

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

The Certificate of Need process is administered by the Primary Care and Health Planning Office on behalf of the Director of the Department of Health and Human Services, under Nevada Revised Statutes [\(NRS\) 439A.100](#) and Nevada Administrative Code [\(NAC\) 439A.010 - 675](#). Please contact the office at (775) 684-4041 for any questions regarding the process or completion and submission of this form.

[NAC 439A.305](#) A Letter of Intent is required to determine whether a Certificate of Need review Process will be required for a proposed healthcare facility.

[NAC 439A.240](#) Provide information for the person who will undertake the proposed project and to whom the Letter of Approval would be issued if granted.

Organization Name:

Street Address:

City:

State:

Zip:

Contact Person:

Phone #:

Cell #:

Email Address:

Type of Organization:

Date of  
Incorporation:

Location of  
Incorporation:

Project Title:

Project Address:

Project County:

**County  
Population:**

**City  
Population:**

Number of Beds to  
be added

Type of Beds to be  
added:

Project Description  
and Major Services  
to be Provided:  
(attach additional  
sheets as needed)

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[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.

- [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.

Entire project excluding land

Existing square footage only

New square footage only

Construction Costs

Furniture, Fixture and  
Equipment

Site Development

Major Medical Equipment

Architecture & Engineering

10% Contingency

Estimated Date construction begins:

Estimated Date Construction Completed:

**TOTAL**

Are any new phases planned for addition to the original project at a later date? If so, specify when by phase:

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

[NRS 439A.100](#) 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)

Signed:

Date

Title:

STATE OF NEVADA

BRIAN SANDOVAL  
Governor

RICHARD WHITLEY, MS  
Director, DHHS



CODY L. PHINNEY, MPH  
Administrator, DPBH

JOHN DIMURO, DO MBA  
Chief Medical Officer

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

Re: Certificate of Need Letter of Determination

Dear \_\_\_\_\_ :

I have reviewed your Letter of Intent (LOI) received \_\_\_\_\_, on behalf of \_\_\_\_\_ regarding the proposed expansion and renovation of the \_\_\_\_\_.

Your estimated project cost of \_\_\_\_\_ meets the threshold for which Certificate of Need (CON) approval is required, for construction by or on behalf of a health facility in excess of \$2,000,000, in a county whose population is less than 100,000, as per subsection 1 of Nevada Revised Statutes [\(NRS\) 439A.100](#).

The next requirement for the CON review process is to complete and submit an application no later than 60 days from the postmarked date of this Letter of Determination, which falls on \_\_\_\_\_. A hard copy of the application is enclosed with this Letter of Determination, and you may also obtain an electronic copy on-line at the following link:

[http://dpbh.nv.gov/Programs/Certificate\\_of\\_Need/dta/Forms/Certificate\\_of\\_Need\\_-\\_Forms/](http://dpbh.nv.gov/Programs/Certificate_of_Need/dta/Forms/Certificate_of_Need_-_Forms/). Your application must be accompanied by a nonrefundable fee of \$9,500, with check made payable to the Department of Health and Human Services.

The projected costs for new square footage will need to be clarified in the application to reconcile the discrepancy in the LOI, as reflected in the table below:

Entire project excluding land

Existing square footage only

New square footage only

**Capital Expenditures for new square footage**

Construction costs	
Architecture and Engineering	
Site Development	
Furniture, fixtures and Equipment	
10% Contingency	
Major Medical Equipment	
Total	_____

Once we receive the application, we will make a determination as to whether sufficient information is provided for the Director to make a decision. If the applicant has substantially failed to include the required information, the Director will issue a letter of denial within 15 days after the deadline for submission of the application. If the application includes the required information, a public hearing will be held within 45 days of receipt of the application.

If you would like to meet with Department staff before the application due date, we are available to provide assistance as needed. In the meantime, if you have any questions or concerns, please contact me at (775) 684-4041, or via email at [ljhale@health.nv.gov](mailto:ljhale@health.nv.gov).

Sincerely,

Laura Hale  
Manager, Primary Care Office

E-copy: Richard Whitley, Director, Department of Health and Human Services  
Cody Phinney, Administrator, Division of Public and Behavioral Health  
Joe Pollock, Deputy Administrator, Division of Public and Behavioral Health  
Linda Anderson, Deputy Attorney General

State of Nevada  
Department of Health and Human Services

**Letter of Approval Application Form**

**Section I. APPLICANT IDENTIFICATION AND CERTIFICATION**

**1.1** Identification of Legal Applicant: Identify the applicant as defined in NAC439A.240.

Applicant Name

Address

City

State

Zip

**1.2** Project Title

**1.3** Description of Legal Applicant

a. Type of Organization

b. If a corporation, indicate where and when incorporated:

Where:

When:

c. Identify Principals having 25% or more ownership:

Name:	Percentage Owned:	Name:	Percentage Owned:
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d. If a corporation, attach a list of the chairman, directors and officers. If a partnership, attach a list of general and limited partners, if any.

**1.4** Contact Person: Identify the individual designated as the contact person who will receive all notices and communications pertaining to this application.

Name

Phone

Cell

Title

Fax

Organization (if different from applicant)

Address:

City

State

Zip

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Certification and Signature: This section should be completed and signed by the person who is authorized to commit the applicant to the project and to the expenditure of funds.

In accordance with [NRS 439A.100](#) and the accompanying regulations, I hereby certify that this application is complete and correct to the best of my knowledge and belief. I understand that the applicant for a letter of approval has the burden of proof to satisfy all applicable criteria for review. I also understand that this application and all information submitted is public information and will be made available for public review and inspection.

Signed:

Title:

Date

**Submit the original and four (4) copies along with a check for \$9,500 payable to the Department of Health and Human Services for the application fee to:**

**Primary Care Office  
4126 Technology Way, 2nd Floor NE  
Carson City, NV 89706**

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**Section II. PROJECT DESCRIPTION**

**2.1**    Project Summary:    Provide a one page description of the proposed project.

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**2.2** Project Capitol Expenditure Estimates:

Total: \_\_\_\_\_ New square footage only: \_\_\_\_\_

**2.3** Project Location:

- a. Address: \_\_\_\_\_
- b. Attach documentation of ownership, lease or option to purchase.
- c. Attach a location map which includes street names and a facility plot plan/schematics.

**2.4** Project Schedule: Complete the following schedule for the proposed project.

Step	Target Date
Use Permit	
Building Permit	
Groundbreaking/Construction begins	
Construction ends	
Entire Project completed	
Licensing & Certification Services begin	

**2.5** Project Organization and Planning:

- a. Attach an organization chart(s) showing lines of managerial and fiscal responsibility for all individuals and entities involved in this project. Show the proposed project's place in its parent organization, if appropriate.
- b. Describe the process by which this project was developed.



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**Section III. NEED FOR THE PROJECT TO BE UNDERTAKEN**

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

**3.1**

- a. Identify the proposed service area. Usually, the primary service area is the county in which the facility will be located.
  
- b. Identify the total population for the proposed service area and estimate the number of persons who will have a need for the proposed project. Use a population projection for the year which is five years from the year that the application is filed. Population projections from the State Demographer are available from the Bureau of Health Planning and Statistics. If other estimates are used, cite the source of such information and show the method used to derive the estimates.

- 3.2**    Existing Providers of Similar Services: Provide information regarding existing providers of services similar to those proposed in this application. Explain the assumption that existing providers will not be able to meet the projected needs of the target population.

**Section IV. FINANCIAL FEASIBILITY**

**4.1** Capital Expenditures:

	<u>Total Project</u>	<u>Portion</u>	<u>@</u>	<u>New</u>
		<u>Square</u>		<u>Footage</u>
1. Land acquisition				
2. Architectural & engineering cost				
3. Site development				
4. Construction expenditure				
5. Fixed equipment (not construction expense)				
6. Major medical equipment				
7. Other equipment and furnishings				
8. 10% Contingency				
9. Other (specify)				
10. Total project cost				

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**4.2**    Proposed Funding of Project:

Funds available as of application filing date:  
(Show evidence that such funds are available)

**4.3**    Long-Term Financing:

a.    Loan principal: \_\_\_\_\_ Interest rate: \_\_\_\_\_

      Term : \_\_\_\_\_ (years)

b.    Identify the anticipated source(s) of long term financing.

c.    Check anticipated debt instrument:

          Mortgage

          Bonds

          Other: (Specify)

d.    Will the proposed long term loan refinance the construction loan?                      Yes                      No

**4.4**    a.    Provide information regarding the construction financing. Note that "financing" includes all project capital expenditures regardless of funding source.

          Construction Financing:

<u>Funding</u>	<u>Amount</u>	<u>Percent of Total</u>
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          From applicant's funds:

          Amount to be financed:

          Total capital expenditures:

b.    Source of construction loan:

          Principal Balance:

          Interest:

          Total:

          Term:

c.    Provide information about existing short and long-term loans not related to the proposed project that are held by the applicant.

<u>Lender</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Annual Payment</u>	<u>Remaining Principal</u>
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- 4.5** [NAC 439A.625](#) requires the applicant 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 service provided by the applicant.

Explain how the proposed facility is expected to become financially self-supporting within 3 years after completion or, if the new construction is an addition to an existing facility, that the financial viability of the existing facility will not be adversely affected by the proposed project.

- 4.6** Provide a response to each of the following criteria related to financial feasibility.
- a. The ability of the applicant to obtain any required financing for the proposed project;
  - b. 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;
  - c. 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;
  - d. The relationship between the applicant's estimated costs of operation, proposed charges and estimated revenues;
  - e. 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;
  - f. 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.

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- g. Whether the projected revenues to be received by the applicant are likely to be from governmental programs if the applicant will be eligible for reimbursement from those programs.

<u>Source</u>	<u>Percentage</u>	<u>Source</u>	<u>Percentage</u>
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**4.7** Ability to Support Operations:

- a. Identify the source and amount of funds committed to the applicant which may be required to operate the proposed project or the applicant's facility until such time as the project becomes financially self-supporting.

<u>Source</u>	<u>Amount</u>
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- b. If an existing facility, provide copies of financial statements for the three preceding fiscal years including statements of revenues/expenses and balance sheets.
- c. For a new facility, provide pro-forma revenue/expense statement for each of the first three full years of operation of the proposed project.

**4.8** Bed Information: Beds (specify by type)

Existing number of licensed beds:

Number added by new construction:

Conversion from other use:

Number to be removed:

Projected number of licensed beds:

**4.9** Line Drawings: Attach scale drawings of all new construction and/or remodeling.

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### Section V. EFFECT ON COSTS TO CONSUMER OR PAYOR

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

Explain how the proposed project will result in a significant savings 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 extent to which costs of the service are justified by:

- a. A clinical or operational need.
- b. A corresponding increase in the quality of care.
- c. A significant reduction in risks to the health of the patients to be served by the applicant.

- 5.2** Provide a response to the following criteria related to the effect on costs.

- a. The added costs to the applicant resulting from any proposed financing for the project.
- b. The relationship between project costs of construction, remodeling or renovation and the prevailing cost for similar activity in the area.
- c. The health or other benefits to be received by users compared to the cost to users or payers resulting from the proposed project.
- d. Whether alternative methods of providing the proposed service are available which provide a greater benefit for the cost without adversely affecting quality of care.

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- 5.3** Demonstrate that the proposed project will not have an unnecessary adverse effect on the costs of health services to the user or payer.

**Section VI. APPROPRIATENESS**

**6.1** Location:

- a. Describe the location of the proposed project including the time for travel and distance to other facilities for required transfers of patients or transfers in the event of an emergency.
  
  
  
  
  
- b. Describe 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.
  
  
  
  
  
- c. Describe the nature of and requirements for zoning for the area surrounding the proposed location of the project.

**6.2** **Effect on existing costs and quality of care: Explain the extent to which:**

- a. The proposed project is likely to stimulate competition which will result in a reduction in costs for the user or payer.
  
  
  
  
  
- b. 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.
  
  
  
  
  
- c. 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.

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- 6.3** Reduction, Elimination or Relocation of Health Services or Facility: If the proposed project involves the reduction, elimination or relocation of an existing health facility or service, how will the needs of the population currently being served continue to be met?
- 6.4** Consistency with Existing System: Explain whether the proposed project is consistent with the existing system of health care, based upon:
- a. The effect of the proposed project on the availability and the cost of existing health services in the area of required personnel.
  - b. 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, comprehensive and continuous care of patients, and communication and cooperation between related facilities or services.
- 6.5** Applicant History: Describe the quality of care provided by the applicant for any existing health facility or service owned or operated by the applicant based upon:
- a. Whether the applicant has had any adverse action taken against it with regard to a license or certificate held by the applicant and the results of that action.
  - b. The extent to which the applicant has previously provided similar health services.
  - c. Any additional evidence in the record regarding the applicant's quality of care.
- 6.6** Accessibility: Explain the extent to which equal access by all persons in the area to the applicant's facility or service will be provided, based upon:
- a. Whether any segment of the population in the area will be denied access to health services similar to those proposed by the applicant as a result of the proposed project.
  - b. The extent to which the applicant will provide uncompensated care, exclusive to 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.

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- c. 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.

**6.7**    Referrals: Provide the following information for each health facility/program with which the applicant will have an arrangement for referrals.

Facility:

Agreement for:

Facility:

Agreement for:

Facility:

Agreement for:

**7.0**    Healthcare Distribution, Access and Outcomes:

[NRS 439A.100.3.b.4](#) The extent to which the project is consistent with the purposes set forth in [NRS 439A.020](#) and the priorities set forth in [NRS 439A.081](#). Including without limitation:

- a. The impact of the project on other health care facilities;
- b. The need for any equipment that the project proposes to add, the manner in which such equipment will improve the quality of health care and any protocols provided in the project for avoiding repetitive testing;
- c. The impact of the project on disparate health outcomes for different populations in the area that will be served by the project;
- d. The manner in which the project will expand, promote or enhance the capacity to provide primary health care in the area that will be served by the project;



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- e. Any plan by the applicant to collect and analyze data concerning the effect of the project on health care quality and patient outcomes in the area served by the project;
  
- f. Any plan by the applicant for controlling the spread of infectious diseases; and
  
- g. The manner in which the applicant will coordinate with and support existing health facilities and practitioners, including, without limitation, mental health facilities, programs for the treatment and prevention of substance abuse and providers of nursing services.

**Submit the original and four (4) copies along with a check for \$9,500 payable to the  
Department of Health and Human Services for the application fee to:  
Primary Care Office  
4126 Technology Way, 2nd Floor NE  
Carson City, NV 89706**

**To clear history, Click Reset Form. This will clear all entries.**

Note: [NAC 439A.595](#) states that the applicant for a letter of approval has the burden of proof to satisfy all applicable criteria for review contained in [NAC 439A.637](#), inclusive.

### **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the Department of Health and Human Services will hold a public hearing to receive comments regarding Banner Churchill Community Hospital's application for a Certificate of Need to , pursuant to NRS 439A.100.

The hearing will be conducted at the

NRS 439A.100 (1) states:

*1. Except as otherwise provided in this section, in a county whose population is less than 100,000, no person may undertake any proposed expenditure for new construction by or on behalf of a health facility in excess of the greater of \$2,000,000 or such an amount as the Department may specify by regulation, which under generally accepted accounting principles consistently applied is a capital expenditure, without first applying for and obtaining the written approval of the Director. The Health Division of the Department shall not issue a new license or alter an existing license for such a project unless the Director has issued such an approval.*

NAC 439A.415 states:

1. The Department will provide a public hearing for each application for a letter of approval.
2. A single public hearing will be held for all applications within a single batch.
3. The Department will keep a taped record of the public hearing, together with all exhibits introduced.
4. The purposes of the public hearing are:
  - (a) To provide for public comment on the application; and
  - (b) To receive evidence from the applicant and those persons who have submitted written information pursuant to NAC 439A.395 regarding material issues and to consider questions from the Department.
5. The Department will, at least 5 days before the date of the hearing, notify the applicant and those persons who have submitted written information of the procedures to be followed at the public hearing.
6. The amount of time allocated to each applicant or person for presenting evidence may be limited if that limitation is equally applied to all applicants or persons.
7. Any person at the public hearing is entitled to be represented by counsel.

Members of the public may make oral comments at this meeting. Persons wishing to submit written comments or documentary evidence must submit the material to Laura Hale via email at [ljhale@health.nv.gov](mailto:ljhale@health.nv.gov) or via regular mail at 4126 Technology Way, 2nd Floor NE, Carson City, NV 89706. Written comments, testimony, or documentary evidence in excess of two typed pages will not be accepted at the time of the hearing. The purpose of this requirement is to allow the Department of Health and Human Services adequate time to review the documents.

A copy of this notice is on file for inspection and/or may be copied at the following locations during normal business hours.

NV Department of Health and Human Services  
Primary Care Office  
4126 Technology Way, 2nd Floor NE  
Carson City, NV 89706

Nevada State Library 100 N.  
Stewart Street Carson City,  
Nevada 89701

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

Fernley Branch Library 575  
Silver Lace Blvd Fernley, NV  
89408

Churchill County Library  
553 South Main Street  
Fallon, Nevada 89406

Copies may be obtained in person, by mail, or by calling (775) 684-4041.

Nevada Department of Health and Human Services  
4126 Technology Way, 2nd Floor NE  
Carson City, Nevada 89706

Nevada Certificate of Need Website:

[http://dpbh.nv.gov/Programs/Certificate\\_of\\_Need/Certificate\\_of\\_Need\\_-\\_Home/](http://dpbh.nv.gov/Programs/Certificate_of_Need/Certificate_of_Need_-_Home/)

**STATE OF NEVADA**  
**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH**



**PURCHASE ORDER**

**TO** \_\_\_\_\_ **FY 17** \_\_\_\_\_ **NO** \_\_\_\_\_  
(Budget Acct, Fiscal Year, # assigned by fiscal)

**DATE** \_\_\_\_\_

**VENDOR #** \_\_\_\_\_

**SHIP TO** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*PLEASE REFERENCE ORDER NUMBER ON ALL  
INVOICES, CORRESPONDENCE AND BILLS OF  
LADING. THANK YOU.  
**SALES/TAX EXEMPTION# 88-6000022**

Contact Name \_\_\_\_\_ Ph No \_\_\_\_\_

**MAIL INVOICE TO**

Division of Public and Behavioral Health  
Attn: Fiscal Services  
4150 Technology Way, Suite 300  
Carson City, NV 89706

**STATE AGENCY USE ONLY**

Appr Unit \_\_\_\_\_  
Obj Code \_\_\_\_\_  
DPA No. \_\_\_\_\_  
DPA Max. \_\_\_\_\_  
Program/Project No. \_\_\_\_\_

ITEM NO.	QUANTITY	DESCRIPTION	UNIT	UNIT PRICE	TOTAL
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
SHIPPING & HANDLING					
<b>GRAND TOTAL</b>					<b>\$0.00</b>

Program Approving Initials \_\_\_\_\_

Division Approving Authority \_\_\_\_\_

Date \_\_\_\_\_

Original Sent to Fiscal Services-copy will be returned to budget when processed.

## CON Application Summary

**Applicant:**

**Contact:**

**Project:**

**Estimated Cost:**

**Estimated Completion Date:**

**Development Process:**

**Population to be served:**

**Existing Providers:**

**Long-term Financing:**

**Plan to become self-supporting within 3 years:**

The payer mix for

is used to calculate the revenue projection as follows:

**Bed information:**

Number of Beds  
to be added

Type of Beds to  
be added

**Appropriateness of location, quality of care, consistency with existing system, accessibility and referrals:**

Referrals for  
Patients:

Emergency  
Location:

Increase the  
patient quality of  
care:

During a Normal  
Event, distance  
and time to travel:

Referrals from:

STAFF NOTE:

**Applicant History**

Additional Evidence:

Adverse License Actions:

Previously Provided Services:

Review of HCQC Reports:

## Certificate of Need Hearing for

**Date:**

**Location:**

## SIGN IN

[illegible]

# Certificate of Need Hearing for

Date:

**Location:**

## SIGN IN

[illegible]



## Public Hearing Script

Good afternoon. My name is \_\_\_\_\_ and I manage the Primary Care Workforce Development Office for the State of NV Department of Health and Human Services

The Certificate of Need process is intended to provide a 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.

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 in an incorporated city or an unincorporated town whose population is less than 25,000 that is located in a county whose population is 100,000 or more; and
- The capital expenditures for the project are greater than \$2 million

Under [Nevada Administrative Code 439A.595](#), the applicant for a Certificate of Need 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.

The Department of Health and Human Services is conducting this hearing to take public comments regarding the \_\_\_\_\_. Public comments will become part of the record to be considered by the Director. This hearing process does **not** include a dialog or question and answer session.

\_\_\_\_\_ will begin by presenting a summary of the project, and will have an opportunity to re-summarize his position, following all other public comments.

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## PUBLIC HEARING NOTES



The Department of Health and Human Services Director makes the following Findings of Fact:

1. \_\_\_\_\_ submitted an application for a Letter of Approval on \_\_\_\_\_. The application proposes \_\_\_\_\_.

2. primary contact for the project.

Ownership is below:

	Percentage		Percentage
Name:	Owned:	Name:	Owned:

3. No loans are proposed for this project. All costs are to be covered by with existing cash and investments.
4. The Primary Care Office, Department of Health and Human Services (DHHS) received
  - a Letter of Intent on **(Attachment B)**. A letter of determination was sent

on \_\_\_\_\_, to confirm that the project required a Letter of Approval Application and a Certificate of Need review process. 5.

An application and a fee of \$9,500 were received on \_\_\_\_\_.(Attachment C)

6. Public notice (**Attachment D**) of the public hearing regarding the application was published in the \_\_\_\_\_ on \_\_\_\_\_.
7. The public hearing was held on \_\_\_\_\_,

A summary of the hearing is provided under **Attachment E**.

8. [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:
  - a. Whether a need for the proposed project exists in the community;
  - b. Whether the proposed project is financially feasible;
  - c. The effect of the proposed project on the cost of health care; and
  - d. The appropriateness of the proposed project in the community.
9. [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.
10. [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

1. [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:
  - The identification of the population to be served;
  - The projected number of persons who will have a need for the proposed service;
  - 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.

### **Conclusion**

**Sufficient data are provided to support the applicant's projection for unmet need among the target population.**

### **III. Findings of Financial Feasibility**

1. Land acquisition
2. Architectural & engineering cost
3. Site development
4. Construction expenditure
5. Fixed equipment (not construction expense)
6. Major medical equipment
7. Other equipment and furnishings
8. 10% Contingency
9. Other (specify)
10. Total project cost

[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:

- a) That it will become financially self-supporting within 3 years after completion; or
- b) 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.

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

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

- c) 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;
- d) The relationship between the applicant's estimated costs of operation, proposed changes and estimated revenues;
- e) 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;
- f) 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;
- g) 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.

**IV. Effect on Costs to the Consumer or Payer**

[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:

- a. 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
- b. 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:
  - 1) A clinical or operational need:
  - 2) A corresponding increase in the quality of care; or
  - 3) A significant reduction in risks to the health of the patients to be served by the applicant.

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

- a) The added costs to the applicant resulting from any proposed financing for the proposed project:
- b) 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:
- c) The health or other benefits to be received by users compared to the cost to users or payers resulting from the proposed project; and

- d) 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.

### **Conclusion**

**The applicant's proposal to renovate and expand the existing facilities appears to be a cost-effective means of improving services in the Emergency Department.**

### **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:

The location of the project, including:

- a) The time for travel and distance to other facilities for required transfers of patients or transfers in the event of an emergency;
- b) 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
- c) The nature of and requirements for zoning for the area surrounding the proposed location of the project.

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:

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



- b) 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; and
  
- c) 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.

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.

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

- a) The effect of the proposed project on the availability and the cost in the area of the required personnel; and
  
- b) The extent to which the applicant will have adequate arrangements for referrals to and from other health facilities in the area which provide for:
  - (1) Avoidance of unnecessary duplication of effort;
  - (2) Regionalization of highly specialized health care;
  - (3) Comprehensive and continuous care of patients; and
  - (4) Communication and cooperation between related facilities or services.

The quality of care provided by the applicant for any existing health facility or service owned or operated by the applicant, based upon:

- a) 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;
- b) The extent to which the applicant has previously provided similar health services; and
- c) Any additional evidence in the record regarding the applicant's quality of care.

The extent to which equal access by all persons in the area to the applicant's facility or services will be provided, based upon:

- a) 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;
- b) 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
- c) 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.

[NRS 439A.100.3.b.4](#) The extent to which the project is consistent with the purposes set forth in [NRS 439A.020](#) and the priorities set forth in [NRS 439A.081](#). Including without limitation:

- a) The impact of the project on other health care facilities;

- b. The need for any equipment that the project proposes to add, the manner in which such equipment will improve the quality of health care and any protocols provided in the project for avoiding repetitive testing;
- c. The impact of the project on disparate health outcomes for different populations in the area that will be served by the project;
- d. The manner in which the project will expand, promote or enhance the capacity to provide primary health care in the area that will be served by the project;

### **Conclusion**

**The project appears to be appropriate for the area served.**

### **VI. Final Conclusion**

***The findings have established that:***

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

\_\_\_\_\_  
Date



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIRECTOR'S OFFICE  
4126 Technology Way, Suite 100  
Carson City, Nevada 89706  
Telephone (775) 684-4000 • Fax (775) 684-4010  
<http://dhhs.nv.gov>

USPS Certified Mail:

Re: Letter of Approval

Dear :

The review of the application for a Letter of Approval from Banner Churchill Community Hospital (BCCH) for the renovation and expansion of your Emergency Department in Fallon, Nevada is complete. Review and approval/disapproval by the Department of Health and Human Services is mandated by [NRS 439A.100](#) and accompanying regulations, [NAC 439A](#). **In accordance with [NAC 439A.455](#), the application is approved, based upon the attached Findings of Fact.**

The project will be renovation of  
of additional space to complete the following:

The maximum capital expenditure for the project is according to the application, the entire project is scheduled to be completed by . Services are scheduled to begin .

The approved timetable for the project is as follows:

<u>Step</u>	<u>Target Date</u>
Use Permit	
Building Permit	
Groundbreaking/Construction	
begins	Construction ends
Entire Project completed	Licensing/ Certification
Services begin	

If the approved timetable is not met by the holder of the letter of approval, the letter of approval is subject to withdrawal pursuant to [NAC 439A.475\(1\)](#).

NAC 439A.465 requires that submit quarterly progress reports. All quarterly progress reports shall be submitted, per the guidelines outlined in [NAC 439A.465](#).

Pursuant to [NAC 439A.455, \(3\)\(e\)](#), you must provide written acceptance of this approval within 30 days of the publication of this decision. Also, [NRS 439A.100\(4\)](#) specifies that a change in location or cost of a project may require additional approval. A request for extension must be submitted to the Department at least 90 days before the required date of completion of the project, in compliance with [NAC 439A.475](#).

If you have questions or concerns about the Certificate of Need, please contact Laura Hale at (775) 684-4041 or via e-mail at [ljhale@health.nv.gov](mailto:ljhale@health.nv.gov).

Congratulations on your approved proposal.

Sincerely,

Richard Whitley, MS  
Director

Enclosure

cc Paul Rowley, Banner Health Development and Construction  
Linda Anderson, Chief Deputy Attorney General  
Kyle Devine, Bureau Chief, Health Care Quality and Compliance  
Laura Hale, Manager, Primary Care Workforce Development Office

## PUBLIC NOTICE

In accordance with [NAC 439A.455](#), public notice is hereby given that on \_\_\_\_\_ the Director of the  
Department of Health and Human Services granted a Letter of Approval to \_\_\_\_\_, for

at \_\_\_\_\_ . A Letter of Approval is part of the process known as Certificate  
of Need review required by [NRS 439A.100](#). For further information, contact Laura Hale in the Primary Care Office,  
Nevada Division of Public and Behavioral Health, at (775) 684-4041 or via e-mail at [ljhale@health.nv.gov](mailto:ljhale@health.nv.gov).

**STATE OF NEVADA**  
**DIVISION OF PUBLIC AND BEHAVIORAL HEALTH**



**PURCHASE ORDER**

**TO** \_\_\_\_\_ **FY 17** \_\_\_\_\_ **NO** \_\_\_\_\_  
(Budget Acct, Fiscal Year, # assigned by fiscal)

**DATE** \_\_\_\_\_

**VENDOR #** \_\_\_\_\_

**SHIP TO** \_\_\_\_\_

\*\*\*PLEASE REFERENCE ORDER NUMBER ON ALL  
INVOICES, CORRESPONDENCE AND BILLS OF  
LADING. THANK YOU.  
**SALES/TAX EXEMPTION# 88-6000022**

Contact Name \_\_\_\_\_ Ph No \_\_\_\_\_

**MAIL INVOICE TO**

Division of Public and Behavioral Health  
Attn: Fiscal Services  
4150 Technology Way, Suite 300  
Carson City, NV 89706

**STATE AGENCY USE ONLY**

Appr Unit \_\_\_\_\_  
Obj Code \_\_\_\_\_  
DPA No. \_\_\_\_\_  
DPA Max. \_\_\_\_\_  
Program/Project No. \_\_\_\_\_

ITEM NO.	QUANTITY	DESCRIPTION	UNIT	UNIT PRICE	TOTAL
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
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					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
SHIPPING & HANDLING					
<b>GRAND TOTAL</b>					<b>\$0.00</b>

Program Approving Initials \_\_\_\_\_

Division Approving Authority \_\_\_\_\_

Date \_\_\_\_\_

Original Sent to Fiscal Services-copy will be returned to budget when processed.