BEFORE THE ARKANSAS HEALTH SERVICES PERMIT AGENCY

In the Matter of:
Fianna Hills Nursing & Rehabilitation Center
File # HSPA (1405)14

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

Findings of Fact

The applicant, KMJ Enterprises Fianna Hills, LLC d/b/a Fianna Hills Nursing & Rehabilitation Center, located at 8411 South 28th Street, Fort Smith, AR. (Sebastian County) is seeking a Permit of Approval (POA) for the purpose of adding ten (10) beds from Crestpark Marianna (Lee County) to its existing ninety-two (92) bed nursing home (Sebastian County) for a total of 102 beds. Projected capital expenditure is $29,250.00. The Agency makes the following findings of fact:

NEED: The unmet net need in Sebastian County is (-218) beds. There are eight (8) other nursing homes in Sebastian County. The applicant has established an occupancy rate of 90% determined as follows: For the period May 1, 2012 through June 30, 2012 Applicant was licensed for 70 beds. For the period July 1, 2012 through April 30, 2013 Applicant was licensed for 92 beds. For the entire year Applicant had total possible bed days of 32,238 (70 beds X 61 days, plus 92 beds X 304) which, when divided into Applicant’s total occupancy of 28,947 reported by DHS Office of Long Term Care, results in an occupancy rate of 90%. The county occupancy is 74%. The applicant is acquiring beds from Crestpark Marianna nursing home located in Lee County. Crestpark Marianna is the only nursing facility in Lee County with 39% occupancy; therefore the county occupancy is 39%. Section IV. A7 of the nursing home methodology is met. Section II (A) Utilization Based Need states:

A. A nursing home may acquire up to 10% of it’s licensed capacity or 10 beds, whichever is greater, if the applicant nursing home:

1. averaged 90.0% or greater occupancy according to the most recent twelve (12) month occupancy data available on record at the Arkansas Department of Human Services (DHS); Applicant facility had a 90%. occupancy in the most recent 12 month period.
2. currently has no approved but unlicensed beds and had no approved but unlicensed beds during the previous twelve (12) month period; **Facility did not have any approved, but unlicensed beds in last twelve (12) months.**

3. acquires beds from a facility that averaged 70% or less occupancy for the previous twelve (12) month period; **Beds are being acquired from Crestpark Marianna (Lee County) 39% Occupancy Rate.**

4. is located in a county without a Population-Based need; and -- **Need in Lee County is (-80).**

5. is not located in a county where the number of approved but unlicensed beds equals 10% or more of the county’s licensed beds in the previous twelve (12) month period; **Approved beds = 0.** The applicant has had no H Level or higher deficiencies reported over the last year. **Need is met.**

**STAFFING:** The applicant plans to recruit staff through word of mouth, newspaper advertising and referrals from other area healthcare providers. The facility already either has adequate staffing for the contemplated additional residents or has resumes and job applications on file to adequately provide the needed additional staffing. The Agency has no objective reason to believe the proposed facility could not be adequately staffed. The proposed project can be adequately staffed and operated when completed.

**ECONOMIC FEASIBILITY:** The total cost for this project is $29,250.00, of which 100% will be financed by commercial loans. The application included a letter from Mike Power, Chief Operating Officer, Benton County of First Security Bank stating favorable review for underwriting and subsequent approval of a loan in the amount needed for the project. The application stated it merely involves the licensing of 10 private rooms as 10 semi-private rooms. These rooms already meet all of the requirements to be semi-private rooms, including required dimensions, wiring and even the privacy curtains. The proposed project is economically feasible.

**COST CONTAINMENT:** The application states since Arkansas’ Medicaid reimbursement formula is based on the “cost per patient,” the Medicaid reimbursement rate for the facility should be reduced correspondingly, thus resulting in a savings for the State and fostering cost containment through said improved efficiency and productivity. The applicant has demonstrated that the project will foster cost
containment through improved efficiency and productivity.

**Conclusions of Law**

The application **DOES SATISFY** the statutory and regulatory requirements for the issuance of a Permit of Approval to **KMJ Enterprises Fianna Hills, LLC d/b/a Fianna Hills Nursing & Rehabilitation Center** to add ten (10) beds to their existing ninety two (92) bed nursing home. There was no opposition to the 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 **KMJ Enterprises Fianna Hills, LLC d/b/a Fianna Hills Nursing & Rehabilitation**, located at 8411 South 28th Street, Fort Smith, AR. (Sebastian County) for the purpose of adding ten (10) beds from Crestpark Marianna (Lee County) to their existing ninety two (92) bed facility for a total of 102 beds. Projected capital expenditure is $29,250.00.

IT IS SO ORDERED THIS_______DAY OF JANUARY 2014

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DIRECTOR, HEALTH SERVICES PERMIT AGENCY