



CERTIFICATE OF NEED APPLICATION

Valley Park East

Establish 18-Bed Residential Care Facility

Project #5318 RS

submitted to

Missouri Health Facilities Review Committee



Certificate of Need Program

NEW OR ADDITIONAL LONG TERM CARE BED APPLICATION*

Applicant's Completeness Checklist and Table of Contents

Project Name: Valley Park East Project No: 5318 RS

Project Description: Establish 18-Bed Residential Care Facility

Done Page N/A Description

Divider I. Application Summary:

- 6 1. Applicant Identification and Certification (Form MO 580-1861).
7-8 2. Representative Registration (Form MO 580-1869).
9-11 3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

Divider II. Proposal Description:

- 13 1. Provide a complete detailed project description.
17 2. Provide a timeline of events for the project, from the issuance of the CON through project completion.
18 3. Provide a legible city or county map showing the exact location of the proposed facility.
19 4. Provide a site plan for proposed project.
20 5. Provide preliminary schematic drawings for the proposed project.
21 6. Provide evidence that architectural plans have been submitted to the Department of Health and Senior Services.
13 7. Provide the proposed gross square footage.
22 8. Document ownership of the project site, or provide an option to purchase.
23-24 9. Define the community to be served.
25-26 10. Provide 2020 population projections for the 15-mile radius service area.
14 11. Identify specific community problems or unmet needs the proposal would address.
14 12. Provide historical utilization for each of the past three (3) years and utilization projections through the first three (3) full years of operation of the new LTC beds.
15 13. Provide the methods and assumptions used to project utilization.
15 14. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.
27-30 15. Provide copies of any petitions, letters of support or opposition received.

Divider III. Service Specific Criteria and Standards:

- 1. For ICF/SNF beds, address the population-based bed need methodology of fifty-three (53) beds per one thousand (1,000) population age sixty-five (65) and older.
32 2. For RCF/ALF beds, address the population-based bed need methodology of twenty-five (25) beds per one thousand (1,000) population age sixty-five (65) and older.
-- 3. For LTCH beds, address the population-based bed need methodology of one-tenth (0.1) bed per one thousand (1,000) population.
-- 4. Document any alternate need methodology used to determine the need for additional beds such as Alzheimer's, mental health or other specialty beds.
-- 5. For any proposed facility which is designed and operated exclusively for person with acquired human immunodeficiency syndrome (AIDS) provide information to justify the need for the type of beds being proposed.
-- 6. If the project is to add beds to an existing facility, has the facility received a Notice of Noncompliance within the last 18 months as a result of a survey, inspection or complaint investigation? If the answer is yes, explain.

Divider IV. Financial Feasibility Review Criteria and Standards:

- 38 1. Document that the proposed costs per square foot are reasonable when compared to the latest "RS Means Construction Cost data".
42 2. Document that sufficient financing is available by providing a letter from a financial institution or an auditors statement indicating that sufficient funds are available.
43 3. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) for the latest three (3) years, and projected through three (3) full years beyond project completion.
39 4. Document how patient charges are derived.
39 5. Document responsiveness to the needs of the medically indigent.
-- 6. For a proposed new skilled nursing or intermediate care facility, what percent of your admissions would be Medicaid eligible on the first day of admission or become Medicaid eligible within 90 days of admission?
-- 7. For an existing skilled nursing or intermediate care facility proposing to add beds, what percent of your admissions is Medicaid eligible on the first day of admission or becomes Medicaid eligible within 90 days of admission?

*Use for RCF/ALF, ICF/SNF and LTCH beds

DIVIDER I: Application Summary

Application Summary shall include the completed forms in the following order:

1. Applicant Identification and Certification (Form MO 580-1861)

(see Attachment 2, preceded by amended Letter of Intent, see Attachment 1)

2. Representative Registration (Form MO 580-1869)

(see Attachments 3a and 3b)

3. Proposed Project Budget (Form MO 580-1863) and detail sheet

(see Attachments 4a thru 4c)

DIVIDER I: Attachments



Certificate of Need Program
LETTER OF INTENT

Attachment 1

1. Project Information <i>(Attach additional pages as necessary to identify multiple project sites.)</i>		
Title of Proposed Project Valley Park East / New 18 Bed Residential Care Facility		County Cole
Project Address <i>(Street/ City/ State/ Zip Code or Plat map if no address)</i> 5708 Wardsville Road, Wardville, Missouri 65101		
2. Applicant Identification <i>(Attach additional pages as necessary to list all owners and operators.)</i>		
List All Owner(s): <i>(List corporate entity.)</i>	Address <i>(Street/City/State/Zip Code)</i>	Telephone Number
Holman Construction Company	P.O.Box 591, Macon, Missouri 63552	660-385-7888
List All Operator(s): <i>(List entity to be licensed or certified.)</i>		
Address <i>(Street/City/State/Zip Code)</i>		Telephone Number
PCH Wardsville, LLC		218 COvered Wagon Road, Jefferson City, Mo 65109 573-690-9500
3. Type of Review		4. Project Description <i>(Information should be brief but sufficient to understand scope of project.)</i>
<p>Full Review:</p> <input type="checkbox"/> New Hospital <input checked="" type="checkbox"/> New/Add LTC Beds* <input type="checkbox"/> New/Add LTCH Beds/Eqpt. <input type="checkbox"/> New/ <input type="checkbox"/> Additional Equipment <input type="checkbox"/> Replacement Equipment not previously approved <p>Expedited Review:</p> <input type="checkbox"/> 6-mile RCF/ALF Replacement <input type="checkbox"/> 15-mile LTC Replacement <input type="checkbox"/> 30-mile LTC Replacement <input type="checkbox"/> LTC Bed Expansion <input type="checkbox"/> LTC Renov./Modernization <input type="checkbox"/> Equipment Replacement previously approved <p>Non-Applicability Review:</p> <input type="checkbox"/> (See 7. Applicability next page)		<p><i>Include the number of long-term care beds to be added or replaced, square footage of new construction and/or renovation, services affected, and major medical equipment to be acquired or replaced. If requesting a non-applicability letter, also complete the next page of this form.</i></p> <p>To construct a new 18 bed residential care facility in the Wardsville Missouri area. It's planned to be approximatley 10,000 square feet, all brick building on a concrete slab. This facility will not be requiring ANY PUBLIC FUNDS, all residents will be PRIVATE PAY ONLY! There will be NO MEDICAL EQUIPMENT PURCHASED.</p> <p>There are NO residential care facilities south or west of Wardsville to serve a large population of retired senior citizens who have expressed their concern for re-locating to the Jefferson City area. In the 2020 census projections there shows over 900 senior citizens over 65 years of age, living alone living along in the south - western side of the the Wardsville area where the facility is planned.</p> <p><small>*If new or additional long-term care beds, provide the average occupancy of all licensed and available beds in the appropriate category within the fifteen-mile radius, check one of the following, and attach applicable documentation or explanation. <input type="checkbox"/> Bed need standard is met. <i>(Attach documentation.)</i> -OR- <input checked="" type="checkbox"/> Special exceptions apply. <i>(Attach explanation.)</i></small></p>
Key: LTC = Long-Term Care; LTCH = Long-Term Care Hospital; RCF/ALF = Residential Care Facility/Assisted Living Facility		
5. Estimated Project Cost:		\$ 1,450,000
6. Authorized Contact Person Identification <i>(List only one person, regardless of number of owners/operators.)</i>		
Name of Contact Person Tom Hoferlin		Title Operator
Contact Person Address <i>(Company/ Street/ City/ State/ Zip Code)</i> 218 Covered Wagon Road, Missouri 65109		
Telephone Number 573-690-9500	Fax Number n/a	E-mail Address brettspapa@aol.com
Signature of Contact Person 		Date of Signature 3-25-16



APPLICANT IDENTIFICATION AND CERTIFICATION

The information provided must match the Letter of Intent for this project, without exception.

1. Project Location (Attach additional pages as necessary to identify multiple project sites.)

Table with 2 columns: Title of Proposed Project, Project Number, Project Address, County. Values: Valley Park East, 5318 RS, 5708 Wardsville Road, Wardsville, Missouri 65101, Cole.

2. Applicant Identification (Information must agree with previously submitted Letter of Intent.)

Table with 3 columns: List All Owner(s), Address, Telephone Number. Includes entries for Holman Construction Company and PCH Wardsville, LLC.

3. Ownership (Check applicable category.)

Checkboxes for Nonprofit Corporation, Partnership, Individual, Corporation, City, County, District, Other.

4. Certification

In submitting this project application, the applicant understands that:

- (A) The review will be made as to the community need for the proposed beds or equipment in this application;
(B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area;
(C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute;
(D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
(E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
(F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

5. Authorized Contact Person (Attach a Contact Person Correction Form if different from the Letter of Intent.)

Table with 3 columns: Name of Contact Person, Title, Telephone Number, Fax Number, E-mail Address, Signature of Contact Person, Date of Signature. Values: Tom Hoeflerlin, Consultant, 573-690-9500, n/a, brettspapa@aol.com, [Signature], 7/29/10.



REPRESENTATIVE REGISTRATION

(A registration form must be completed for each project presented.)

Project Name Valley Park East	Number 5318RS
----------------------------------	------------------

(Please type or print legibly.)

Name of Representative Tom Hoferlin	Title Consultant
--	---------------------

Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) PCH Management, LLC	Telephone Number 573-690-9500
--	----------------------------------

Address (Street/City/State/Zip Code)
218 Covered Wagon Road, Jefferson City, Mo 65109

Who's interests are being represented?
(If more than one, submit a separate Representative Registration Form for each.)

Name of Individual/Agency/Corporation/Organization being Represented Holman Construction Company	Telephone Number 660-651-6655
---	----------------------------------

Address (Street/City/State/Zip Code)
P.O. Box 591, Macon, Missouri 63552

Check one. Do you:

- Support
- Oppose
- Neutral

Relationship to Project:

- None
- Employee
- Legal Counsel
- Consultant
- Lobbyist
- Other (explain):
Operator

Other Information:

I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: *Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.*

Original Signature 	Date 7-29-16
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REPRESENTATIVE REGISTRATION

(A registration form must be completed for **each** project represented)

Project Name Valley Park East new 18-bed residential care facility	Number 5318 RS
---	--------------------------

(Please type or print legibly)

Name of Representative Thomas R. Piper	Title CEO
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Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) MacQuest Consulting, LLC	Telephone Number 573-230-5350
---	----------------------------------

Address (Street/City/State/Zip Code)
1003 Boonville Road
Jefferson City, MO 65109

Who's interests are being represented?
(If more than one, submit a separate Representative Registration Form for each.)

Name of Individual/Agency/Corporation/Organization being Represented Valley Park East	Telephone Number 573-690-9500
--	----------------------------------

Address (Street/City/State/Zip Code)
5708 Wardsville Road, Wardsville MO 65101

Check one. Do you:

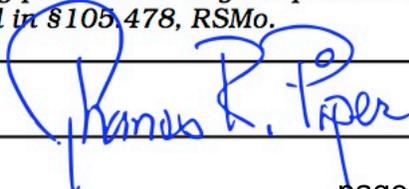
- Support
- Oppose
- Neutral

Relationship to Project:

- None
- Employee
- Legal Counsel
- Consultant
- Lobbyist
- Other (explain):

Other information:

I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: *Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.*

Original Signature 	Date August 1, 2016
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PROPOSED PROJECT BUDGET

Description

Dollars

COSTS:*

(Fill in every line, even if the amount is "\$0".)

1. New Construction Costs ***	\$1,147,000
2. Renovation Costs ***	\$0
3. Subtotal Construction Costs (#1 plus #2)	\$1,147,000
4. Architectural/Engineering Fees	\$5,000
5. Other Equipment (not in construction contract)	\$45,000
6. Major Medical Equipment	\$0
7. Land Acquisition Costs ***	\$75,000
8. Consultants' Fees/Legal Fees ***	\$5,000
9. Interest During Construction ***	\$14,000
10. Other Costs ****	\$159,000
11. Subtotal Non-Construction Costs (sum of #4 through #10)	\$303,000
12. Total Project Development Costs (#3 plus #11)	\$1,450,000 **

FINANCING:

13. Unrestricted Funds	\$0
14. Bonds	\$0
15. Loans	\$1,450,000
16. Other Methods (specify: _____)	\$0
17. Total Project Financing (sum of #13 through #16)	\$1,450,000 **

18. New Construction Total Square Footage	12,000
19. New Construction Costs Per Square Foot *****	\$ 95.58
20. Renovated Space Total Square Footage	0
21. Renovated Space Costs Per Square Foot *****	\$0

* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs. For major medical equipment, refer to 19 CSR 60-50.300 (11) for inclusion of costs.

** These amounts should be the same.

*** Capitalizable items to be recognized as capital expenditures after project completion.

**** Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

***** Divide new construction costs by total new construction square footage.

***** Divide renovation costs by total renovation square footage.

Proposed Project Budget Detail Sheet

1. New Construction Costs

\$1,147,000 represents the cost of new construction with the attached project estimate prepared by RS Construction, LLC (see *Attachment 4c*).

2. Renovation Costs

(not applicable)

4. Architectural/Engineering Fees

\$5,000 represents the estimated cost of architectural fees allocated to this new construction as determined by the contractor, for this 18-bed residential care facility structure.

5. Other Equipment (not in construction contract)

\$45,000 was allocated for furniture, laundry, dining and common areas.

6. Major Medical Equipment

(not applicable)

7. Land Acquisition Costs

\$75,000 is the purchase value of the land for new construction (see *Attachment 7a*).

8. Consultant's Fees/Legal Fees

\$5,000 for development fees.

9. Interest During Construction

\$14,000 has been allocated for construction interest.

10. Other Costs

\$109,000 has been estimated for surveys, permits, construction audit, loan commitment fee, appraisal, title insurance, marketing, sales salaries/commissions, promotional material and advertising.

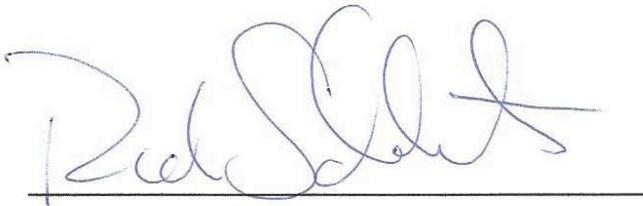
**RS Construction Company
100 Shoshone Hills
Holts Summit, Missouri 65043**

August 1, 2016

To whom it may concern:

**re: Valley Park East
18 Bed RCF
Wardsville, Mo**

As general contractor, I estimate the total cost of this construction project to be approximately \$1,450,000. This does not cover any unforeseen increase in materials, etc.

A handwritten signature in blue ink, appearing to read "Rick Schlueter", is written over a horizontal line.

**Rick Schlueter
RS Construction, LLC.
Holts Summit, Missouri**

DIVIDER II: Proposal Description

DIVIDER II: Proposal Description

Proposal description shall include documents which:

1. Provide a complete detailed project description.

Proposal to construct a 18-bed Residential Care Facility (RCF) to include basic support services in Wardsville, MO.

This will be accomplished in by constructing a total of 12,000 square foot in a new structure.

2. Provide a timeline of events for the project, from the issuance of the CON through project completion.

(see Attachment 5a)

3. Provide a legible city or county map showing the exact location of the proposed facility.

(see Attachment 5b)

4. Provide site plan for the proposed project.

(see Attachments 5c <site plan>)

5. Provide preliminary schematic drawings for the proposed project.

(see Attachment 5d <facility schematic>)

6. Provide evidence that architectural plans have been submitted to the DHSS.

(see Attachment 6)

7. Provide the proposed gross square footage.

The proposed square footage of the new facility will be 12,000 square feet.

8. Document ownership of the project site, or provide an option to purchase.

Attached please find the 1-page copy of the Option to Purchase, which documents the intent to buy the real estate by PCH Healthcare, LLC, from Henley and Sons Construction, Inc. (see *Attachment 7a*).

9. Define the community to be served.

The community to be served is primarily defined as the people aged 65 and over who reside within the 15-mile radius (see *Attachment 5a*) from this location who are in need of residential care services.

10. Provide 2015 population projections for the 15-mile radius service area.

The applicant has adjusted the population data based on the applicable Rules process using the 2020 projections acquired from the Department of Health and Senior Services. The following tables and maps illustrate this information (see *Attachments 8a <DHSS 15-mile zip code and cities maps>*, *8b <DHSS 15-mile zip code populations>*, and *8c - 8d <2020 Population Projections & Bed Need>*).

11. Identify specific community problems or unmet needs the proposal would address.

When the community need methodology of 25 beds per one thousand population 65+ is applied to the 15,709 population of 65+ in the 15-mile radius, it results in a total RCF/ALF need of 393 beds. There are 499 licensed and 45 approved RCF/ALF beds in the same radius according to the CON published inventory. Thus, there is a surplus of 151 RCF/ALF beds in this area.

12. Provide utilization projections through the first three years of operation of the new LTC beds.

Since this is a new residential care facility, there is no historical data. Projected utilization for the first three years is delineated by type of service and total:

<u>Year</u>	<u>Patient Days</u>
2018	2,736
2019	6,344
2020	6,323

13. Provide the methods and assumptions used to project utilization.

Utilization projections are based on extensive experience of the Applicant in numerous other residential care facilities currently in operation in Missouri, and localized for this specific area.

14. Document that consumers needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.

The Applicant met with numerous residents and officials in the Wardsville area in order to determine their perceptions of long-term care needs in this area. All were very supportive and encouraging.

Consumer needs in the community will be met by this 18-bed residential care facility because the care model will focus on the basic care needs of the residents. These services are currently of limited availability in the area.

Interested persons were also notified of this application via newspaper Public Notice in the August 25, 2016, edition of the Jefferson City News Tribune (see *Attachment 11d*).

15. Provide copies of any petitions, letters of support or opposition received.

The following letters of support (see *Attachments 9a-d*):

- Senator Mike Kehoe, 6th District (*in process*)
- Representative Mike Bernskoetter, District 59 (*in process*)
- Father I. C. Medina, Pastor, St. Stanislaus Church
- Brian Berhorst, President, Mid America Bank

DIVIDER II: Attachments



CONSTRUCTION TIME LINE FOR VALLEY PARK EAST

- Original CON issued November 7, 2016
- Land purchased on November 15, 2016
- Construction began on December 5, 2016
- Projected completion on August 31, 2017
- Final state licensure approval September 6, 2017
- Projected Opening Day September 18, 2017

Submitted: Tom Hoferlin / Member LLC

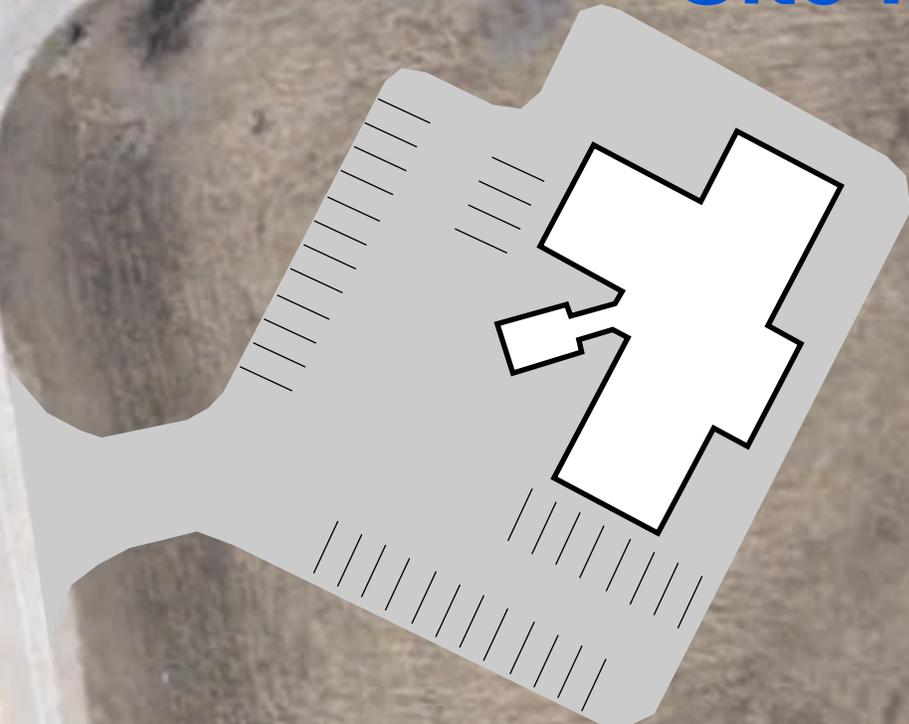
Overview of Geographic Location of proposed Wardsville RCF



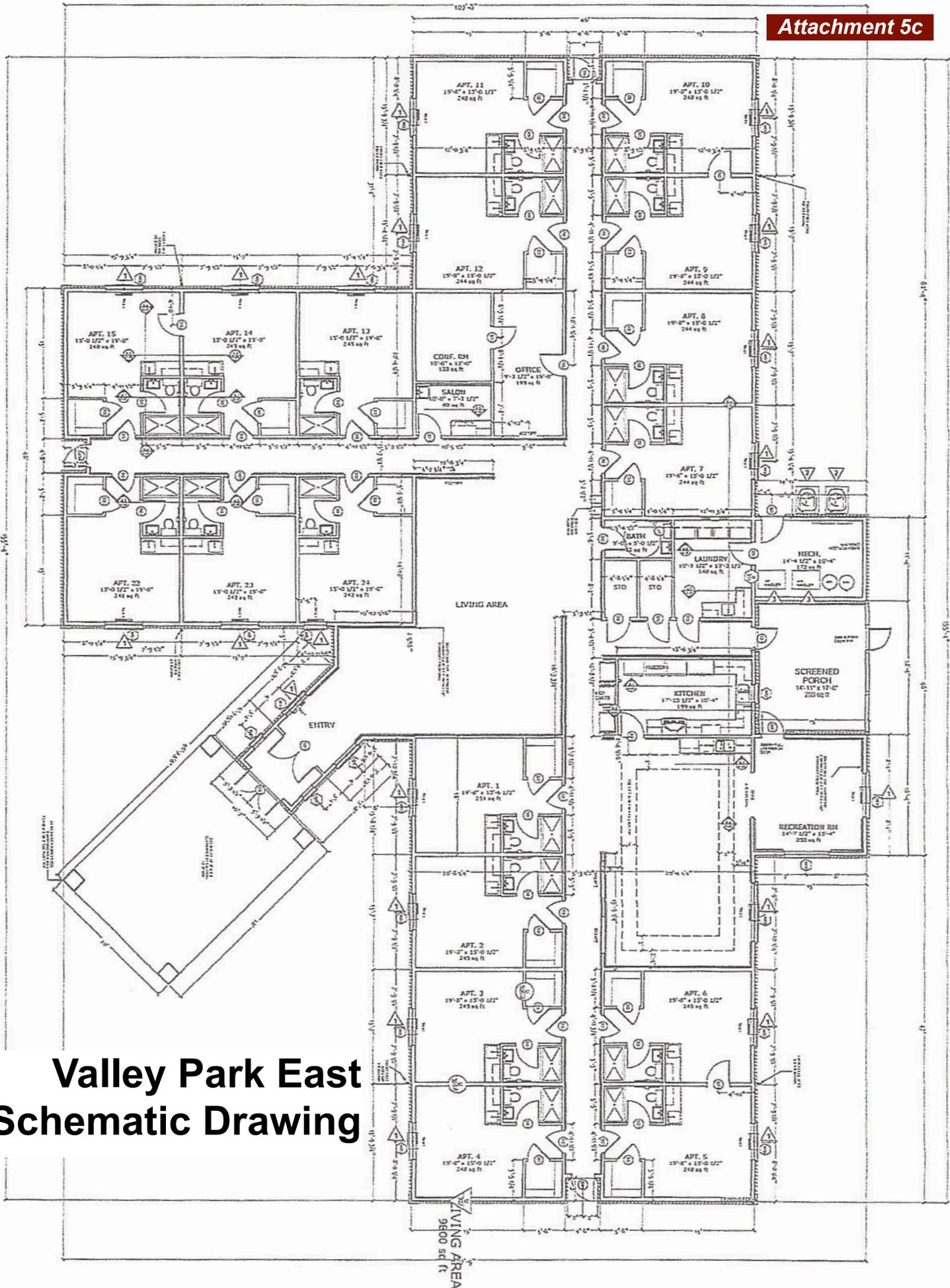
Site Plan

Rte B

Wardsville Road



NO. 1	GENERAL NOTES
NO. 2	APARTMENT FINISHES
NO. 3	COMMON AREA FINISHES
NO. 4	MECHANICAL
NO. 5	ELECTRICAL
NO. 6	PLUMBING
NO. 7	PAINTS AND COATINGS
NO. 8	GLASS AND GLAZING
NO. 9	IRONING
NO. 10	WOODWORK
NO. 11	CEILING
NO. 12	FLOORING
NO. 13	WALLS
NO. 14	ROOFING
NO. 15	FOUNDATION
NO. 16	CONCRETE
NO. 17	STEEL
NO. 18	MECHANICAL
NO. 19	ELECTRICAL
NO. 20	PLUMBING
NO. 21	PAINTS AND COATINGS
NO. 22	GLASS AND GLAZING
NO. 23	WOODWORK
NO. 24	CEILING
NO. 25	FLOORING
NO. 26	WALLS
NO. 27	ROOFING
NO. 28	FOUNDATION
NO. 29	CONCRETE
NO. 30	STEEL



Valley Park East Schematic Drawing

SCALE 5/32" = 1'-0"

From: Tom Piper <macquest@mac.com>
Subject: Valley Park East schematics
Date: August 1, 2016 at 3:39:14 PM CDT
To: David East <david.east@dhss.mo.gov>

David:

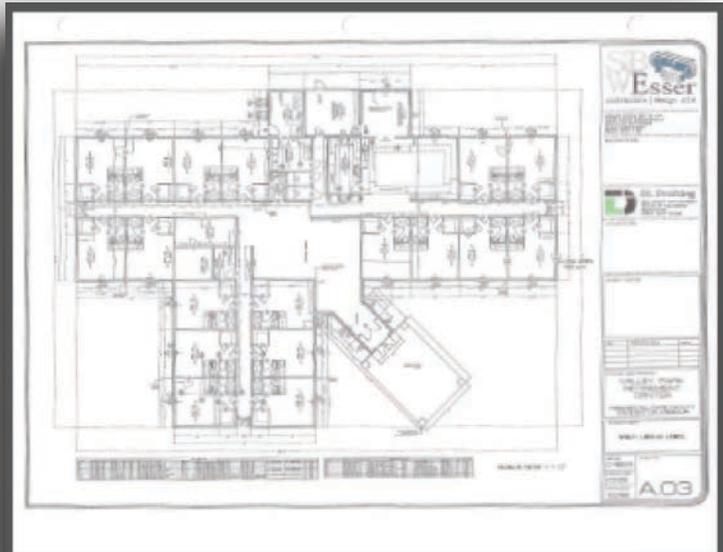
Please find attached a schematic and set of elevations for a new 18-bed RCF in Wardsville.

This is information provided on behalf of Tom Hoeflerlin for his CON application.

Best wishes,

Tom

Thomas R. Piper, CEO
MacQuest Consulting, LLC
1003 Boonville Road
Jefferson City, MO 65109
ph: 573-230-5350





August 12, 2016

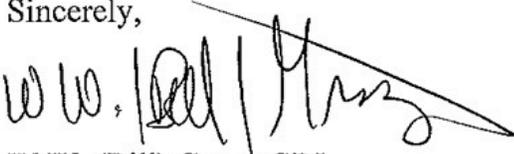
RE: Land in Wardsville, Missouri

To Whom It May Concern:

This letter is to certify that if and when PCH Healthcare, LLC obtain a certificate of need in the coming months for this parcel of land in Wardsville, I would be interested in selling them this property pursuant to their CON. For further clarification, by signing this document it does not determine the price of the land in Wardsville.


Owner

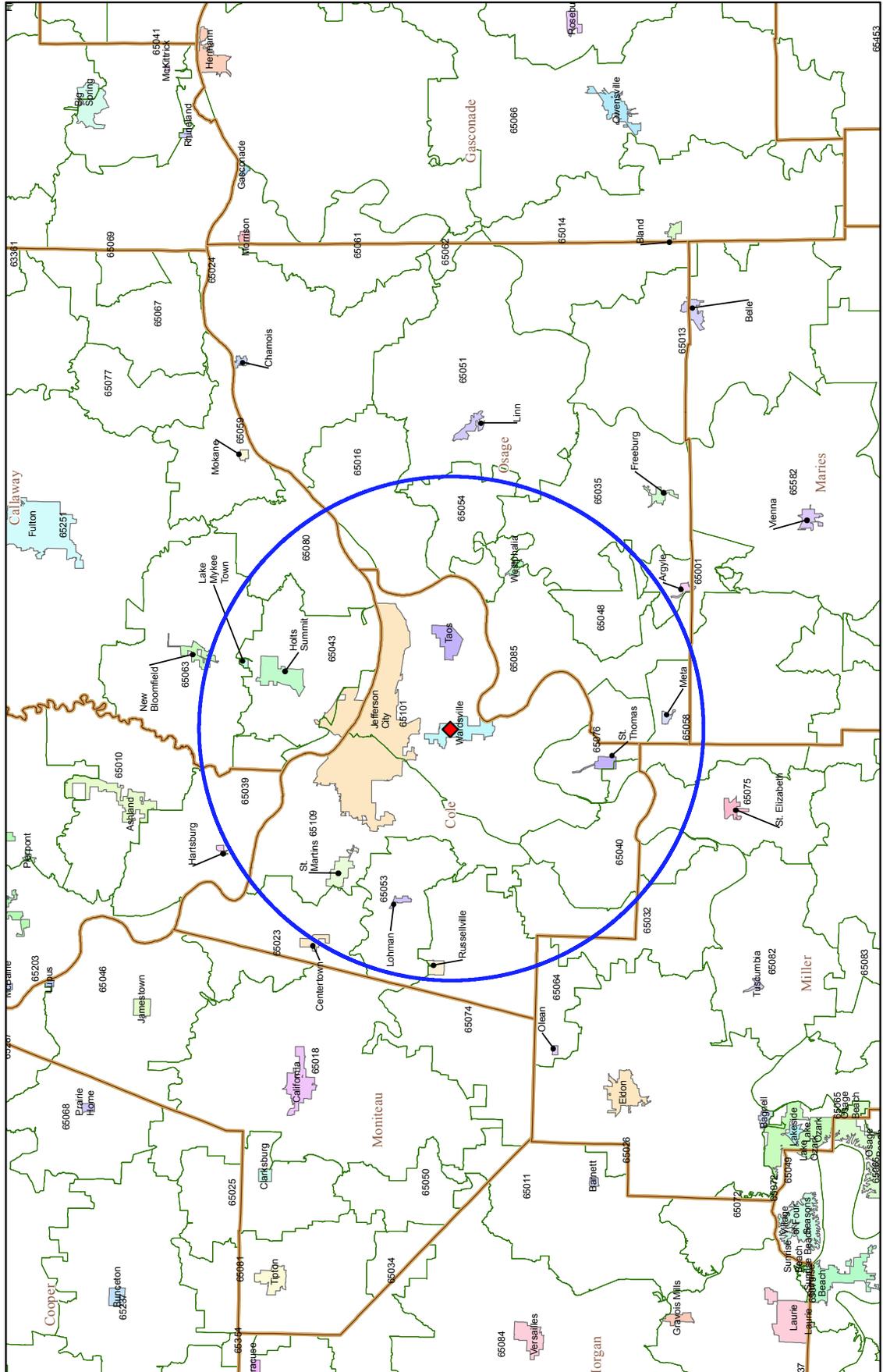
Sincerely,


W.W. (Bill) Gratz, GRI
Broker and Auctioneer

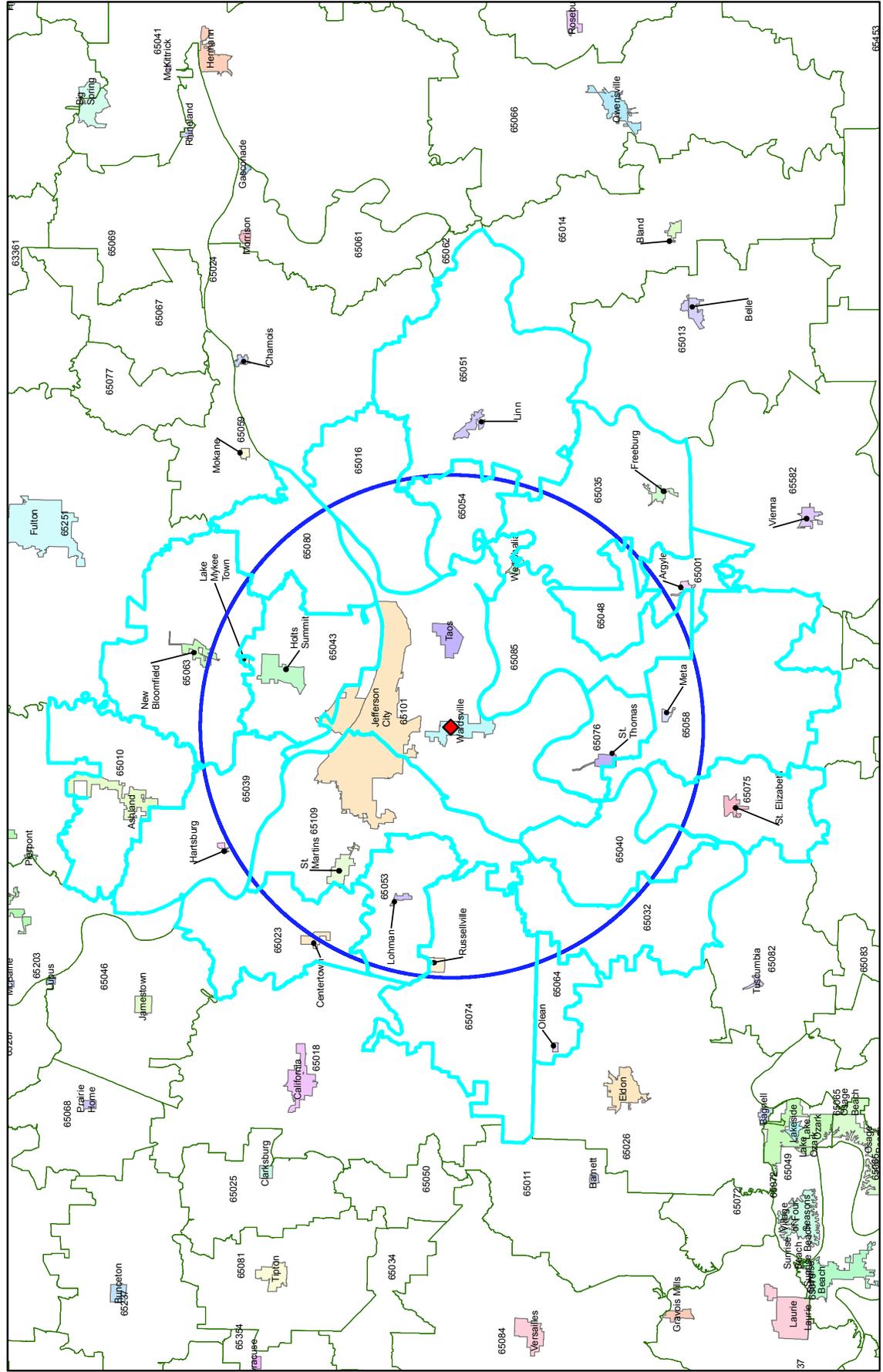
CON 15 Mile Radius

5708 Wardsville Road
Wardsville, MO 65101

(Lat: 38.498874 & Long: -92.176819)



CON 15 Mile Radius
5708 Wardsville Road
Wardsville, MO 65101
(Lat: 38.498874 & Long: -92.176819)



2020 Population Projections for Wardsville RCF 65101

2020 County Projections				2020 City Projections				
Zip	County	Total Pop	65+ Pop	Zip	County	City	Total Pop	65+ Pop
65001	Osage	422	97	65001	Osage	Argyle	159	49
65010	Boone	6,933	1,139	65010	Boone	Ashland	4,652	643
65016	Osage	1,362	236	65023	Cole	Centertown	286	72
65023	Cole	1,830	342	65023	Cole	St. Martins	1,241	197
65032	Miller	2,013	261	65035	Osage	Freeburg	426	100
65035	Osage	1,858	289	65035	Osage	Westphalia	418	193
65039	Boone	2,557	464	65039	Boone	Hartsburg	105	26
65040	Cole	1,246	173	65043	Callaway	Holts Summit	3,722	581
65043	Callaway	9,433	1,504	65043	Callaway	Jefferson City	44,918	7,367
65048	Osage	152	27	65043	Callaway	Lake Mykee	367	76
65051	Osage	5,169	858	65051	Osage	Linn	1,456	223
65053	Cole	1,566	270	65053	Cole	Lohman	161	30
65054	Osage	814	139	65058	Maries	Meta	215	32
65058	Maries	1,042	161	65058	Maries	St. Thomas	268	32
65063	Callaway	3,435	539	65063	Callaway	New Bloomfield	716	81
65064	Miller	564	85	65064	Miller	Olean	123	13
65074	Cole	3,316	513	65074	Cole	Russellville	799	93
65075	Miller	824	155	65075	Miller	St. Elizabeth	365	105
65076	Cole	900	132	65076	Cole	St. Thomas	268	32
65080	Callaway	921	165	65085	Osage	Westphalia	418	193
65085	Osage	1,262	302	65101	Cole	Jefferson City	44,918	7,367
65101	Cole	32,386	4,309	65101	Cole	Taos	1,248	214
65109	Cole	40,774	7,673	65101	Cole	Wardsville	1,776	203
Totals		120,779	19,833	65109	Cole	Jefferson City	44918	7367
				65109	Cole	St. Martins	1241	197

Address: 5708 Wardsville Road, Wardsville, MO 65101

**Senator Mike Kehoe
Letter of Support
(in process)**

**Representative
Mike Bernskoetter
Letter of Support
(in process)**

St. Stanislaus Church

6418 RT W

Wardsville, MO 65101-9702

573-636-4925

August 11, 2016

Certificate of Need Committee:

It is my understanding Tom and Patsy Hoeflerin, owners/operators of Valley Park Retirement Centers in Holts Summit, Fulton and California, Missouri have a desire to build a retirement center in the Wardsville area. This letter is in support of this effort.

The planned 18 bed facility will allow our local senior citizen residents the opportunity to stay in their community, close to family and friends. The Center will provide meals, housekeeping, laundry services, medication administration as well as many planned activities.

It is the hope and desire of our parish that the needs of our senior citizens are met with a safe, healthy and welcoming environment to call home. Thank you for your consideration.

Sincerely,



Rev. I. C. Medina,
Pastor



WARDSVILLE / META / LINN / HOLTS SUMMIT / BELLE
www.midambk.com

August 11, 2016

To whom it may concern,

Mid America Bank is pleased to support an eighteen bed residential care facility in the Wardsville area. I think this will be a tremendous asset to the seniors community.

Thank you for your consideration in this matter.

Sincerely,

Brian Berhorst
President, Mid America Bank

DIVIDER III: Community Need Criteria and Standards

DIVIDER III: Community Need Criteria and Standards

Document the following, if applicable:

1. For ICF/SNF beds, address the population-based bed need methodology of fifty-three (53) beds per one thousand (1,000) population age sixty-five (65) and older.

(not applicable)

2. For RCF/ALF beds, address the population-based bed need methodology of twenty-five (25) beds per one thousand (1,000) population age sixty-five (65) and older.

The population data provided by the Department of Health and Senior Services was included in Divider II. The percentage adjustments by the applicant to accommodate zip code population inside the 15-mile radius were also included in Divider II.

An inventory of existing and approved RCF and ALF facilities inside the 15-mile radius is provided (see *Attachment 10a*), as well as a map showing the location of these facilities (see *Attachment 10b*). Based on this data, there will be a need for at least 97 additional RCF/ALF beds in the 15-mile radius for the year 2020 as follows:

$$\text{Unmet Need} = (25 \times P) - U$$

Where:

25 = RCF/ALF need rate per 1,000 population age 65+

P = Year 2020 population in the 15-mile radius

U = Number of existing and approved beds in 15-mile radius

$$\text{Unmet Need} = (0.025 \times 15,709) - 544 = 151 \text{ RCF/ALF bed surplus}$$

3. Document any alternate need methodology used to determine the need for additional beds such as LTCH, Alzheimer's, mental health or other specialty beds.

All of the RCF and ALF existing and approved capacity is in the north-eastern half of the 15-mile radius, while no such capacity is available in the south-western half of this radius, and well beyond. The Wardsville, Honey Creek, Taos, Brazito and other contiguous communities need RCF housing much closer to their residents.

4. For any proposed facility which is designed and operated exclusively for persons with acquired human immunodeficiency syndrome (AIDS), provide information to justify the need for the type of beds being proposed.

(not applicable)

5. If the project is to add beds to an existing facility, has the facility received a Notice of Noncompliance within the last 18 months as a result of a survey, inspection or complaint investigation? If the answer is yes, explain.

(not applicable)

6. If the project is to add beds to an existing facility, has the facility received a Notice of Noncompliance within the last 18 months as a result of a survey, inspection or complaint investigation? If the answer is yes, explain.

(not applicable)

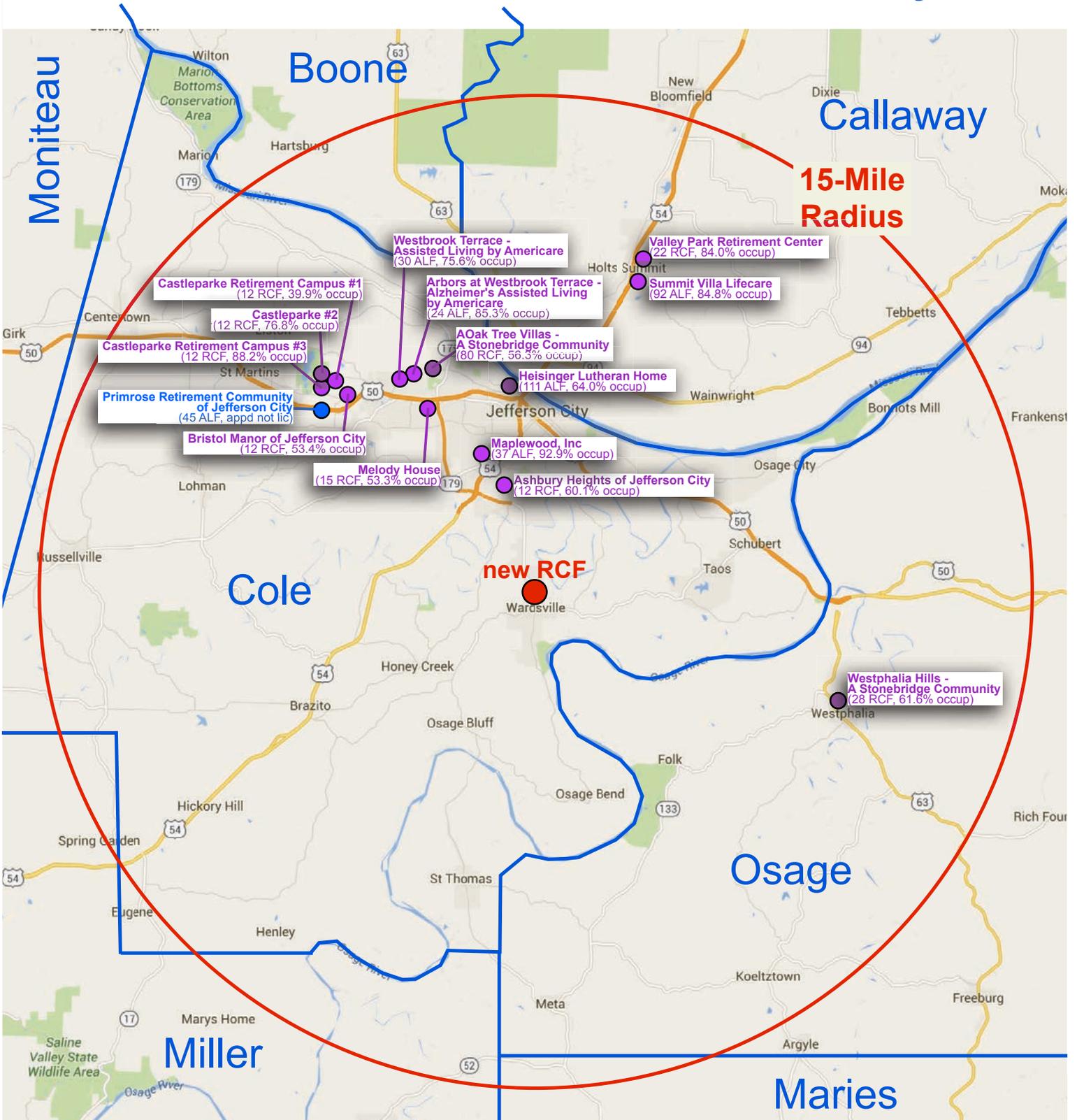
DIVIDER III: Attachments

Inventory of Residential Care and Assisted Living Facilities in the 15-Mile Radius around Wardsville 65101

County	Facility Name	Address	City	Zip	ALF	RCF	Total	AVG%
Callaway	Summit Villa Lifecare	229 Karen Dr	Holts Summit	65043	92	0	92	84.8%
Callaway	Valley Park Retirement Center	355 Karen Dr	Holts Summit	65043	0	22	22	84.0%
Osage	Westphalia Hills - A Stonebridge Community	1899 Highway 63	Westphalia	65085	0	28	28	61.6%
Cole	Ashbury Heights of Jefferson City	834 Weathered Rock Court	Jefferson City	65101	0	12	12	60.1%
Cole	Arbors at Westbrook Terrace - Alzheimer's Assisted Living by Americare	3409 North 10 Mile Dr	Jefferson City	65109	24	0	24	85.3%
Cole	Bristol Manor of Jefferson City	510 Kensington Park	Jefferson City	65109	0	12	12	53.4%
Cole	Castleparke #2	319 Pioneer Trail Dr	Jefferson City	65109	0	12	12	76.8%
Cole	Castleparke Retirement Campus #1	331 Pioneer Trail Dr	Jefferson City	65109	0	12	12	39.9%
Cole	Castleparke Retirement Center #3	312 Wilderness Court	Jefferson City	65109	0	12	12	88.2%
Cole	Heisinger Lutheran Home	1002 West Main St	Jefferson City	65109	111	0	111	64.0%
Cole	Maplewood, Inc	1827 Crader Dr	Jefferson City	65109	37	0	37	92.9%
Cole	Melody House	3031 South Ten Mile Dr	Jefferson City	65109	0	15	15	53.3%
Cole	Oak Tree Villas - A Stonebridge Community	3108 West Truman Blvd	Jefferson City	65109	0	80	80	56.3%
Cole	Primrose Retirement Community of Jefferson City	1214 Freedom Blvd.	Jefferson City	65109	45	0	45	0.0%
Cole	Westbrook Terrace - Assisted Living by Americare	3335 North Ten Mile Dr	Jefferson City	65109	30	0	30	75.6%
TOTAL					339	205	544	Occup

Information compiled October 15, 2015, based on information acquired from the Department of Health and Senior Services including quarterly licensed (including unavailable beds) average occupancy rates for **1Q14** <Jan. 1 - Mar. 31, 2014> through **2Q15** <Apr. 1 - Jun. 30, 2015> in the right column. Certificate of Need approved, but not yet licensed, facilities and beds are shown in **bolded-blue** text.

15-Mile Service Area for Attachment 10b Wardsville 65101 CON RCF/ALF Need Analysis



new Residential Care Facility:

393 RCF/ALF need - 544 RCF/ALF supply = - 151 RCF/ALF surplus

DIVIDER IV: Financial Feasibility Criteria and Standards

DIVIDER IV: Financial Feasibility Criteria and Standards

Document the following, if applicable:

- 1. Document that the proposed costs per square foot are reasonable when compared to the latest “RS Means Construction Cost data”.**

Actual new construction cost is \$95.58 per square foot (see *Attachment 4c*), which is considerably less than \$149.07 per square foot median for RS Means for the Missouri-Other area (see *Attachment 11a*).

- 2. Document that sufficient financing is available by providing a letter from a financial institution or an auditors statement indicating that sufficient funds are available.**

A letter of interest from the Heritage Bank of the Ozarks demonstrates commitment pending certificate of need approval (see *Attachment 11b*).

- 3. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) for the latest three (3) years, and projected through three (3) years beyond project completion.**

Since this is a new facility, there is no historical information.

This form attached for projections of 2018 to 2020 (see *Attachment 11c*).

4. Document how patient charges were derived.

Charges are based on extensive experience of the Applicant in numerous other facilities currently in operation in Missouri, and localized for this specific area.

5. Document responsiveness to the needs of the medically indigent.

Because this is a full-function residential care facility which will not be eligible for public reimbursement such as Medicare or Medicaid, there are other provisions for discounted services. Residents with limited resources will also be referred to other services who provide indigent care.

Interested persons were also notified of this application via newspaper Public Notice in the August 25, 2016, edition of the Jefferson City News Tribune.
(see *Attachment 11d*).

6. For a proposed new skilled nursing or intermediate care facility, what percent of your admissions would Medicaid eligible on the first day of admission or become Medicaid eligible within 90 days of admission?

(not applicable)

7. For an existing skilled nursing or intermediate care facility proposing to add beds, what percent of your admissions is Medicaid eligible on the first day of admission or becomes Medicaid eligible within 90 days of admission?

(not applicable)

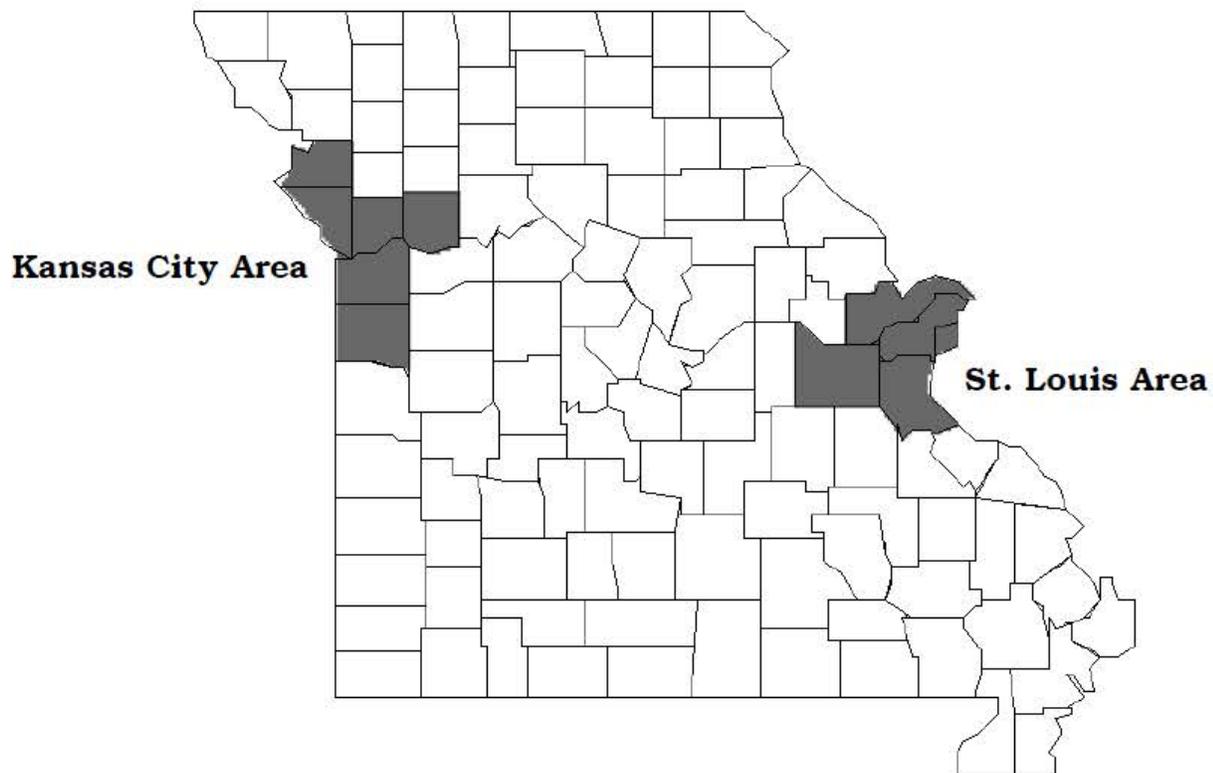
DIVIDER IV: Attachments

RS Means Cost Data

RS Means Cost Data Percentile Limits Total New Construction Project Costs*

Source: 2015 RS Means Building Construction Cost Data

<u>Type of Facility</u>	<u>Percentile</u>	<u>St. Louis Area</u>	<u>Kansas City Area</u>	<u>Missouri-Other</u>	<u>National</u>
Hospital Cost Per Sq. Ft.	3/4	364.59	366.72	343.64	355.00
	Median	264.97	266.51	249.74	258.00
Nursing Home Cost Per Sq. Ft.	3/4	202.32	203.50	190.70	197.00
	Median	162.27	163.21	152.94	158.00
Residential Care/Assisted Living Facility Cost Per Sq. Ft.	3/4	184.86	185.94	174.24	180.00
	Median	158.16	159.08	149.07	154.00



* Renovation costs should not exceed 70% of total new construction project costs.



HERITAGE BANK
of the Ozarks

WHAT A BANK SHOULD BE

August 8, 2016

Tom and Patsy Hoeflerlin
PCH Healthcare, LLC
218 Covered Wagon Road
Jefferson City, Mo. 65109

Dear Tom and Patsy:

Please accept this letter as confirmation that Heritage Bank of the Ozarks is very interested in reviewing an application from you to construct a new residential care facility in Wardsville, Mo. This approval will be contingent upon both loan committee and board of director's approval as well as approval of either the Small Business Administration or USDA. We greatly appreciate the opportunity that we have had working with you on your other projects.

Please feel free to contact me at 417-532-2265 if you have any further questions.

Sincerely,

E. Kim Light
President/Senior Credit Officer

page 42 of 45

1475 S. Jefferson
Lebanon, MO 65536
(417) 532-BANK (2265) Fax: (417) 532-2545
Member FDIC



Certificate of Need Program

SERVICE-SPECIFIC REVENUES AND EXPENSES**Historical Financial Data for Latest Three Years plus Projections Through Three Years Beyond Project Completion**

(Use an individual form for each affected service with a sufficient number of copies of this form to cover entire period, and fill in the years in the appropriate blanks.)

	Year		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Amount of Utilization:*	<u>2,736</u>	<u>6,344</u>	<u>6,323</u>
Revenue:			
Average Charge**	<u>\$92</u>	<u>\$96</u>	<u>\$99</u>
Gross Revenue	<u>\$251,712</u>	<u>\$609,024</u>	<u>\$625,977</u>
Revenue Deductions	<u>0</u>	<u>0</u>	<u>0</u>
Operating Revenue	<u>251,712</u>	<u>609,024</u>	<u>625,977</u>
Other Revenue	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$251,712</u>	<u>\$609,024</u>	<u>\$625,977</u>
Expenses:			
Direct Expense			
Salaries	<u>70,000</u>	<u>175,000</u>	<u>207,300</u>
Fees	<u>0</u>	<u>0</u>	<u>0</u>
Supplies	<u>1,300</u>	<u>37,900</u>	<u>46,000</u>
Other	<u>11,000</u>	<u>23,200</u>	<u>28,400</u>
TOTAL DIRECT	<u>\$82,300</u>	<u>\$236,100</u>	<u>\$281,700</u>
Indirect Expense			
Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Interest***	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
Overhead****	<u>10,000</u>	<u>118,000</u>	<u>122,000</u>
TOTAL INDIRECT	<u>\$22,000</u>	<u>\$130,000</u>	<u>\$134,000</u>
TOTAL EXPENSE	<u>\$104,300</u>	<u>\$366,100</u>	<u>\$415,700</u>
NET INCOME (LOSS):	<u>\$147,412</u>	<u>\$242,924</u>	<u>\$210,277</u>

* Utilization will be measured in "patient days" for licensed beds, "procedures" for equipment, or other appropriate units of measure specific to the service affected.

** Indicate how the average charge/procedure was calculated.

*** Only on long term debt, not construction.

**** Indicate how overhead was calculated.

JEFFERSON CITY, MISSOURI
News Tribune



WWW.NEWSTRIBUNE.COM

published on August 25, 2016

NEWSPAPER NOTICE

“Valley Park East plans to establish an 18 bed residential care facility at 5708 Wardsville Road, Wardsville, Missouri 65101, pending certificate of need approval of their \$1,450,000 application from the Missouri Health Facilities Review Committee. This application (project No. 5318 RS) will be filed on or before August 26, 2016”

**END of
CERTIFICATE OF NEED APPLICATION**

Valley Park East

Establish 18-Bed Residential Care Facility

Project #5318 RS

