

**BEFORE THE ARKANSAS HEALTH SERVICES PERMIT AGENCY**

**In the Matter of:**

**LONOKE COUNTY NURSING AND REHAB CENTER**

**File HSPA (1265)-10**

**FINDINGS OF FACT, CONCLUSIONS  
OF LAW, AND ORDER**

**Findings of Fact**

The applicant, **LJL PROPERTIES, LLC.**, is seeking a Permit of Approval (POA) for the purpose of replacing Zimmerman Nursing Home, a 41 bed facility at 1937 Ark. Hwy. 13 South, Carlisle, (Lonoke County), with a new 70 bed nursing home off Hwy 5, west of lots 1, 2, and 3 of Greystone Townhomes and Shoppes, Cabot, (Lonoke County), to be called **LONOKE COUNTY NURSING AND REHABILITATION CENTER.**

Projected capital expenditure is \$3,850,000.00. The Agency makes the following findings of fact:

**NEED:** The replacement-based methodology requires new construction and allows facilities with fewer than 70 beds to add capacity up to 70 beds. This replacement will be new construction, and will add 29 beds, which will result in the licensed capacity of 70 beds.

**The need requirement is met.**

**STAFFING:** The Agency has no objective reason to believe the proposed facility could not be adequately staffed. The applicant provided a staffing plan and a plan to recruit additional staff to support the additional beds requested in the application.

**ECONOMIC FEASIBILITY:** Financing will be through a commercial loan. There is a commitment letter for the capital expenditure and first year working capital from Aviv Asset Management, Inc. of Chicago, IL. The applicant submitted a 3 year pro forma budget.

**COST CONTAINMENT:** The applicant states that Medicaid considers the expenditures of all nursing homes in the state to arrive at the reimbursement rate. The new facility will have reduced expenditures when compared to the old facility, and thus will reduce Medicaid costs.

**UNFAVORABLE REVIEW:** Section IV. D. of the Nursing Home Bed Methodology states that” No application will be approved for additional beds that is for any nursing home found to have had an H level deficiency or higher by the Office of Long Term Care in the twelve months preceding the date the application is placed under review, or from the date the application is placed under review until the final decision of the Commission.” According to The Department of Human Services, Office of Long Term Care, Zimmerman Nursing and Home had no H level or higher deficiencies in the last 12 months.

**Conclusions of Law**

The application **DOES SATISFY** the statutory and regulatory requirements for the issuance of a Permit of Approval for a replacement facility with additional beds. There were no letters of opposition submitted against this application.

**ORDER**

Based on the above Findings of Fact and Conclusions of Law, the Agency hereby orders that the Applicant be **GRANTED** a Permit of Approval (POA). A Permit of Approval will be issued to: **LJL PROPERTIES, LLC**, for the purpose of replacing Zimmerman Nursing Home, a 41 bed facility at 1937 Ark. Hwy. 13 South, Carlisle, (Lonoke County), with a new 70 bed nursing home off Hwy 5, west of lots 1, 2, and 3 of Greystone Townhomes and Shoppes, Cabot, (Lonoke County), to be called **LONOKE COUNTY NURSING AND REHABILITATION CENTER**. Projected capital expenditure is \$3,850,000.00.

IT IS SO ORDERED THIS 15th DAY OF JANUARY 2010

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DIRECTOR, HEALTH SERVICES PERMIT AGENCY