

WEL

SENATE PUBLIC HEALTH, WELFARE & SAFETY

Lantis Enterprises, Inc.

EXHIBIT

DATE:

14

1-28-05

SB 257

Over Two Decades of Service Excellence

January 28, 2005

To: Madam or Mr. Chairman

From: Jerry Smyle, Vice President of Operations
Lantis Enterprises, Inc.

Re: Testimony in behalf of Senate Bill 257

Madam or Mr. Chairman,

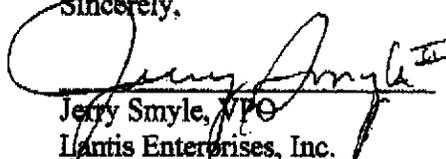
My name is Jerry Smyle; I am the Vice President of Operations for Lantis Enterprises, Inc. My company owns or operates 12 skilled nursing facilities in Montana. I currently have 3 facilities that directly compete in small market areas where the local hospital has a Critical Access Hospital (CAH) designation. I would like to offer my support for Senate Bill 257.

SB 257 will help to clarify the issues at hand. CAH swing beds will be treated the same as hospital swing beds for Certificate of Need (CON) purposes (i.e. swing beds in excess of 5 will require a CON). CAH's, like hospitals, will be required to obtain a CON to offer/expand those services for which a CON is required of other entities (i.e. home health, long-term care, inpatient chemical dependency treatment, skilled nursing care, intermediate nursing care and intermediate developmental disability). In addition, SB 257 provides the flexibility for a CAH to convert licensed long-term care beds to CAH swing beds without a CON, if the conversion does not add to the total number of long-term care beds in a community.

If SB 257 is not passed we are looking at the possibility of up to 750 new CAH swing beds being added to communities that already have too many licensed beds (i.e. the long term care State Plan currently projects needs in these communities at 2,310 beds and the communities already have 2,776 beds licensed, this is a 466 bed surplus). The potential of adding more beds would create an unfair advantage for admissions to long-term care beds for the CAH over the local skilled nursing facility. The average census of my facilities that compete in CAH communities is already less than 50%. We rely on our local hospitals as a source of admissions; if they are allowed to add more swing beds this will have an adverse reaction on our skilled nursing facilities.

Your support of SB 257 is greatly appreciated.

Sincerely,



Jerry Smyle, VPO
Lantis Enterprises, Inc.