also referred to as the "Project") new construction project at 2100 Idaho Street, Elko, NV 89801
July 10, 2020	DHHS sent in reply a Letter of Determination (LOD) confirming that the project required a Letter of Approval application and subsequent Certificate of Need review process
	Preconference requested by DHHS
August 14, 2020	DHHS received and acknowledged a CON application for Elko CHC and fee of \$9,500
August 20, 2020	Notice of Public Hearing (Attachment C) sent to all licensed healthcare facilities in Elko, Eureka, Lander, Humboldt, and White Pine County to receive public comment and give input on Elko CHC project
	Public Hearing Notice posted on Department of Health and Human Services, Division of Public and Behavioral Health, Primary Care Office's website at <a href="http://dpbh.nv.gov/Programs/PCO/PCO_Program_Public_Hearings_Workshops/">http://dpbh.nv.gov/Programs/PCO/PCO_Program_Public_Hearings_Workshops/</a>
August 21, 2020	Notice of Public Hearing provided via email to Nevada Rural Health Partners and Nevada Hospital Association
August 24, 2020	Notice of Public Hearing notice posted on Nevada Public Notice website at <a href="https://notice.nv.gov/">https://notice.nv.gov/</a>
August 25, 2020	Notice of Public Hearing to Health Care Quality and Compliance (HCQC) Health Facilities ListServ
September 14, 2020	Elko CHC presentation received
September 18, 2020	DHHS provided notice of hearing procedures and logistics
September 22, 2020	Received notice of opposition from Northern Northeastern Nevada Regional Hospital
September 25, 2020	Public Hearing held via Zoom Webinar starting at 10:00 AM in accordance with Governor Sisolak's Declaration of Emergency Directive 006; a summary and minutes of the hearing is provided under Attachment D

NAC 439A.445 states the decision of the Director for a letter of approval will be supported by written findings of fact which must include:

- 1) Whether a need for the proposed project exists in the community;
- 2) Whether the proposed project is financially feasible;
- 3) The effect of the proposed project on the cost of health care; and
- 4) The appropriateness of the proposed project in the community.

NAC 439A.455 requires the Director to respond to each application for approval or disapproval, together with a copy of the written findings of fact.

NAC 439A.565 states the applicant for a letter of approval has the burden of proof to satisfy all applicable criteria for review. A finding that the applicant has failed to meet its burden of proof regarding an applicable criterion will be made if the applicant fails to provide sufficient, relevant, demonstrative evidence for a favorable determination or the evidence on the record opposing the application outweighs the evidence in support of the application regarding the criteria. The written findings of fact address the review criteria.

## II. Findings of the Need for the Project

NAC 439A.605 requires that the applicant shall demonstrate the population to be served has a need for the project to be undertaken, based upon:

- A. The identification of the population to be served;  
Elko County, 2019 population 55,116 with projected increase by 0.6% for each 2020, 2021 and 2022 and by 0.4% for 2023.
- B. The projected numbers of persons who will have a need for the proposed service;  
Project to serve over 10,000 Elko residents per year; unmet need for surgical care along w/non-surgical procedures and visits.
- C. A showing that the existing providers of the proposed service in the area cannot or will not meet the projected need of the population to be served;  
Per 2019 NV State Health Needs Assessment identified the need for specialty health care; 83% of non-emergency hospital visits made by Elko Co residents occurred outside of Elko Co and does not include residents that went to Salt Lake City or other out of state facilities; 74% of patients traveled nearly 300 miles (a trip of 4 hours) to receive care; access to healthcare is the #1 priority for the county; 31% of residents identified health care as top priority. This facility will provide access, so residents do not need to choose between paying high costs for low-quality care or driving 300 miles to another community.

A consulting firm for Applicant evaluated and provided the following findings: Northeastern Nevada Regional Hospital (NNRH) is the only provider of outpatient surgeries (approx. 2,500 surgeries per year), significant number of residents travel outside of the area for outpatient surgeries; unmet need of @4,400 surgeries per year with top 5 surgical categories – musculoskeletal, integumentary, gastrointestinal, neurosurgery, ocular, and other. Provide comprehensive and compassionate care to patients that require specialized and general outpatient center surgical treatments (Anesthesiology, Gynecology, Ophthalmology, Orthopedic Surgery, Otolaryngology, General Surgery, Cardiovascular Surgery, Gastroenterology, Neurology, Pain Management, Urological Surgery, Podiatrist, Ambulatory Surgery Center)

### III. Findings of Financial Feasibility

[NAC 439A.625](#) requires that the applicant shall demonstrate that it will be able to operate in a manner which is financially feasible as a result of the proposed project without unnecessarily increasing the cost to the user or payer for health services provided by the applicant, by showing:

Total Capital Expenditures	Total Project	Portion @New Square Footage
Land and Building Acquisition	\$3,879,813	\$3,879,813
Architectural and Engineering cost	\$150,000	\$150,000
Site development	\$325,000	\$325,000
Construction expenditure	\$5,000,000	\$5,000,000
Fixed equipment (not construction expense)	\$700,000	\$700,000
Major medical equipment	\$6,000,000	\$6,000,000
Other equipment and furnishings	\$250,000	\$250,000
Other (specify)	\$420,187	\$420,187
10% Contingency	\$275,000	\$275,000
<b>TOTAL PROJECT COST</b>	<b>\$17,000,000</b>	<b>\$17,000,000</b>

- A. That it will become financially self-supporting within 3 years after completion; or that the applicant's total facility will be financially self-supporting within this period or that the financial viability of the facility will not be adversely affected by the proposed project.

Project expected to become financially self-supporting within 1<sup>st</sup> year of operation, with an unmet need of 4,400 surgeries per year, if conservative with performing 1,320 surgeries per year (less than 1/3 of unmet need), there would be a monthly net profit by the fourth month of operations and aggregate net profit by the 5<sup>th</sup> month. With the substantial amount of its financing from equity, it will not be burdened by debt as it starts up operations and maintain a \$6 mil reserve to help manage any delays or unevenness in cash flows.

- B. The factors to be considered in determining whether an applicant has met its burden of proof include:

- 1) The ability of the applicant to obtain any required financing for the proposed project;

Applicant represented they have secured all required sources of funding for the Project. All amounts will be funded in connection with the financial closing, which is expected to occur within a few days of approval of application. Applicant has no other debt/liabilities, all financing and investments secured.

- 2) The extent to which the proposed financing may adversely affect the financial viability of the applicant's facility because of its effect on the long-term and short-term debt of the applicant;

Applicant represented that they do not currently have any other debt or liabilities and will maintain a significant operating reserve. All financing of investments has been secured to finance the Project are on favorable terms, which will allow the Applicant to maintain a financially viable Project from the first day of operations.

- 3) The availability and degree of commitment to the applicant of the financial resources required to operate the proposed project until the project or the applicant's facility becomes financially self-supporting;

Applicant reported an operating reserve of \$6 mil to pay all expenses for 10 months, even if the Project produces no revenue.

- 4) The relationship between the applicant's estimated costs of operation, proposed changes and estimated revenues;

Projected operating income shows sustained growth over seven-year period (2022 to 2028) with estimated revenues exceeding the cost of operations. (application reference "Appendix J-Pro Forma and Charges")

- 5) The level at which the affected health services of the applicant must be used for the applicant to break even financially and the likelihood that those levels will be achieved; Applicant represented break-even on a monthly basis by 4-month and on a cumulative basis by the 7-month of operations; conservatively assuming a slow increase in the number of procedures over the first 12 months for a total of 1,320 annual surgeries (as compared to the current 4,400 projected unmet demand)

Table 5					
Elko CHC, LLC – Break Even Analysis					
	06/01/21	07/01/21	08/01/21	09/01/21	10/01/21
Cases per Month	0	20	40	60	80
Revenue Per Month	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Fixed Expenses Per Month	\$135,250	\$189,350	\$243,450	\$270,500	\$324,600
Monthly Profit/Loss	\$(135,250)	\$(69,350)	\$(3,450)	\$89,500	\$155,400
Total Profit/Loss	\$(135,250)	\$(204,600)	\$(208,050)	\$(118,550)	\$35,850

- 6) Whether the applicant’s projected costs of operation and charges are reasonable in relationship to each other and to the health services provided by the applicant; Surgery centers like this charge substantially less than hospitals for surgeries and other procedures.
- 7) Whether the projected revenues to be received by the applicant are likely to be achieved, including the availability of anticipated revenues from federal, state or local programs if the applicant will be eligible for reimbursement from those programs. Applicant anticipates a mix of payors; expects to enter a contract with Employer Direct Healthcare which is part of a self-funded employer insurance plan; major insurance carriers for private insurance plans; government sponsored insurance programs such as Medicare and Medicaid.

Source	Percentage
Medicare	27%
Medicaid	7%
Commercial	56%
Worker’s Compensation	10%
Self-Pay/Other	12%

## IV. Effect on Costs to the Consumer or Payor

[NAC 439A.635](#) requires that the applicant shall demonstrate that the proposed project will not have an unnecessarily adverse effect on the cost of health services to users or payers by showing that:

- The proposed project will result in a significant saving in costs to users or payers without an adverse effect on the quality of care: or
- If the proposed project will not result in a significant savings in costs to the user or payer for health services, the costs of the service are justified by:

A. A clinical or operational need:

Elko County has an unmet surgical need of approximately 4,400 surgeries per year.

B. A corresponding increase in the quality of care; or

Surgery centers such as the one proposed here result in high patient satisfaction and outcomes. In addition, the Applicant will include health services researchers, medical providers, and community advocates to serve as a steering committee. This committee will ensure the care provided in the Project remains evidence based and that the needs of the community inform care provision.

C. A significant reduction in risks to the health of the patients to be served by the applicant.

Surgery centers such as the Project are able to provide a smaller, more efficient surgical environment which allows the Project to reduce health risks and control infection. The Project will not accept all patients and certain patients will still need to go to a hospital to receive a procedure, even if the Project offers the surgery or procedure generally. All patients will need to receive a strict and thorough medical screening to ensure that the patient's health supports receiving the surgery at the Project. Although NNRH is in close proximity to the Project and a short transfer on an emergency basis is certainly feasible, the Project will not operate on high-risk patients that have an increased risk of complications that may require emergency care.

D. The factors to be considered in determining whether the applicant has met its burden of proof include:

1) The added costs to the applicant resulting from any proposed financing for the proposed project:

The Applicant will not require any material amounts of traditional financing for purposes of completing and operating the Project. The primary financing source is equity from the New Market Tax Credit ("NMTC") transaction, physician and investor equity, and financing related to major medical equipment.

2) If the proposed project involves construction, the relationship between the project costs of that activity and the prevailing cost for similar construction in the area:

The new facility will reactivate approximately 19,500 square feet of vacant shopping center space, which will allow the Applicant to construct the Project at a substantial savings as compared to newly built ground up construction. This Project has partnered with a local Elko contractor, to serve as the general contractor for the Project.



- 3) The health or other benefits to be received by users compared to the cost to users or payers resulting from the proposed project; and

The benefit to the community is increased access to healthcare locally and no need to travel for care which reduces the cost to the patient.

One of the most effective ways to reduce healthcare disparities and lower mortality rates in areas like Elko is to develop additional infrastructure. As a new entrant into the Elko healthcare market, the Project will fulfill critical needs for specialty care, make quality, affordable care more accessible, and give patients a choice of providers.

We all know that the healthcare world has changed as a result of COVID-19. Healthcare facilities such as the Project are vital to the health and safety of patients and allow patients to avoid receiving medical care in a hospital environment where infection and contagious diseases are a much higher risk. Surgery centers such as the project provide a much safer, smaller and more controlled environment, which allows patients to receive care without the fear of contracting an infectious disease.

*Job Creation:* Applicants represented that in addition to permanent FTEs, the Project will create an estimated 100+ temporary construction jobs, as well as 125 indirect jobs at ancillary business that support it. All job estimates are based on consultations with our healthcare consultants and management company.

*Community Engagement:* Each year, the Applicant will donate a portion of the Projects annual profits to a sister nonprofit corporation with its mission of improving patient outcomes and promoting patient-centered care in underserved communities. Applicants stated it will bolster the Project's community impacts by: hosting education programs that teach how to influence personal health outcomes; providing screenings for cardiovascular disease and cancer, both of which are disproportionate causes of premature mortality in Elko; producing educational materials in both English and Spanish to ensure that information is as accessible as possible; forming an advisory board of patients from the surrounding community to provide feedback and help develop improvements to care; and developing services to help individuals more easily navigate both their healthcare experience and the financial decisions associated with their care.

- 4) Whether alternative methods of providing the proposed service exist or are available which provide a greater benefit for the cost without adversely affecting the quality of care.

The only other setting to receive similar services in the Elko area is at NNRH. The Project represents that it will result in decreased costs and increased quality of care.

## V. Appropriateness of the Project for the Area to be served

[NAC 439A.637](#) requires that in determining whether the proposed project is appropriate for the area to be served, the Director will consider:

### A. The location of the project, including:

- 1) The time for travel and distance to other facilities for required transfers of patients or transfers in the event of an emergency;

The Project is located at 2100 Idaho Street in Elko, Nevada. The nearest full-service hospital in the event of an emergency is NNRH, which is located approximately 3.7 miles from the Project and would require approximately five to eight minutes of travel time.

- 2) The distance and the time for travel required for the population to be served to reach the applicant's facility and other facilities providing similar services; and

The Project is centrally located in Elko, which will allow easy access to all Elko residents. In addition, the Project is directly located off an exit from Interstate 80, which will allow easy access to patients that are traveling to the facility from greater distances.

Other than NNRH, the closest facility offering similar services to the Project is approximately 126 miles from Elko. The largest facility to provide similar services is approximately 292 miles from Elko.

There are two other regions within northern Nevada that offer surgical services. These are served by independent providers that travel from the out-of-state service area. Many of these are "out of network" providers for the majority of the target population. The nearest facility offering "in-network" providers for the majority of the Elko population is in Reno, Nevada, which is nearly 300 miles from Elko. Based on the Needs Assessment, DHHS determined that of the 83% of Elko residents that travel out of Elko County for health care, 74% of those patients take the 300-mile trip to Reno.

- 3) The nature of and requirements for zoning for the area surrounding the proposed location of the project.

The Project is in an area that is zoned "general commercial". The Project is a permitted use within the general commercial zoning designation.

### B. The effect of the proposed project on the cost and quality of care provided by the existing system of health care in the area, based upon the extent to which:

- 1) The proposed project is likely to stimulate competition which will result in a reduction in costs for the user or payer;

Establishing additional healthcare providers within the Elko region will enhance access to healthcare and increase the quality of surgical services. Currently, Elko County has no similar provider of surgical services outside of a hospital setting. As a result, many Elko residents decide to travel to Reno or Salt Lake City to receive required treatment. Accordingly, the proposed Project should decrease the cost of care by offering an alternative to the hospital and will also decrease both the personal and financial costs related to Elko residents traveling long distances to receive care.

- 2) The proposed project is likely to increase costs to the user or payer through reductions in market shares for services if those reductions would increase costs per unit of service. The Project will decrease cost per unit of service by (i) creating competition for certain services within the Elko service area; (ii) reducing the number of residents that feel compelled to leave the Elko area and make long trips to receive medical care; and (iii) charging substantially less for the same services and procedures that are currently performed in the Elko area.
- 3) The proposed project contains innovations or improvements in the delivery or financing of health services which will significantly reduce the cost of health care to the user or payer or enhance the quality of care.

Innovations represented by the applicant show delivering quality health care in a smaller, less costly setting is at the heart of what makes the Project so incredibly beneficial to the community and to health care payors. The project represents that it will engage community members and patients to serve as patient advisors. The work with Community Health Development Foundation (“CHDF”) will further embed their work in the community’s needs and will provide community educational programs for conditions of interest to this community free of charge.

The Applicant will equip the project with the most advanced equipment available, which will allow the Project to operate in an extremely efficient and safe manner. The iSuite technology that will be used shows it reduces consequential trips and falls by 93%.

The Applicant will finance the Project through the Nevada and Federal new market tax credit program, which is designed to provide impactful investment to distressed communities. Utilizing these innovative programs allows the Project to finance costs and expenses in a manner that provides a significant subsidy to the Project, allowing it to thrive from the first day of operations and positively impact the community immediately.

- C. If the proposed project involves the relocation of a health facility or the relocation of an existing service to another health facility, whether the need of the population currently being served will continue to be met

N/A - the Project is related to the development of a new facility..

- D. Whether the proposed project is consistent with the existing system of health care, based upon:

- 1) The effect of the proposed project on the availability and the cost in the area of the required personnel; and

The Applicants state that surgery centers such as the Project only require a small specialized medical staff and run much more efficiently than hospitals.

- 2) The extent to which the applicant will have adequate arrangements for referrals to and from other health facilities in the area which provide for:
  - Avoidance of unnecessary duplication of effort;
  - Regionalization of highly specialized health care;
  - Comprehensive and continuous care of patients; and
  - Communication and cooperation between related facilities or services.

The Applicant states they will secure referral from pharmacies, blood labs and imaging labs in order to provide the full continuum of care to the patients that visit the Project. The Applicant will also execute a transfer agreement with NNRH to allow the Project to transfer patients to NNRH that may require emergency care.

- E. The quality of care provided by the applicant for any existing health facility or service owned or operated by the applicant, based upon:
  - 1) Whether the applicant has had any adverse action taken against it with regard to any license or certificate held by the applicant and the results of that action;  
No, the Applicant has no history of adverse action with respect to a license or certificate.
  - 2) The extent to which the applicant has previously provided similar health services; and  
The Applicant is a special purpose entity formed specifically to develop this Project. A member of the Applicant and who will manage the day-to-day operation of the Project is a Certified ASC Administrator and a Certified Surgical First Assist. They have worked nationally as an administrator/consultant developing and managing Office Based and Freestanding Multi-specialty Ambulatory Surgery Centers. As a consultant and administrator, they have completed over 100 CMS, AAAHC, AAAASF, and JCAHO surveys.
  - 3) Any additional evidence in the record regarding the applicant's quality of care.  
NIA
- F. The extent to which equal access by all persons in the area to the applicant's facility or services will be provided, based upon:
  - 1) Whether any segment of the population in the area to be served will be denied access to health services similar to those proposed by the applicant as a result of the proposed project;  
The Applicant represents that no segment of the population in the Elko area will be denied access to similar health services as a result of the Project. The project is founded on the notion of community involvement and community need. The Applicants state they provide no cost community programs to further benefit this community. The Project is intended to offer an additional choice for these services in the Elko area and is intended to satisfy the demonstrated unmet surgical need in Elko County. All patients will now have the choice to receive care at the hospital, the Project or travel to other locations outside of the Elko area.
  - 2) The extent to which the applicant will provide uncompensated care, exclusive of bad debt, and the effect of the proposed project on the cost to local and state governments and other facilities for providing care to indigents; and  
The Applicant will partner with CHDP's non-profit corporation, CHDF, to provide outreach, education and funding for medical services needed by low-income persons. The Project is not

a hospital and accordingly will not offer an emergency department. As a result, the circumstances in which indigent patients would require immediate care for the Project would be very limited. This fact, and the partnership with Community Health Development Foundation, means that the Project should have little to no cost to local and state governments and other facilities.

- 3) The extent to which financial barriers to access by persons of low income, including any financial preconditions to providing service, will prevent those persons from obtaining needed health services.

The Applicant will partner with CHDF to provide low-income and other underserved persons with educational and financial assistance for needed care. The Project does not offer emergency services, so no low-income patients will be denied critical emergency care. The Project will accept a variety of forms of payment and insurance plans, including Medicare and Medicaid.

## VI. Conclusion

- A. The findings have established that Elko CHC "Project" application has demonstrated the following:

- 1) *the population to be served has a need for the project to be undertaken*
- 2) *that it will be able to operate in a manner which is financially feasible as a result of the proposed project without unnecessarily increasing the cost to the user or payer for health services provided by the applicant*
- 3) *that the proposed project will not have an unnecessarily adverse effect on the cost of health services to users or payers*
- 4) *the proposed project is appropriate for the area to be served*



Richard Whitley, MS, Director  
Department of Health and Human Services

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# ***Attachment B:***

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Letter of Intent - Elko Community Health Center

Department of Health and Human Services

State of Nevada

**State of Nevada**  
**Department of Health and Human Services**  
**CERTIFICATE OF NEED - LETTER OF INTENT**

The Certificate of Need process is coordinated by the Primary Care Office under the authority of the Director of the Department of Health and Human Services, under Nevada Revised Statutes (NRS) 439A.100. Please contact (775) 684-2232 for any questions. See NAC 439A.305 for more information about the letter of intent. Completed Letter of Intent should be mailed to Nevada Primary Care and Health Workforce Development Office, 4150 Technology Way, Suite 300, Carson City, NV 89706 or emailed to [jtucker@health.nv.gov](mailto:jtucker@health.nv.gov).

Organization Name:	Elko Community Health Center, LLC	
Street Address:	2100 Idaho Street, Elko, NV 89801	
Type of Organization (Type of Ownership/Profit Status):	Limited liability company, for profit	
Date of Incorporation:	March 23, 2020	
Location of Incorporation:	Nevada	
Contact Person:	Jarrett Portz	
Phone #:	928-486-8848	Cell #: 928-486-8848
Email Address:	<a href="mailto:Jarrett.portz@communityhdp.com">Jarrett.portz@communityhdp.com</a>	
Project Title:	Elko Community Health Center	
Project Address:	2100 Idaho Street, Elko, NV 89801	
Project County:	Elko	
County Population:	52,778	
City/Town Population:	20,341	
Number of Beds to be added:	17	
Type of Beds to added:	4 operating room beds, 4 procedure room beds, and 9 recovery room beds.	

**Project Description and Major Facility, Medical Equipment, and Health Services to be Included:**

The Facility will consist of approximately 41,000 square feet, including four (4) outpatient surgical rooms, multiple exam rooms, physician's offices, telemedicine suites, a blood lab, an imaging lab and a community meeting room. The Facility will be properly equipped to provide comprehensive and compassionate care to patients that require specialized and general outpatient center surgical treatments.

**Please define the Medicaid Provider Types and Specialties that the facility or providers in the facility will use to bill and obtain reimbursement from Medicaid or other public agencies. (see <https://www.medicaid.nv.gov/providers/BillingInfo.aspx>)**

20/057 - Physician / Anesthesiology  
20/129 – Obstetrics/ Gynecology  
20/063 - Physician / Ophthalmology  
20/064 - Physician / Orthopedic Surgery  
20/065 – Physician / Otolaryngology  
20/073 – Physician / General Surgery  
20/107 – Physician / Cardiovascular Surgery  
20/114 – Physician / Gastroenterology  
20/126 – Physician / Neurology  
20/134 – Physician / Pain Management  
20/156 – Physician / Urological Surgery  
21/921 – Podiatrist  
46/946 – Ambulatory Surgery Center



**Square Footage of Proposed Construction Project (NAC 439A.338):**

1. The provisions of subsection 1 of NRS 439A.100 are applicable only to a project which is not dependent on or related to a larger single project.
2. The cost for construction in which no new square footage is added is not subject to a letter of approval. The cost of construction related to the existing space must be deducted from the total capital expenditure to determine the cost of the new construction subject to a letter of approval.
3. The cost of construction attributed to space for a medical office building or an office for a health practitioner to be used solely to provide routine health services as defined in NRS 439A.017 must be deducted from the total capital expenditures to determine the cost of new construction subject to a letter of approval.

Existing square footage only:	0	square feet
New square footage only:	41,000	square feet

**Total Estimated Capital Expenditures:**

**NAC 439A.070:** Provide project information for capital expenditures made by or on behalf of a health facility including the cost of pre-developmental activities, the encumbrance of funds, leases, contractual agreements or donations for purposes which, under generally accepted accounting principles, are not properly chargeable as an expense of operation or maintenance, or both.

<b>Cost Category</b>	<b>Total Project Cost</b>	<b>Project Cost Related to New Construction</b>
Construction Costs:	\$5,232,628.05	\$5,232,628.05
Site Development:	\$157,692.30	\$157,692.30
Architecture & Engineering:	\$50,000	\$50,000
Furniture, Fixtures & Equipment:	\$500,000	\$500,000
Major Medical Equipment:	\$5,908,864	\$5,908,864
10% Contingency:	\$539,032.04	\$539,032.04
<b>TOTAL</b>	<b>\$12,388,216.39</b>	<b>\$12,388,216.39</b>

Estimated date construction begins:	October, 2020
Estimated date of completion of the proposed project:	May, 2021

Provide a summary and schedule of anticipated future phases of construction within the proposed project:

No future phases are currently anticipated.


When is the estimated financial break-even point for the project expected to occur?

Based on our modeling, the project will break even based on approximately 60 patient visits per year (less than 2 surgical procedures per week) which is substantially below the minimal surgical ASC census and very easily achieved given the population and demographics in the area. We expect to receive 60 patient visits within the first 3 months of operation. The reimbursement for procedures is based on published Medicare fees for the Elko area. The anticipated first year volume for a surgery center of this size and in this type of area is 6,000 patient visits per year. We expect a strong rate of growth at the start of operations.

**Required Appendix: Attach a copy of a written estimate of the cost of construction of the proposed project, by major cost categories, from an architect or contractor**

In accordance with NRS 439A.100 and accompanying regulations, I hereby certify that this Letter of Intent is correct to the best of my knowledge. I further certify that I will provide accurate and complete information necessary to the review of an application for a Letter of Approval. I understand that the information which is submitted is public information and will be made available by the Department of Health and Human Services for public review and inspection.

**Certification: This section should be completed by the person who is authorized to commit the applicant to the project and expenditure of funds to complete the project should it be approved.**

This letter is filed on behalf of (Legal Applicant):	Elko Community Health Center, LLC
Name of Signatory:	Jarrett Portz
Title:	Manager
Date:	July 2, 2020
Signed:	

Nevada Primary Care Office

4150 Technology Way, Suite 300, Carson City, NV 89706 - (775) 684-2232



July 2<sup>nd</sup>, 2020

**REF: Surgery Center Tenant Improvement**

**2100 Idaho Street**

**Elko, Nevada 89801**

To Whom It May Concern,

This Bid Proposal is based on architectural drawings from Architectural Solutions which include sheets CS, AS1, A1.0, A1.1, A1.2, A2.0, A3.1, A3.2, A4.1, A4.2, A4.3 A 5.1, AND A6.1 which are dated December 6<sup>th</sup>, 2017. Structural drawings from Engineering System Solutions which include sheets S0.1, S1.1, S6.1, S7.1 S7.2, S7.3, S8.1 which are dated December 5<sup>th</sup>, 2017. Mechanical drawings from Engineering System Solutions which include sheets M0.1, M1.1, M1.2, M5.1, M5.2 M6.1, M6.2, M7.1 which are dated December 6<sup>th</sup>, 2017. Plumbing drawings from Engineering System Solutions which include sheets P0.1, P1.1A, P1.1B, P1.1A, P1.6, P3.1, P4.1, P5.1, P5.2 and P6.1 which are dated December 6<sup>th</sup>, 2017. Electrical drawings from Engineering System Solutions which include sheets E0.1, E1.1, E2.1, E2.2, E5.1, E5.2, E6.1, E6.2, E6.3, E6.4, and E7.1 which are dated December 6<sup>th</sup>, 2017. This Bid Proposal is based off valued engineering of all of the required disciplines.

We propose to furnish labor, materials and equipment to construct the above referenced project. This Bid Proposal is based on Valued Engineering from all of the disciplines involved. This Proposal includes all necessary project management and supervision for the duration of the project.

Below is a breakdown of the associated cost for this project.

Electrical Scope of Work (Valued Engineered)	\$668,062.41
Fire Alarms	\$53,743.64
Nurse Call & Paging Systems	\$160,780.97
Voice & Data	\$113,256.71
Drywall, Tape, & Texture	\$859,709.02
Grid & Acoustical Ceilings	\$98,526.15
Flooring (Value Engineered)	\$661,318.24
Millwork, Doors, Hardware & Lockers	\$706,299.64

Painting (Value Engineered Epoxy Walls)	\$109,417.43
HVAC & Plumbing Insulation	\$148,283.33
HVAC Testing & Balancing	\$46,529.74
Roofing Repairs	\$20,537.84
Exterior Site work	\$157,692.30
HVAC Completion	\$238,157.43
Plumbing Completion	\$375,980.51
Project Management, Supervision, & Overhead	\$441,829.54
Profit	\$530,195.45

**Total Bid Proposal.....\$5,390,320.35**

Exclusions and Clarifications:

This Proposal excludes any permits, permit fees, sewer/water connection fees, Architectural / Engineering errors and omissions, NV Energy, Southwest Gas, 3<sup>rd</sup> party inspections and testing. All Security, CCTV's, Audio & Visual Systems is excluded from this Proposal.

We appreciate the opportunity to be part of this project and should you have any questions just let us know.  
Thanks,

Dusty Shipp  
Owner

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# ***Attachment C:***

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Proof of Publication - Elko Community Health Center

Department of Health and Human Services

State of Nevada

**From:** [Joseph J. Tucker](#)  
**To:** [Joseph J. Tucker](#)  
**Subject:** CON Public Hearing Posting  
**Date:** Friday, August 21, 2020 9:00:57 AM  
**Attachments:** [image001.jpg](#)  
[image002.jpg](#)  
[image003.jpg](#)

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I posted the Public Hearing notice for the Elko Community Health Center CON to the PCO website on 08/20/20.

## Joseph Tucker

Manager, Primary Care Office  
Division of Public and Behavioral Health  
Nevada Department of Health and Human Services  
4150 Technology Way Suite 300 | Carson City, NV 89706  
T: (775) 684-2232 | E: [jtucker@health.nv.gov](mailto:jtucker@health.nv.gov)  
[www.dhhs.nv.gov](http://www.dhhs.nv.gov) | <http://dpbh.nv.gov>



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Find help 24/7 by dialing 2-1-1; texting 898-211; or visiting [www.nevada211.org](http://www.nevada211.org)

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## **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the Department of Health and Human Services (DHHS) will hold a public hearing on September 25, 2020 at 10:00AM to receive comments regarding Elko Community Health Center's application for a Certificate of Need as required by NAC 439A.415. The proposed project includes new construction at 2100 Idaho Street, Elko, NV 89801. On August 14, 2020, DHHS received and commenced review of the application for a Letter of Approval.

### **Location of Hearing:**

Virtual meeting via videoconference

Call-in Line: 1 669 900 6833

Meeting ID: 375 926 3152

Join Zoom Meeting: <https://zoom.us/j/3759263152>

There will be time at the hearing for public comment. Written information regarding this application must be received by Joseph Tucker by September 14, 2020 via email at [jtucker@health.nv.gov](mailto:jtucker@health.nv.gov) or by mail addressed to 4150 Technology Way, Suite 300, Carson City, NV 89706. Mr. Tucker can also be contacted to make reasonable accommodations for members of the public who are disabled and wish to attend the hearing.

A copy of this notice is on file for inspection and/or may be copied at the following locations during normal business hours or by contacting Joseph Tucker at 775-684-2232

NV Department of Health and Human Services  
Primary Care Office  
4150 Technology Way, Suite 300  
Carson City, NV 89706

# Nevada Public Notice Website

Government
State
City
County
K-12
Higher Education
Special Districts


Entity
Department of Education
Department of Employment Training and Rehabilitation
Department of Health and Human Services
Department of Indigent Defense Services
Department of Motor Vehicles

Public Body
Grants Management Advisory Committee
Health and Human Services - Director's Office
HIV Modernization Task Force
HIV/AIDS Medical Advisory Committee
Homes for Individual Residential Care Advisory Council
IDEA Part C Office Nevada State Systemic

## Results for Health and Human Services - Director's Office

 [Subscribe to this public body's notice RSS feed](#)

Results are limited to the last 7 days and for all dates in the future.

Notice	Date Posted	Event Date	Time	Status	Type
 <a href="#">Public Hearing for Elko Community Health Center's Certificate of Need Application</a>	8/24/2020	9/25/2020	10:00 AM	Scheduled	Hearing



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# ***Attachment D:***

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Hearing Summary and Minutes - Elko Community Health Center

Department of Health and Human Services

State of Nevada

**STATE OF NEVADA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CON Public Hearing for Elko Community Health Center  
Project, September 25, 2020**

**Hearing Location**

In accordance with Governor Sisolak's Declaration of Emergency Directive 006; Subsection 1; The requirement contained in NRS 241.023 (1) (b) that there be a physical location designated for meetings of public bodies where members of the public are permitted to attend and participate is suspended.

**Members of Community Health Development Partners, LLC Present**

David Kilper  
Jarrett Portz  
David Lutz  
Tony Burns

**Members of the Public Present**

April R. Walkup (opposition legal representation for Northeastern Nevada Regional Hospital)  
Ann Ford  
Dusty Shipp  
Terri Callahan  
Reece Keener  
Timothy Beckett, MD  
Wendy Weiss  
Jim Pappas, MD  
Casey Williams  
Jenn Cambra  
David Lutz  
Chip Stone  
Robyn Sunday, Elko Graffiti  
Jarrett Portz  
Jason  
Julie Bacon  
Robert Strokes, Cliff Eklund,  
Roger Metz  
Sarah Carroll  
Sheldon Mudd, NNRDA  
Marcus Marshall  
Steve Simpson  
Tony Birns  
Ydenices Pino  
Steve Mims  
Kathy Bonney  
Marcus Marshall  
Kristen Myren  
Rebecca Marzec  
Assemblyman John Ellison

Eric McCallum  
Jennifer Obieta  
Brandee Betancourt

**Dept. of Health and Human Services Staff Present**

Heather Mitchell  
Tarryn Emmerich-Choi  
Tawny Chapman

**Hearing Summary and Minutes**

The hearing commenced at 10:00 a.m.

1. Heather Mitchell, Health Resource Analyst for the Primary Care Office in the Nevada Department of Health and Human Services (DHHS), opened the hearing for the Certificate of Need (CON) application proposing new construction for the Elko Community Health Center Project. She then provided an introduction of the CON process. She outlined the following:
  - a. The CON process is intended to provide public review for health facility construction projects to document:
    - The need for the project in the area to be served,
    - The financial feasibility of the project,
    - The effect of the project on the cost of health care, and
    - The extent to which the project is consistent with statewide planning for healthcare.
  - b. In Nevada, the criteria for a CON review includes the following:
    - The project is in a county with a population less than 100,000;
    - Or if the project is in an incorporated city or unincorporated town whose population is less than 25,000 in a county whole population is 100,000 or more and;
    - The capital expenditures for the project are greater than \$2 million
  - c. Under Nevada Administrative Code 439A, section 595, the applicant of a CON project has the burden of proof to provide sufficient, relevant, demonstrative evidence for a favorable determination. If the evidence on the record opposing the application outweighs the evidence in support of the application regarding the criteria, the application may be denied.

DHHS is conducting this hearing to take public comment regarding proposed new construction for the Elko Community Health Center Project

H. Mitchell concluded her remarks by stating that public comment will become part of the record considered by the DHHS Director and that the hearing process does not include a dialog or a question and answer session.

2. David Kilper, President and Managing Director for the Elko Community Health Center Project presented a summary of the project. He states that they are seeking to expand access to

surgical care in Elko County.

The proposed Elko Community Health Center Project (CHC) will be a 19,500 sq. ft., 17 bed Ambulatory Surgical Center that will reactivate vacant retail space at 2100 Idaho Street, Elko, NV 89801. He goes on to describe the following features that will be included in the facility:

- Three operating rooms
- Two procedure rooms
- And sizeable space for patient preop and recovery
- State of the art medical equipment from Stryker Corporation, a nationally recognized medical technology provider that has been actively involved in the building design.

D. Kilper continues to say that most importantly, the facility will eliminate the need for Elko County residents to travel hours by car or plane to receive surgical care.

The new facility was designed with input from local physicians, and it places an emphasis on simplifying each stage of the patient experience.

He then continues to mention that the facility will be expected to include the follow surgical offerings:

- Cardiology
- Gastroenterology
- Ophthalmology
- Otolaryngology
- Orthopedics
- Pain management
- Podiatry
- Spinal Care

Elko CHC foresees being able to serve up to 10,000 patients each year and will bring specialty surgical care directly to the people of Elko.

D. Kilper goes on to further describe the Elko Community Health Center Project. Elko CHC represents the reimagining of the never completed ASC project that had been previously proposed for the location, but which never came to fruition.

The new project team consists of Community Health Development Partners in partnership with local contractor Braemar Construction, which is owned by Mr. Dusty Shipp. The new development team has secured financing and have identified participating physicians, and construction is on track to begin this winter (2020) and will be completed by Fall of next year (2021)

D Kilper states that they cannot stress enough how important the construction of Elko CHC will be to the people of Elko. Last year (2019) a Needs Assessment conducted by the Nevada Department of Health concluded that 83% of non-emergency visits made by Elko County residents occurred outside of Elko County. That means that people of Elko County feel compelled to select out of town providers for more than 8 out of every 10 surgeries. The people of Community Health Development Partners, LLC, believe that the people of Elko should not have to put their health at risk by driving hundreds of miles to obtain the surgical care that they require.

The need of Elko residents was further reinforced by a recent report by Advis, a national healthcare advisory and consulting firm, which confirmed that Elko county faces an

unmet need of approximately 4,400 surgeries each year. The greatest unmet demand is in the areas of orthopedics, spinal care and podiatry which are three of the specialties that Elko CHC will provide.

D. Kilper states that ultimately this project is about creating convenience, capacity and choice. They seek to provide high quality surgical care, where the people of Elko county live and work. They believe that doing so will empower Elko residents to make healthcare decisions based on their own comparisons of costs and patient outcomes, but without having to sacrifice the convenience of close to home care. Elko CHC seek to provide an alternative for the large number of patients that are routinely leaving town, not those who already choose the local hospital for their surgical care.

D. Kilper continues to say that in a post COVID-19 world, the accessibility of their proposed surgery center is more relevant than ever to the people of Elko. The past 7 months have shown the danger of relying on one's ability to travel to obtain healthcare, particularly when travel may be restricted. The health and safety of high-risk surgical patients should never be jeopardized by travelling to places that pose higher risks of infection, or by not being able to travel at all. A local surgical center like Elko CHC does more than just minimize risks associated with travel. It also provides a smaller more controlled environment for controlling surgical procedures, a safer alternative to seeking care in a larger hospital environment where the risk of secondary infection is much greater.

Developing a more accessible, diverse healthcare infrastructure allows for a continuity of care when the capacity of hospitals is otherwise consumed. The cancellation of elective procedures from the early days of the COVID-19 pandemic has created a backlog of procedures that could be delayed for a year or more. A capacity issues that facilities like Elko CHC can help alleviate both during and after times of crisis.

Ancillary to the Certificate of Need Process, D. Kilper would also like to highlight that the Elko CHC will bring significant benefits to the Elko Economy as well. Those benefits include up to 100 construction jobs, 40-50 full time employees upon completion and transforming vacant retail space into a healthcare destination, Community Health Development Partners, LLC, believe will bring further retail and service providers back into the area. They also plan to engage in local workforce development organizations to ensure that job advancement opportunities are offered to Elko residents whenever possible.

D, Kilper then moves on to talk briefly about his company Community Health Development Partners (CHDP). Their team combines expertise in healthcare, real estate development and financing incentives to bring quality, affordable healthcare options to the places and people that need them most. Their goal is to leverage that expertise to help physicians to overcome barriers to entry in high need markets, to expand their reach and improve the overall health of the communities that they serve.

D. Kilper continues to then talk a bit about the surgical center expertise offered to help in the planning of the Elko CHC. The CHDP team includes Tony Burns, the founder of a national office based surgical facility development and management company. Tony is a

certified surgical first assistant and certified ambulatory surgery administrator, with 32 years of experience, and he has brought over 100 Ambulatory Surgery Centers (ASCs) online, nationwide. My Burns will continue to be involved in every aspect of Elko CHC.

Lastly, D. Kilper mentions that the CHDP's efforts in Elko will be augmented by the work of its' sister non-profit, the Community Development Foundation (CHDF). The foundation will help ensure that Elko CHC remains accountable to people that it serves, by recruiting an advisory board of local patients. The job of that board will be to provide input directly from patients and also insight into the communities most pressing needs. The foundation also intends to host patient education programs that emphasize preventative care in areas such as cardiovascular disease, cancer screening and also nutrition health.

Mr. Kilper concluded by thanking the Department for its time reviewing the project.

3. Public Comment:

Sheldon Mudd, the Executive Director of Northeastern Nevada Regional Development Authority supports the construction of the Elko Community Health Center on behalf of his board. He states that they have some great health care facilities in the region, however due to tremendous growth and interest of new industries in the area, steady incline in the population of the community, and that Elko healthcare providers often serve an area stretching out tens of thousands of square miles, they have historically struggled to meet the overall demand. Because Elko CHC will help to offset this demand and can potentially offer services that are not currently available in the region, The Northeastern Nevada Regional Development Authority gives its full support to the Elko CHC initiative.

Apryl Burden, citizen of Elko, states that she has had to travel out of town for healthcare and has opted to not have medical procedures because of this. She has two children and her family has had to consider if they should move out of town. Ms. Burden also mentions that she has had friends that were 'run off' by the hospitals that were providers. She fully supports the Elko CHC initiative.

Robert Stokes, County Manager of Elko County support the proposal. R. Stokes states that they have a very good working relationship with Northeastern Nevada Regional Hospital, they have been proactive with medical services and needs within the community. R. Stokes continues to express gratitude to them for all the work that they are doing, but states that Elko still has a large percentage of people who are receiving medical services outside of Elko County. R. Stokes believes that Elko CHC will help to alleviate some of the travel and other restrictions to the services in Elko County. He would like to see the expansion of medical services and the additional services provided by the Elko CHC.

Cliff Eklund, Commissioner of Elko County, reiterates what Robert Stokes has said. The Northeastern Nevada Regional Hospital has provided great serviced to Elko County, but with the growing population, contractors coming in to work in the mines, they need some additional support for the hospital. Cliff Eklund supports the Elko CHC initiative.

Eric McCallum, Head of Organizational Effectiveness with Nevada Goldmines, speaking on behalf of Nevada Goldmines a self-insured employer that provides health benefits for

over 20,000 individuals, including employees and their families. They spend approximately \$120 million per year supporting employees and their families. With a focus on quality and cost their support facilitates hundreds of plan members seeking care out of the area, especially in elective surgery. Which represents tens of millions in health spend in recent years. Superior quality, fair pricing and convenient care options for health services for their plan participants is important. As one of the largest employers in Elko County, Nevada Goldmines sees a need for greater diversity of health care service providers, and additional surgical capacity in Elko County.

Steve Mims, Administrator for High Desert Imaging Center in Elko County, also a resident of Lamoille NV, wants to communicate his strong support in the Elko CHC initiative. It is something the community has needed for many years, since the surgery center was bought by the hospital and then closed down, it has been a detriment to the community and has negatively impacted many community members. Again S.Mims communicates his strong support for the Elko CHC initiative and requests that State approves.

Dr. Fred Fricke, a gastroenterologist, has been doing procedures at the hospital for seven years. He has since stopped doing procedures due to arthritis in his hands, this means that the hospital now no longer has anyone who bands esophageal varices. Esophageal Varices is a life-threatening event when it occurs. All these patients with cirrhosis of the liver, which is a common problem, will need to be evaluated. This means they will need to go to Salt Lake City or Winnemucca where somebody who is familiar with the procedure is present. F. Fricke states that he thinks it is important to have someone who can band esophageal varices present in Elko. He has found someone in Reno who would be willing to go out to Elko on a regular basis to some place like the Elko CHC and do cases there. F. Fricke could refer the patients to that doctor directly and can follow up afterwards. Having that option would mean that people would not have to travel to Salt Lake or Winnemucca to get the procedure done. That would be a tremendous advantage for the patients. F. Fricke ends with saying that he thinks it would be very helpful to have the Elko CHC center available.

April Walkup, representing Northeastern Nevada Regional Hospital, is in opposition to the Elko CHC initiative. She is familiar with the variety of burdens that the Elko CHC has to meet in order in order to obtain its approval on this application, and while the slides that were presented gives a perspective on the variety of issues they need to address, A. Walkup does not believe that they have dialed down sufficiently enough to demonstrate that the proposed facility won't have a detrimental impact on either the payors or the existing health care system that is in the community. A. Walkup believes that they have also not provided nor demonstrated in the slides or application that the quality of care that will be provided will be in any way enhanced. Despite Dr Fricke's statements, A. Walkup mentions that there are procedures that are still being performed at the Hospital. With respect to the data that states that 83% of non-routine care is being sought outside of Elko County, A. Walkup is familiar with that survey, and if it is in fact true, those 83% of people are travelling in excess of 8 hours to pursue surgical care. A. Walkup calls into question that data and the accuracy of that data. A. Walkup moves on to then talking about the variety of burdens the Elko CHC has. Firstly, to demonstrate that the population to be served has a need for the project, and despite there being conclusionary statements made

that population is going to grow, the data shows that since 2014 there has been less than a 1 percent population in Elko County. That same data shows that the proposed population increase over the next 10 years is essentially stagnant. Unless there is some evidence that exists to the contrary there is not an increase in population that has existed in the last 5 years, or is anticipated in the next 10 years to substantiate diluting the healthcare provider system that already is in place in Elko County. There are approximately 54,000 residents that are served by the existing healthcare system and so the projected representation that the Elko CHC will be providing up to 10,000 procedures in any given year, is not based on existing data that is available to the public or to the Department of Health. A. Walkup then continues to talk about the burden as it relates to showing that there would be a positive impact on the payors, and states that there hasn't been a discussion as to how Elko CHC will impact the cost of healthcare to the Elko County Community. It is important that all healthcare providers be aware of the cost of healthcare to the residents and to the community that they serve. The Hospital has taken steps over the last few years to normalize their rates, they have contracts with personal and public payors, they have a very robust charity care program that has provided in 2019 alone, multiple of dollars of charity care to the un and under insured and that's just in the outpatient setting. They also invest in their community in a variety of community benefit ways. A. Walkup continues, that there has not been a demonstration by Elko CHC as to how they intend to address the cost of healthcare, which she understands from the survey, to be a predominate issue. They will contract with the same payors that the hospital contracts with, and ultimately the impact will be further dilution of surgical procedures in the Elko County Community. The applicant seeks to take the data from the survey, with respect to the 83% data point, and apply it to only issues that relates to surgery and that is not a fair representative and/or interpretation of the data that is available in that survey. A. Walkup then moves on to talk about whether or not there is anything new or innovative at the Elko CHC, she feels that their slides alone demonstrate that there is not. She states that the seek to simply duplicate the outpatient clinical care that is already available, both through the hospitals employed providers but also with respect to independent physicians within the community. To the extent that any complications arise in any procedures performed in the ambulatory surgical care center that is being proposed, there is going to have to be an agreement and/or collaboration if the Elko CHC goes through, with the hospital. Because there is such a small community and small provision of needed care in the community, that that collaboration could be impacted as well. As far as geographic location, A. Walkup states that the proposed Elko CHC site is mere miles from the care that is already available in the community and she is curious also as to if all the appropriate zoning has been taken with respect to converting a retail space into what CHDP is proposing will be a 19,000sq. ft. 17 bed OR. A. Walkup feels that that needs to go into the financial feasibility of the proceeding as well. A. Walkup thanks the State for their time in hearing her speak in opposition, representing the Northeastern Nevada Regional Hospital.

Casey Williams, an Elko community member, she is personally in support of the Elko CHC project. She has personally travelled out of the area for healthcare and also has family members that cannot drive but cannot get care in the community. They travel to Salt Lake frequently for ophthalmology appointments for her mom and she thinks that having a surgery center in Elko County will help with that problem for herself as well as for others. C. Williams has a letter written from a PA in Elko County that was unable to be a part of the Zoom meeting. C. Williams reads the letter on behalf of Chelsea Blythe. (Dictated letter



attached after Attachment D)

Reece Keener, Elko Mayor, speaks in support of the proposed Certificate of Need. He is not criticizing their community partners at NNRH but is instead here to support a proposed facility that will introduce some new competition into the local market. Over the past generation there has been a hollowing out of the healthcare infrastructure in Elko, leaving them in a vulnerable position where too many residents are dependent on out of area options. For example, the city of Elko has approximately 300 insured employees and dependents, on one of the plans that has approximately 100 participants there have been 49 surgeries scheduled since May of 2020. Of these 49 procedures, only 5 were performed in Elko, all others were done outside of the area. Almost 90% went out of the area for surgical procedures in this plan. Elko CHC has a stated goal of pursuing and insourcing the medical procedures that are being performed outside of Elko. The largest growth sector in their healthcare community has been medical flight services to transport patients out of area for care. They have two providers that have robust and expanding operations at their airport. This underscores the need for enhance local options. R. Keener states that they are the economic hub of Northeastern Nevada, serving a growing population. He believes that the medical sector represents the largest untapped economic development opportunity for their city. R. Keener states that competition is good for consumers and will finally provide a choice to all Elko County residents. He closes by thanking that State for their consideration.

Chip Stone, Elko City Councilman, states the he is very much in support of what their hospital currently does, and that there have been great strides in the asst few years. But in addition to that, C. Stone very much welcomes and supports the Elko CHC, and sees a great need. He states that many people do have travel, and the new center could help keep some of those people in Elko. C. Stone continues to say that the current hospital does phenomenal work and that the community appreciates what they are doing. Their charity programs are phenomenal. C. Stone closes with thanking the State for their time.

Robyn Sunday, manager of Elko Graffiti hair salon, is 100% in support of the Elko CHC. She personally has had to travel out of the area for her husband to have surgery, along with herself. R. Sunday mentioned that it is very difficult, especially if you have children. She states that having something in the area would be amazing, they could go into surgery without having to travel and take children out of school. R. Sunday includes that bringing more jobs in to the area is also very welcome. She closes with reiterating that she is 100% in support of the Elko CHC.

Ryan Burke, Employer Direct Healthcare, they offer Surgeryplus, a surgery benefit to one of the very large employers in the area as well as to some other people. They have largely been travelling members out of the are to get the care that they need and helping to facilitate that with their care advocates. R. Burke is excited about that the potential growth that could come and for members to get the care they need locally, and to be able to recover locally. Along with the employer that they already work with, it would make a much easier referral process. But he cannot speak in regard to what kind of pricing or reimbursement that would be offered, generally speaking when multiple facilities are in one area it is a much easier contract negotiation to have and so he sees a great opportunity and so long as quality and cost are aligned he thinks it is exciting to see the growth.

Kathy Bonney, Chief Administrative Officer representing Clearing House Community Development Financial Institution. K. Bonney explains that Clearing House is a full service, direct lender that serves low income and disadvantaged communities, throughout the United States, with a mission is to provide economic opportunities and improve the quality of life for lower income individuals through financing. Since their inception they have deployed \$1.9 billion in loans and funding that has helped over 13,00 patients gain access to healthcare each year. They are one of eleven Community Development Entities (CDE) that are certified by the Nevada Department of Business and Industry, that have committed to provided financing for the Elko CHC. K. Bonney representing Clearing House Community Development Financial Institution, strongly supports the Elko CHC project. They believe it will bring critical healthcare services to a medically underserved area and positively contribute to the healthcare infrastructure that is currently in Elko. K. Bonney continues to state that they believe the Elko CHC will drive additional economic activity and most importantly, it will make surgical care more accessible in an area with clearly demonstrated need for more convenient care. Clearing House is eager to be a part of the development of the Elko CHC and is grateful for the States consideration of the high priority project.

Julie Bacon, resident of Elko for over 11 years. From 2010-2013 J. Bacon worked for the Northern Nevada Regional Hospital, and found the staff and services provided to be satisfactory. However, J. Bacon is in support of the Elko CHC due to them offering additional services that are not currently offered, and more economic growth to the area.

John Ellison agrees completely with what Elko CHC representatives had to say, and also with Mayor Reece Keener. J. Ellison believes that competition will be good for the community, and without it people will start looking elsewhere. J. Ellison had an individual go to his office and say that he was going to Utah because of the cost, and that was the only reason he chose to go to Utah. He is glad the issue of cost has come up, so they can take a look at the issue. He believes that the regional hospital has done a good job to help the situation, but still believes that there is a problem with cost. J. Ellison says he is not familiar with the history of the facility that is going to be built, he would like to know more about them and if they have more facilities in the country. J. Ellison states that he may have missed some of this information if it was in the presentation as the meeting was breaking up for him. He asks if they can know how many facilities the CHDP has, what their track record is and where their doctors are going to come from.

Jarrett Portz with Community Health Development Partners (CHDP) speaks up to say that he believes that Dr. Pappas was on the line and had wanted to comment but was having some technical difficulties. Jarrett Portz says that if anyone has any further questions for the CHDP they are welcome to reach out to their team, as they know that people can have technical difficulties during the times of COVID-19.

Dr. Jim Pappas, orthopedic surgeon in private practice for almost 30 years. He apologizes for his technical difficulties. J. Pappas says that he has a longstanding connection with Elko county, he grew up working ranches there, went to school at the University of Nevada and spent many of his medical school rotations in Elko. For the last 14 years J. Pappas has split his practice 50/50 between Reno and Elko. He also has a residence in Elko. J. Pappas states that he is an orthopedic surgeon that specializes mainly in shoulder and knee surgery. He mentions that he has a huge fondness for the area and the patients there that have allowed

him to care for them. He continues to say that he knows he has patients that prefer to go out of town, and he supports people's choice to seek whatever medical care that they would like, or feel is necessary. But he would love the opportunity to offer an Elko based surgery option. The trials in scheduling and juggling surgery in Reno, but evaluation, follow up and patient management in Elko, he feels his patients' pain because he travels with them. If that is what people choose to do, then he is happy to provide the Reno experience. But he would be very much interested in offering a quality option of a surgical facility in Elko. J. Pappas is in support of the Elko CHC program, he does not take supporting the program lightly. He states that Jarrett and David from CHDP can share that he has challenged them with many questions. J. Pappas says if they are going to do this (the Elko CHC) and they are going to support Elko community, then they want to do it right. They (Jarrett and David) have answered all of his questions. J. Pappas thinks more investigation should be done, but he believes the Elko CHC to be a quality program put together by quality people, to give his patients and himself options to choose where they get their orthopedic care. J. Pappas states that he appreciates people's patience with his technological issues, and that he is in support of the Elko CHC.

4. Community Health Development Partners are then given time to provide a summation of their position following the public comments. David Lutz, principle and senior management director at CHDP thanks everyone for coming to the public hearing regardless of their view, they appreciate the community's engagement. D. Lutz states that their sole mission at CHDP is to impact communities in a positive way, through providing access to healthcare for the communities that need it most. D. Lutz states that the hearing boils down to a simple question, does the community need the project? He states that throughout the hearing they heard from almost every major constituency in the Elko community, from the mayor, councilmen, commissioners, the largest employer in the area and many others, and he thinks the answer to that question is a resounding yes. In 2019 the Department of Health and Human Services (DHHS) issued their Nevada State Health Needs Assessment, and at that time the Department's answer was also very much yes. DHHS identified access to healthcare as a critical need in Elko County, and identified it as the number one priority to solve in Elko County. D. Lutz then briefly addresses the remarks made by the Northeastern Nevada Regional Hospital, mainly related to the burden of proof. He believes that their commentary misconstrues the nature of this meeting, CHDP did not mean to imply that they intend to meet their burden of proof through their five-minute presentation. CHDP submitted a 50-page application, he does not believe that the hospital has reviewed that. He believes that the CHDP has thoroughly answered every question and criteria that was outlined in that application. D. Lutz continues that it is not up to them (the CHDP) to convince the hospital that they have met that burden, but it is up to the Department to establish that they have met their burden of proof. D. Lutz then goes on to address previous statements that were presented more as questions. With respect to dilution and questioning the 83% statistic, D. Lutz would like to mention that the 83% does not even include Salt Lake City as it is not in Nevada, so that number is likely even higher. D. Lutz continues to say that we have heard from the community in today's meeting, from doctors, employers and other various community members, that clearly established, not a precise number, but that a huge number of people leave Elko County and the surround area for medical care. He then states that it is not them versus the hospital. It is them versus Salt Lake City, Reno and all the stories that they heard today that say that

people need to leave town and experience hardship in order to receive the care that they deserve. At the end of the day that is why CHDP are there. D. Lutz states that he is not going to go into detail regarding cost savings, but that it is very well established, and he thinks that if anyone wanted to do research on their own can do that. ASC's are extremely cost effective, and there was a study that showed that ASC's are going to save Medicare around \$50 billion over 5 years, so in terms of economic efficiencies D. Lutz states that it is a no-brainer and easy to prove that. To finalize D. Lutz wants to address a reference to transfer agreements and collaborations with the hospital. He hopes that they suggestion was not that their patients would be refused during an emergency. The Elko CHC very much wants to partner with the hospital, and with all the healthcare providers in Elko area, to provide community health and wellness to the residents, because that is what they deserve and that is why the CHDP is here. D. Lutz thanks everyone for showing their support and acknowledges that the hearing is not a question and answer session but welcomes people to reach out to them at a later date if they have and questions. The intend to be integrated within the community and to be responsive through themselves and their nonprofit. D. Lutz closes to thank the department for considering their proposal.

Jarrett Portz, CHDP, closes by addresses another concern that the hospital brought up. The hospital mentioned that the Elko CHC did not bring anything new or novel that does not already exist in Elko. J. Portz states that they have thoroughly looked through the needs f the people leaving the area for medical care, as they are not focused on dissolving the markets share of the hospital, but are focused on meeting the needs of the people who need to travel long distances for their healthcare. Having sick patients drive countless miles and have to stay in unfavorable conditions creates additional hardship. The Elko CHC is going to have state of the art equipment that is available in the best facilities in the world, including precision robotics, state of the art management systems and patient handling for efficiencies. They are going to be using brand new, top of the line equipment, not refurbished. They are building something that the community of Elko can be extremely proud of, and it gives them an option. J. Portz then addresses the notion that 83% of people are leaving for medical care is faulty, he believes that the department put a lot of effort into using publishing the data so they feel confident relying on it, but they did not stop there. The CHDP did their own feasibility study, not the feasibility of taking patients from the hospital, they addressed what are the needs of the community and how do they meet the needs of the people who are leaving. J. Portz states that they offer a very novel and different program, they will have robotics and things that are only available in very large cities, and they are doing that through the partnerships that were spoken about in the hearing today. They are very involved in the community and are very community focused, they wanted to bring something to s small community that really deserves it. J. Ports thanks the people who attended the meeting and for the State's consideration.

5. The hearing was closed by Heather Mitchell at 11:05 a.m.

Letter dictated by Casey Williams for the Elko Community Health Center Certificate of Need Hearing  
9/25/2020

Originally written by Chelsea Blythe

I am a family practice physical assistant in Elko Community. During the year and a half that I have been working here I have struggled to get my patients the adequate care that they need with specialists. The current system here in our community is for patients to travel for over two and half hours to see the majority of specialists and to get surgeries. For the limited number of specialty groups that come to Elko, many do not take Medicaid. This leave our most vulnerable residents lacking in healthcare they require. As many cannot afford to travel hours out of town for treatment due to this, many do not get the treatment that they need. So their health conditions continue to worsen over time. Having a medical facility where specialists and surgeons can come to provide the much needed medical care, will be an amazing addition to the residents of not just Elko, but Elko county and the surrounding counties. The specific specialties that we need in our county that are not currently offered here are as follows:

- More mental health services
- Neurology
- Pain management
- Sleep medicine
- Pulmonology
- Allergy
- Immunology
- Dermatology
- Wound care
- Rheumatology
- Vascular surgery
- Oncology
- Urology
- Gastroenterology
- Ophthalmology
- Endocrinology

This is the list of specialties that I encounter and refer, for almost every day. I have to tell my patients that it will require them to travel to Twin Falls, Salt Lake or Reno to get the care that they need. This is a disservice to the community to not have these medical necessities here and as a medical provider here in this community I fully support the proposition of bringing a new community health center to Elko.

Thank you,

Sincerely, Chelsea Blythe.

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# ***Attachment E:***

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Hearing Materials - Elko Community Health Center

Department of Health and Human Services

State of Nevada



# ELKO COMMUNITY HEALTH CENTER

Certificate of Need Public Hearing | September 25, 2020

*Jarrett Portz and David Kilper  
Community Health Development Partners*

# PROPOSED FACILITY

Seeking approval to construct a 19,500 sq. ft., 17-bed Ambulatory Surgery Center (ASC) that will:

- Feature three operating rooms, two procedure rooms, and spacious waiting, pre-op and recovery areas
- Utilize state-of-the-art medical equipment from Stryker Corporation, a leading medical technology provider
- Eliminate the need for Elko County residents to travel long distances for surgical care
- Reactivate vacant retail space in the East End Mall complex at 2100 Idaho Street in Elko







## ACCESSIBLE CARE

The new facility, with capacity to serve up to 10,000 patients each year, will bring specialty care and surgery services directly to the people of Elko. Offerings will include:

- Cardiology
- Gastroenterology
- Ophthalmology
- Otolaryngology
- Orthopedics
- Pain Management
- Podiatry
- Spinal Care

Elko CHC was designed with input from participating local physicians with a focus on simplifying the patient experience.

# READY TO MAKE AN IMPACT

- Elko CHC represents the reimagining of a never-completed ASC project that had previously been proposed for the same site
- Developed by Community Health Development Partners in conjunction with local contractor Braemar Construction
- Necessary financing has been secured
- Participating physicians have been identified
- Construction will begin by Winter 2020 and be completed by Fall 2021



## FULFILLING A CRITICAL NEED

- A 2019 Needs Assessment conducted by the Nevada Department of Health determined that 83% of non-emergency hospital visits made by Elko County residents occurred *outside of Elko County*.
- A 2020 report by Advis, a national healthcare advisory and consulting firm, determined that:
  - The only current provider of outpatient surgeries in Elko performs approximately 2,500 surgeries annually.
  - Elko County faces an unmet need of 4,400 surgeries each year, with the greatest demand (29.6%) in the areas of orthopedics, spinal care and podiatry.

# CREATING CONVENIENCE, CAPACITY & CHOICE

- CHDP engaged Advis to ensure that Elko County had a demonstrated need for additional surgery capacity, and to identify those specialty practices that have the greatest unmet demand.
- Elko CHC is an opportunity to provide high-quality surgery and specialty care where the people of Elko County live and work – not hundreds of miles away.
- Providing Elko County residents with a new option for surgeries will empower them to make healthcare choices based on cost and patient outcomes.

# JOB OPPORTUNITIES & GROWTH

## CONSTRUCTION

The construction of Elko CHC is estimated to create 75-100 high-quality construction jobs

## DIRECT & PERMANENT

Once construction is complete, Elko CHC will employ 40-50 full-time employees with a range of backgrounds and expertise

## INDIRECT

The reuse of retail space will help attract small retail and service providers back to the area

Elko CHC will engage local workforce development organizations like Join, Inc., Nevada Health Service Corps and Nevada Works to ensure job advancement opportunities are offered to Elko residents.

Community Health Development Partners (CHDP) exists to bring quality, affordable healthcare to the places and people that need it most.

The team combines expertise in healthcare, real estate development and financing incentives to help medical service providers overcome barriers to entry, expand their reach, and directly shape the overall health of the communities that they serve.



## Surgery Center Expertise



- The CHDP team includes Tony Burns, MBA, CASA, CSFA, owner of Invoegen Surgical Services and the founder of iOR Partners, a national office-based surgical facility development and management company.
- With 32 years of experience, Mr. Burns specializes in providing consultative, development and management support to physicians, physician groups and Ambulatory Surgery Centers (ASCs). He has brought more than 100 ASCs online nationwide.

# COMMUNITY PROGRAMMING

- CHDP's efforts in Elko will be augmented by the work of its sister nonprofit, the Community Health Development Foundation (CHDF).
- CHDF will host patient education programs to help promote cardiovascular disease prevention, cancer screenings, and nutrition awareness.
- CHDF also will recruit a group of local Elko patients to serve on an advisory board, using their input to ensure that the surgery center remains patient-focused and responsive to the community's needs.





