

STATE OF NEVADA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
CON Public Hearing for Barton Health Regional Hospital
Project
February 16, 2024

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 Barton HealthCare System Present

Clint Purvance MD
Mindi Befu
Chris Proctor

Members of the Public Present

Kileigh Labrado
Kelly Neiger
Elizabeth Stork
Carla Adams
Pat Fry
Jeff Rahbeck
Jeff Koeck
Wes Rice
Chris Kiser
Rachel Williams
Abby Killebrew
Thea Hardy
Assemblyman Ken Gray
Kirk Ledbetter
Shawn Anderson
Tom Jantos
K Glauner
Matt Milone
Carol Chaplin
Nikki Rudelbach
Lew Feldman
Steve Teshara
Gerald Ackerman

Dept. of Health and Human Services Staff Present

Tarryn Emmerich-Choi
Bethany Schimank

Hearing Summary and Minutes

The hearing commenced at 10:00 a.m.

1. Tarryn Emmerich-Choi, Office Manager 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 Barton Health Regional Hospital Project. She outlined the following:
 - a. The CON process aims to reduce the dilution of health care in rural areas and to prevent the resulting price increases and decreases in healthcare quality.

T. Emmerich-Choi concluded her remarks by stating that public comment will become part of the record and that the hearing process does not include a dialog or a question and answer session.

2. Clint Purvance, President and CEO of Barton Healthcare System presented a summary of the project. He states that that one of the biggest challenges is the aging infrastructure, that was built over 60 years ago. They currently have two hospitals on their California campus:
 - a. An acute care facility that houses many of the services related to the ER and trauma system in-patient beds, surgical services, OB and labor and delivery services
 - b. A long term care hospital that houses 48 beds to care for patients around the region and community in both long term care and skilled nursing with skilled nursing needs

He goes on to state that in looking at the aging infrastructure that Barton has with its acute care facility, part of the facility that is 60 years old is not able to be retrofit to meet the seismic requirements of 2030, which has placed the organization in a precarious position because the current laws in California would require the hospitals to close down that cannot be seismically retrofitted or upgraded. He explained that this has led Barth Health to take a look at all it's facilities, including the ambulatory practices on an outpatient basis to determine where they could replace their current California hospital. The current campus is built out and has limited growth opportunities and on the Nevada campus they would be able to build infrastructure, either outpatient ambulatory offices or hospital.

C. Purvance noted that there is an increasing demand for healthcare in our region and we have an aging demographic population in Lake Tahoe. He goes on to say that they also serve the underserved populations on both sides of the state line, Medical in California and Nevada Medicaid in Nevada, also noting that they care for all patients, whether they are insured, underserved or uninsured.

C. Purvance states that in looking at the future for Barton Health, the hospital relocation project really focuses on access to local high quality care and how they can expand that into the future ensuring that we have a long term viable community health system. One

that is affordable for the community and one that is affordable for the patients. He noted that they recognize that they have 60 year old facilities and building state of the art facilities with leading medical equipment and technologies to make certain that the standards of care that they are delivering are the highest that are available for their patients.

C. Purvance goes on to describe who Barton Health is noting the following:

- a. In South Lake Tahoe and in the Tahoe Basin, they are the only comprehensive healthcare system in the basin and that includes, an acute care hospital with an ER and a Level 3 trauma center that is certified and designated through the county and the American College of Surgeons nationally.
- b. They are a world's best hospital.
- c. They pride themselves on delivering safe, high-quality care to the community, which is their mission. They have been recognized by many outside rating agencies as some of the top hospitals in the world for three years in a row by Newsweek.
- d. When you look at the long term care hospital, U.S. News and World Report ranks Barton Health Regional Hospital is one of the top hospitals.

C. Purvance then moves on to talk about how Barton Health's history is deeply rooted in the care for the community. Noting that back in the early 1960's is when an association of men and women got together to plan for and to raise funds to build a hospital. That hospital opened in 1963 and has been present for 60 years and was incorporated as a private, not for profit company. Barton Health was incorporated from a factual standpoint before the city of South Lake Tahoe was incorporated, and so healthcare with art and health leadership has been present for the community for several generations in many years. Their goal is not only to meet the health care needs of the residents that they serve, but the surrounding region, including the many tourists that visit on a daily basis. He goes on to note that they have been known for decades for their orthopedic and sports medicine excellence. They also partner with the United States Ski and Snowboard Organization to bring high level care to Olympic athletes in the region, these tend to be winter athletes as well as our local population and our local everyday athletes.

C. Purvance further notes that if you look at the healthcare system today, it is a bi-state health system and the town is a bi-state town. Noting that the state line crosses through town near the urban core. He goes on to state that they have the healthcare services set up on both sides of the state line on the California campus currently and for the last 60 years, they have their acute care hospital that is licensed at 63 beds and the long term care hospital, which is licensed at 48 beds. The emergency department sees approximately 20,000 visits a year with the community health system health center, which is Barton Community Health Center serving around 21,000 visits a year. Noting that it is their rural health clinic, which is there to serve the underserved. He goes on to state that the majority of the visits outpatient and their outpatient registrations are approximately 265,000 a year. Many of their surgeries are also outpatient, about 3,800 a year, and they have

outpatient care on both campuses. He states that they have a campus at Stateline, in Nevada, where they see many outpatient visits in primary and specialty care as well as a surgery center on the Nevada side, where many of their surgeries occur which augments the current California campus where the acute care hospitals and our long term care hospital is located.

C. Purvance goes on to state that they are ready to rebuild the hospital and are trying to meet the timelines and the constraints of the California laws. Noting that they are on track to rebuild for the future. He goes on to state that when looking at sites in and around Lake Tahoe, where the community and primary service area resides, there are very few sites that can accommodate the healthcare system hospital being built. Barton did acquire, the Lakeside Inn and Casino, which went out of business after the start of COVID in 2020. Initially that parcel was purchased to consolidate many of the ambulatory outpatient services into one structure on the Nevada campus. He states that as it became evident that the California campus would need to be torn down and replaced, and they had limited land in California to accommodate the hospital with a new hospital build and with limited land in and around the South Shore region that could accommodate a hospital that the site of the Lakeside Inn became very attractive to build from ground and then open as they close one hospital and move into the next. The hospital that they are looking to build for the acute care hospital is approximately 120,000 square feet which is larger than the existing hospital. It has roughly the same bed count that they have today for the in-patient beds with roughly 20 observation short surgical stay outpatient beds for patients that need to be in the hospital for less than 24 hours. They are designing and rebuilding a 30,000 square foot skilled nursing long term care hospital in the project which would have approximately 45 beds. There is also space for a Cancer Center. Oncology is in need in our community, and they look to expand in the in the service of oncology and cancer care and in the plan for the facility as additional space that they don't have today for the care of their patients with cancer. The Nevada campus of the future will have the acute care hospital, which does have an emergency department, with a Level 3 trauma system. They will have surgical care and their OB birthing center will be present in the acute care hospital.

C. Purvance then goes on to note that if you look at our rural community and population, we have a primary service area of about 26,000 local residents that stay year round. However, any given weekend, especially in the winter and in the summer time that may grow up to 100,000 people that are staying within the basin, many of those individuals in the South Shore staying in the urban core, which is in that state line core, our secondary service area is about 134,000 patients. He then states that they are a bi-state organization and El Dorado County and Douglas County are two of the primary counties that they serve. There are projected increases in growth in Douglas County, both in the Tahoe Basin and outside. While the future projections are that there will be declines in the El Dorado County region of Lake Tahoe and the areas that we serve as our primary service area, we say we see patients of all types and of all pair mixes and we pride ourselves on caring for everybody whether they are local or out of town or even out of the country. They are a not for profit organization caring for and serving the healthcare needs locally, regionally and worldwide with some of the patients that travel to see us as well as some

of the patients that are here and need our care when they're visiting. About a third of the population that comes through the organization has private insurance, about 35% are elderly and have Medicare from a payer standpoint and then we have a mix of the Medicaid and Medical services and about 25% cash pay or other government payers. Noting that they see quite a blend of patients that we care for in our community, many of those being underserved.

C. Purvance goes on to state that they really want to make a difference for their patients and they believe that expanding services and keeping the local patients local and serving our visitors is at the core of their mission and what they strive to do in service to our community. He stated that they do have regional partnerships. Barton Health started the Carson Valley Medical Center, which is now Carson Valley Health 30 years ago. Barton and Renown are now 50/50 partners in that joint venture in Douglas County, and Barton and Renown together are rebuilding that hospital. That hospital will open in Gardnerville, Nevada later this fall. He goes on to note that they also send their patients quite frequently when they need tertiary referral care to Carson Tahoe Hospital, which is the next closest regional care facility. They also transfer to Renown Health for trauma and other higher level of cares care that they do not provide at Barton Health. From a California and Nevada bi-state location standpoint, both the California campus and the Nevada campus will send patients to all of these entities. Furthermore, the Nevada campus is close in proximity to where the patients are most frequently set in Carson City and in Reno. They also believe that there will be lower cost opportunities in the state of Nevada to conduct business. He states that in general, there are less regulations, and if it's a friendlier business environment in the state of Nevada and that is true for healthcare as well, they do believe that that will allow for them to reduce some of the costs as an organization, which will mean lower cost to not only the community but to the patients they serve and to the insurance payers that they contract. They currently contract and work with all patients' insurances within our health system. He states that they also believe that a new facility will bring it's significant improvements not only to the the facilities and the size of the facilities and spaces from an efficiency standpoint, but from a technology standpoint. He noted that when the 60 year old hospital was built, they did not have things like surgical robots like the da Vinci robot or the Mako robot, which they have today.

This equipment is larger than what they would traditionally use in open surgery or laparoscopic surgery, and new technologies require new spaces. He states that they are excited to build new spaces to house new technologies that they have today and in the future when they come.

C. Purvance states that they also know that this project will mean a lot to the South Shore community and whether you live in California or Nevada the hospital is centrally located to the urban core of our South Shore community and they will be readily accessed by both visitors the local residents and the region, it is a gateway project to the South Shore. He notes that it is one of the first projects that you will see as you enter into the urban core of the South Shore from Nevada and that gateway project will have many health and wellness aspects. It will also set the stage for what our community stands for, which is a

vibrant outdoor wellness and health focused culture. He notes that they have demolished an old, dilapidated hotel that was there, and are able to restore the site and have significant improvements in the environmental impacts not only to the site but to the lake and how they will treat surface water and how they will deal with water in general that moves through the land of that parcel. He states that because there are newer facilities, they will see significant improvements in energy conservation and efficiencies and because of the use being different, it's a hospital versus a hotel and casino, they will also see a reduction in the vehicle miles traveled and the amount of transportation in and around that project. A hospital requires less vehicle miles travel than the casino and hotel that was there previously. He notes that they also look forward to partnering with agencies to make sure that they have a great transportation system so that there can be not only free transit, but public transit in and around the healthcare campus of Nevada and into the South Shore, California community as well.

C. Purvance goes on to state that when you think about the opportunities from an economic standpoint and from a job growth standpoint, a project of this magnitude will be estimated to create at least 100 high quality construction positions for the new hospital design and construction. That project is roughly a three-year project. He noted that they do have permanent staff that will expand as well, with approximately 700 full-time equivalents and about 1000 employees with the range of skill sets and expertise to provide care, maintain new facilities and equipment and to serve our community. He states that they also know that to Nevada there will be a direct economic impact as some of the businesses around the hospital will see an increase in business.

C. Purvance states that they are ready to rebuild their hospital and take the journey into the future. He notes that the next step of transforming their healthcare system is thinking about the financial impacts of building a new health system, a new hospital and also updating and maintaining the current infrastructure that is seismically sound on the California campus. He states that in order to do this, it will require them to look at three areas for funding the project:

- a. One are the cash reserves. We have significant cash reserves in place to pay for a portion of this project.
- b. We're also very minimally leveraged, meaning we have very low debts. In fact, at the time of the start of this project, essentially Barton will have no debt, so we'll have the capacity to take on loans and we'll be looking for opportunities to take on some debt to fund the project.
- c. We also have an incredibly engaged philanthropic base and Tahoe. In fact, the 1st hospital was built on philanthropy and the monies raised by the community. We anticipate there'll be significant philanthropic efforts here to also support the rebuild of our hospital.

C. Purvance goes on to state that they are in a fine strong financial position moving forward to take on a project this size and continue expanding, growing and serving with the existing operations.

C. Purvance states that when you look at the timeline of what this project looks like, back in 2021 is when they first purchased the Lakeside Inn and Casino. He mentions it was

purchased so that they could expand their ambulatory footprint on the Nevada campus and consolidate some of the offices into one building. He notes that it became apparent with more of the seismic research that they did and it was determined that they would not be able to seismically retrofit the existing acute care hospital and long term care hospital and that they would need to be rebuilt. He continued to note that this created many challenges for them because on the California campus, this would mean the demolition of existing hospital structures and the discontinuation of certain hospital based services for a period of three to five years as a new hospital was built on that site, which would not be in the interest of service to the community. He states that they began exploring, in 2022 and 2023, different sites that could accommodate a hospital. The Lakeside Inn and Casino site that was purchased several years previously became the site that looked like it could accommodate the project well and would be closest to the urban core of the majority of the population base in Tahoe. He states that in 2024 they are going to spend most of the year receiving community input from their team members and planning the facility. He stated that he also anticipates working with the community partners, Douglas County, the TRPA (Tahoe Regional Planning Authority) and the state of Nevada as well as the state of California and then many of their partners in and around the basin to determine impacts and how to mitigate those and how to grow the opportunity for care of the community together. In late 2024 and 2025, they anticipate certain levels of project approval, noting that they have many agencies to work with.

He goes on to state that this really is a first step with the state of Nevada and the CON process, if the project is approved, they hope to break ground or at least do some site work in 2025 in the summer, related to the project, and then be in full construction in 2026. The project because of its scope and size is approximately a three year project and given the winters that Tahoe experiences, they anticipate that in 2029 the new hospital will be ready to occupy and open. At that point in time they will decommission the old hospital, move into the new hospital and then will be looking at what can be done with the existing infrastructure, some of which is still has useful life and still will be in place to serve the community's need on the California campus and they will spend some time redesigning the California campus. Currently they are looking at our California campus to continue with many of the ambulatory visits that they do today, including in primary care and specialty care, the rural health clinic, some surgical opportunities for care of the community in an outpatient setting and many more opportunities when it comes to ancillary services such as lab and radiology services. He goes on to state they are also looking at repurposing some of the existing buildings and structures for workforce housing, noting that we have a great need in our community for workforce housing and they hope to be able to repurpose some of the older infrastructure that is aging out to accommodate workforce housing and the development of more residential units for the community. He states that the campus in California is in the back of a residential neighborhood so they look forward to turning over many of the properties there for the development of further residential opportunities for living. The campus and Nevada is in an urban core in closer proximity to many of the not only residents and visitors that we see, but, if you looked at the Nevada campus, it is approximately 5.5 miles away from the existing California campus. They believe that that distance to travel for acute care services will not have significant impacts, not only on the care they deliver, but the

patients that they serve. With the two campus approach to health care, maintaining services on the California campus is a priority for the California community and those that live in closer proximity to that campus.

Lastly C. Purvance concludes by stating that Barton Health wants to thank everyone for joining and for their interest in this project. He looks forward to receiving public comments today and taking those into consideration into the project as well as in second quarter launching their public campaign for input and awareness of the project. He goes on to state that it is a multi year project and they will have many opportunities to engage the community and their goal is to engage the community and the improvement of health and wellness and to set up a long term viable healthcare system to serve generations to come.

3. Public Comment:

Assemblyman Ken Gray supports this project. He states that this is a fantastic project and that this project is coming at the right time and is bringing new technology to the community and advanced healthcare services that we desperately need within his assembly district in our communities. He mentions that cannot wait until the place gets done and we can get people in there. Also that when he first moved to Nevada he was an ER nurse at the old Barton facility and was really looking forward to the new one (facility).

Gerald Ackerman, with the University of Nevada, Reno School of Medicine and the State Office of Rural Health supports this project. He states that he is looking forward to working with the folks at Barton Memorial in working with them and in some of the services and technical assistance that his office is able to provide as the project moves forward.

Kirk Ledbetter is in support of the project. He states that this is a needed facility in Lake Tahoe and it will be neat to see the modern facility. He mentions that his family was involved in the original donation of land that got the property moving in the South Lake Tahoe area so it is neat to see a lot of movement and facilities staying in the Tahoe Basin to serve the population and visitors that go to the lake.

Wes Rice, commissioner of Douglas County, is in support of the project. He states that this will give him a place much closer to home, so he does not have to drive across town. He states that Barton Health has been an incredible source of pride for many people in Douglas County and South Shore. He goes on to state that he sees no downsides to this, only upsides. The people in the neighborhood will be able to walk there and they now have micro transit in South Lake Tahoe so folks can go from their door to the hospital door.

Carol Chaplin, CEO of the Lake Tahoe Visitors Authority, and a 42 year resident of South Shore is in support of the project. She goes on to state that both of her sons were born at Barton and her family has used their services for many years. She states that the new development will give the community so much more access to higher level care. She

notes that her son has had probably 12 surgeries at Barton. They cannot see anything but higher and better quality and even more services that the local community needs. She notes that from a visitors authority standpoint they have people that take advantage of the incredible team at Barton. This new facility would increase the quality of care and variety of services, not to mention that the community is getting more diverse and needs different kinds of medical services.

Tarryn Emmerich-Choi then reads two letters of support that were submitted to the Primary Care Office (copies of these letters are attached at the end of the meeting minutes).

Steve Teshara, Director of Government Relations for the Lake Tahoe South Shore Chamber of Commerce, also known as Tahoe Chamber, fully supports the Barton application. He states that Barton has a long history of service in the community as healthcare options do not come along very often and we should not lose this opportunity, so as the largest business organization on the South Shore they are pleased to support Barton's application.

4. Barton Health Partners are then given time to provide a summation of their position following the public comments. Clint Purvance, President and CEO of Barton Healthcare System thanked the community and community partners for their broad support for the project. Stating that this is a transformational project and they have been serving the community for over 60 years and look forward to serving the community for generations to come. He stated that he believes that this opportunity on the Nevada side will be impactful for not only the local community, but the tourists and the regional patients that they care for. Currently, they are very focused on the needs of the community and making certain that the two campus approach to healthcare is maintained. He continues on to say that even though the hospital will be moving 5.5 miles away from its existing site that the two campus, Nevada and California locations will maintain services to care for those who are close to those campuses for the vast majority of the care that they require. C. Purvance states that he looks forward to engaging the community this year in more public comment opportunities and they are grateful for the opportunity to be in front of the state of Nevada today and thanks those that are in support of the project.

5. The meeting was closed by Tarryn Emmerich-Choi at 10:39 am.



February 2, 2024

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

Sent electronically to: nvpco@health.nv.gov

RE: BARTON HEALTH STATELINE REGIONAL EXPANSION PROJECT

Dear Primary Care Office:

The Nevada Hospital Association supports Barton Memorial Hospital's project to build a new hospital in Stateline, Nevada. Barton enjoys a wonderful reputation, and we believe that Barton will be a great addition to the healthcare delivery system in Nevada.

Thank you for the opportunity to provide comments.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Patrick D. Kelly", is written over a light blue circular watermark or seal.

Patrick D. Kelly
President and CEO
Nevada Hospital Association

Tarryn Emmerich-Choi

From: Titus, Robin Senator <Robin.Titus@sen.state.nv.us>
Sent: Thursday, February 15, 2024 6:58 PM
To: DPBH NV PCO
Cc: Chris Proctor
Subject: Barton Health Hospital Relocation

WARNING - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello,

The Barton Health Hospital Relocation Certificate of need public hearing is tomorrow.

Unfortunately, I will not be able to attend as I will be in

The Health and Human Services Legislative Interim Committee.

This email is to express my strong support of the relocation.

Access to health care is a priority of mine and this move would go a long way to improving access in Nevada.

In their application they list the services that they already offer, in addition to the expanded services that they would be able to provide.

Health care opportunities do not come often enough to Nevadan's. We cannot afford to lose this one.

I would be happy to discuss this with you further if needed.

Best wishes,

Robin L. Titus MD
Nevada State Senate Minority Leader
District 17