



Joe Lombardo  
Governor

## NEVADA HEALTH AUTHORITY

### DIRECTOR'S OFFICE

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Stacie Weeks  
Director

Ryan D. Patton, DHA, MBA  
Vice President, CTH Physician Group  
Carson Tahoe Health  
1600 Medical Parkway  
Carson City, NV 89703

Dear Mr. Patton,

Thank you for submitting your "Certificate of Need" (CON) application on October 5, 2025, for the proposed construction of the "Ambulatory Surgical Center & Medical Office Building" at the intersection of Vista Grande Blvd. and Jacks Valley Road, Carson City. After careful review of your CON application, the Nevada Health Authority has determined that the application does not meet the statutory and regulatory requirements outlined in Nevada Revised Statutes (NRS) 439A.100 and corresponding regulations under NAC 439A.

Consistent with NRS 439A.081, the CON process is designed to control increases in the cost of health care, ensure adequate supply and distribution of resources, and provide equal access to good quality health care at a reasonable cost. To receive an approval for a certificate of need, the applicant has the burden of satisfying the statutorily defined criteria for review by the Nevada Health Authority as outlined in NRS 439A.100(3). Specifically, in its review, the Nevada Health Authority has identified the following concerns:

- **Insufficient Demonstration of Need:** The application and data provided does not establish a clear and quantifiable demand for the proposed facility within the service area. Per NRS 439A.100(3)(b)(1) and NAC 439A.605, the applicant must demonstrate "the need for and appropriateness of the project in the areas to be served." Based on the information in the application submitted, the Nevada Health Authority finds that the applicant has not sufficiently demonstrated that the population to be served has a need for the project to be undertaken, nor has the applicant sufficiently shown that the existing providers of the proposed service in the area cannot or will not meet the projected need of the population to be served by the project. Although the applicant makes various assertions about the need, including statements about population growth, wait times for patients, and travel burdens, the application does not cite to reputable data sources and/or relevant economic or market analyses or studies that the state can review to support the applicant's statements and assertions for why the current hospitals and/or health systems in this area cannot or will not meet the need of the population given the similarity of services provided by other neighboring facilities. This gap in the application was also highlighted as a deficiency in public comment.

- **Unclear Financial Feasibility:** Per NRS 439.100(3)(b)(2) and NAC 439A.625, the applicant must “demonstrate that it will be able to operate in a manner that is financially feasible as a result of the proposed project without unnecessarily increasing the cost to the user [patient] or payor for health services provided by the applicant.” The project, as proposed, has a significant cost of over \$81 million for capital expenditures with a substantial portion of the financing mechanisms being debt instruments (i.e., bonds and loans) that must be repaid by the applicant. The application, as drafted, lacks sufficient evidence and documentation demonstrating that this project could reasonably be self-supporting within the next three years as required by regulation. Based on these deficiencies, the Nevada Health Authority has serious concerns about the long-term financial feasibility of the project and the risk that the proposed funding model would result in future cost shifting to consumers and/or payers.
- **Impact on Health Care Costs:** Per NRS 439.100(3)(b)(3) and NAC 439A.635, the applicant must demonstrate that the proposed project will not have an unnecessarily adverse effect on the cost of health services to users or payors. The application lacks sufficient evidence regarding the potential for market savings from this project or a market analysis demonstrating that the cost of health services in the affected area for consumers and/or payors would remain reasonably stable following the completion of this project. As previously stated, the price tag along with the financial debt incurred by Carson Tahoe Health System for the project pose a significant and unaddressed risk that the associated debt and repayment obligations could lead to higher health care costs for consumers and/or payors in the area.
- **Impact on Existing Services:** Per NRS 439.100(3)(b)(4) and NAC 439A.637, the applicant must provide a variety of information about the area to be served and the impact of this new facility on care and referrals to and from other health facilities. The application, as drafted, lacks sufficient data and information to meet this requirement, including but not limited to, lacking sufficient information and data on the population or segment of the population to be served, how the project is consistent and compatible with the existing system of health care in this area and how it may influence the cost of required personnel, impact on regionalization of highly specialized health services and avoidance of unnecessary duplication of services. Based on the nature of public comments received for this CON, this application also appears to lack sufficient evidence that the applicant fully communicated and cooperated with other related facilities in the area, which is required for the CON approval. At this time, the Nevada Health Authority lacks sufficient information to determine whether the proposed project would result in unnecessary duplication of services, potentially affecting the viability of existing providers and facilities serving the population in this region of the state.

While we recognize the effort and resources invested in preparing your application, the above factors prevent us from granting approval at this time. You may submit a revised application addressing these issues or request an appeal in accordance with NAC 439A.515 and 439A.525. Additional guidance and resources are available on our website at [https://nvha.nv.gov/home/Programs/certificate\\_of\\_need/](https://nvha.nv.gov/home/Programs/certificate_of_need/)

We appreciate your commitment to improving health care access and services in our state, and we encourage you to consider resubmission once the identified concerns have been resolved with additional study, including economic and/or market impact assessments and analyses and direct collaboration with other health facilities that provide similar services in the area with a focus on filling service gaps and regional care priorities.

Best,



Stacie Weeks, JD, MPH  
Director, Nevada Health Authority