

**STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED**

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

CMCP-Pinecastle, LLC/CON #10255

6737 West Washington Street, Suite 2300
Milwaukee, Wisconsin 53214

Authorized Representative: Anna Munoz
(414) 918-5443

CON App Marion, LLC/CON #10256

2870 Stirling Road, Suite 101A
Hollywood, Florida 33020

Authorized Representative: Michael Boker
(954) 423-4160 Ext. 201

Marion County Development, LLC/CON #10257

515 Fairmont Avenue
Towson, Maryland 21286

Authorized Representative: Natalie Holland
(410) 494-8166

Marion County HRC, LLC/CON #10258

709 S. Harbor City Boulevard, Suite 240
Melbourne, Florida 32901

Authorized Representative: Geoff Fraser
(321) 288-0171

Ocala SNF, LLC/CON #10259

1447 West Bexley Park Drive
Delray Beach, Florida 33445

Authorized Representative: Robert J. Greene
(954) 684-3416

2. Service District/Subdistrict

District 3/Subdistrict 4 (Marion County)

B. PUBLIC HEARING

A public hearing was not held or requested regarding any of the proposed projects.

Letters of Support

CMCP-Pinecastle, LLC (CON #10255): The Agency received a couple letters of support submitted by the applicant. Both letters were composed by health care professionals practicing in Ocala, Florida.

CON App Marion, LLC (CON #10256): The Agency received various letters of support submitted by the applicant. The letters were composed by local health care providers and associations, local business leaders and local community members.

Marion County Development LLC (CON #10257): The Agency received various letters of support submitted by the applicant, several of which were modified form letters, and one unduplicated letter through mail delivery from a local commissioner. The letters were composed by local health care associations, providers and insurance companies, the National Association for the Advancement of Colored People, and one community resident.

Marion County HRC, LLC (CON #10258): The Agency received a couple letters of support submitted by the applicant. The letters were composed by the Director of Business Development of IPC hospitalists and a practicing physician at Ocala Regional West Marion.

Ocala SNF, LLC (CON #10259): The Agency received a few letters of support submitted by the applicant. The letters were all composed by health care professionals. Genesis Rehab Services indicates it is willing to provide physical therapy, occupational therapy, speech language pathology and respiratory services to Consulate locations in the event that a CON is granted.

C. PROJECT SUMMARY

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255), hereafter referred to as CMCP or the applicant, an affiliate of Brookdale Senior Living (referred to as Brookdale throughout this document), proposes to establish a new 32-bed community nursing home in District 3/Subdistrict 3-4, Marion County. The applicant states that it intends to aggregate available bed need from Subdistrict 3-3, Putnam County, with published need from 3-4 in order to accommodate the proposed project. The reviewer notes that the applicant does not specifically cite how many beds it is aggregating from the 43 bed need that was published for nursing home Subdistrict 3-3 (Putnam County).

According to 408.034 (6), Florida Statutes

“If nursing home bed need is determined to exist in geographically contiguous subdistricts within a district, an applicant may aggregated the subdistricts’ need for a new community nursing home in one of the subdistricts. If need is aggregated from two subdistricts, the proposed nursing home site must be located in the subdistrict with the greater need as published by the Agency in the Florida Administrative Register. “

The reviewer confirms that Marion County had the greater need as published by the Agency in the Florida Administrative Register.

The applicant operates 11 skilled nursing facilities (SNFs) in Florida:

- Lake Harris Health Center
- Freedom Pointe at the Villages Rehabilitation & Healthcare Center
- Atrium Healthcare Center
- Sylvan Health Care
- Freedom Square Rehabilitation Center and Nursing Services
- Seminole Pavilion Rehabilitation and Nursing Services
- Freedom Village at Bradenton
- Plaza West
- Premier Place at Glenview
- Harbour Health Center
- Palmer Ranch Healthcare and Rehabilitation

The project involves 25,963 gross square feet (GSF) of new construction. The construction cost is \$5,168,540. Total project cost is \$7,396,707. Project cost includes land, building, equipment, project development and start-up costs.

The applicant does not wish to accept any conditions for the proposed project.

CON Action Numbers: 10255 through 10259

CON App Marion, LLC (CON #10256) proposes to establish a new 120-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

The applicant does not note that it is the current operator of The Villages Rehab and Nursing Center but several letters of support refer to the applicant as the current operator of that facility.

The project involves 80,080 GSF of new construction. The construction cost is \$14,000,000. Total project cost is \$21,637,900. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant does not wish to accept any conditions for the proposed project.

Marion County Development LLC (CON #10257), hereafter referred to as MCD or the applicant, an affiliate of Genesis HealthCare, LLC, proposes to establish a new 120-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

The applicant operates nine SNFs in Florida:

- Oakhurst Center (Ocala, Marion County)
- Orchard Ridge (New Port Richey, Pasco County)
- Bay Tree Center (Palm Harbor, Pinellas County)
- West Bay of Tampa (Oldsmar, Pinellas County)
- Sunset Point (Clearwater, Pinellas County)
- Huntington Place (Rockledge, Brevard County)
- Springwood Center (Sarasota, Sarasota County)
- Pinebrook Center (Venice, Sarasota County)
- Lakeside Pavilion (Naples, Collier County)

The project involves 91,400 GSF of new construction. The construction cost is \$16,101,250. Total project cost is \$25,753,579. Project cost includes land, building, equipment, project development, financing, and start-up costs.

The applicant proposes to condition the project as shown below:

- Site-specific location in Marion County--approximately three acres of a 110-acre tract of land adjacent to The Villages located off County Road 42 between Highway 201/35 and Federal Highway 441/27 to be controlled by Titan Senior Living
 - The facility will be accessible to the Villages via golf cart

CON Action Numbers: 10255 through 10259

- Inclusion of a specialized pool for the provision of aqua-therapy
- Provision of on-site physician and/or physician extender services seven days per week
- Participation in the Center for Medicare and Medicaid Services' (CMS's) Bundled Care Payment Initiative Model 3

Marion County HRC, LLC (CON #10258), owned by SBK Capital LLC but to be managed by Clear Choice Health Care (referred to as Clear Choice throughout this document), proposes to establish a new 140-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

The applicant operates eight SNFs in Florida:

- Belleair Health Care
- Centre Point Health
- Conway Lakes Health
- East Bay Rehab
- Melbourne Terrace Rehab
- Port Charlotte Rehab
- Spring Lake Rehab
- Sun Terrace Health

The project involves 90,000 GSF of new construction. The construction cost is \$14,130,000. Total project cost is \$22,293,638. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- Eighty-two beds will be located in private rooms

Ocala SNF, LLC (CON #10259), an affiliate of Consulate Healthcare (referred to as Consulate through this document), proposes to establish a new 120-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

The applicant operates 76 SNFs in Florida:

- Bay Breeze Health and Rehabilitation Center
- Baya Pointe Nursing and Rehabilitation Center
- Bayonet Point, Consulate Health Care Of
- Beneva Lakes Healthcare and Rehabilitation Center
- Bradenton Health Care
- Brandon Health and Rehabilitation Center
- Brandon, Consulate Health Care Of
- Brentwood, Health Center at

CON Action Numbers: 10255 through 10259

- Central Park Healthcare & Rehabilitation Center
- Colonial Lakes Health Care
- Coral Bay Healthcare and Rehabilitation Center
- Coral Trace Health Care
- Countryside Rehab and Healthcare Center
- Destin Healthcare and Rehabilitation Center
- Deltona Health Care
- Dolphins View, The Health and Rehabilitation Center
- Emerald Shores Health and Rehabilitation
- Englewood Healthcare and Rehabilitation Center
- Evans Health Care
- Fletcher Health and Rehabilitation Center
- Fort Pierce Health Care
- Franco Nursing & Rehabilitation Center
- Governors Creek Health and Rehabilitation Center
- Grand Oaks Health and Rehabilitation Center
- Habana Health Care Center
- Harbor Beach Nursing and Rehabilitation Center
- Harts Harbor Health Care Center
- Heritage Healthcare and Rehabilitation Center
- Heritage Healthcare Center at Tallahassee
- Heritage Park Rehabilitation and Healthcare
- Heron Pointe Health and Rehabilitation
- Hillcrest Health Care and Rehabilitation Center
- Island Health and Rehabilitation Center
- Jacksonville, Consulate Health Care Of
- Keystone Rehabilitation and Health Center
- Kissimmee, Consulate Health Care Of
- Lake Mary Health and Rehabilitation Center
- Lake Parker, Consulate Health Care At
- Lakeland, Consulate Health Care Of
- Lakeside Oaks Care Center
- Largo Health and Rehabilitation Center
- Magnolia Health and Rehabilitation Center
- Marshall Health and Rehabilitation Center
- Melbourne, Consulate Health Care Of
- New Port Richey, Consulate Health Care Of
- North Florida Rehabilitation and Specialty Care
- North Fort Myers, Consulate Health Care Of
- Oakbridge Healthcare Center
- Oaktree Healthcare
- Orange Park, Consulate Health Care Of
- Osprey Point Nursing Center

CON Action Numbers: 10255 through 10259

- Palms Rehabilitation and Healthcare Center
- Parks Healthcare and Rehabilitation Center
- Pensacola, Consulate Health Care Of
- Plantation Bay Rehabilitation Center
- Port Charlotte, Consulate Health Care Of
- Renaissance Health and Rehabilitation
- Rio Pinar Health Care
- Rosewood Health and Rehabilitation Center
- Safety Harbor, Consulate Health Care Of
- San Jose Health and Rehabilitation Center
- Sarasota, Consulate Health Care Of
- Sea Breeze Health Care
- Seaview Nursing and Rehabilitation Center
- Shoal Creek Rehabilitation Center
- Spring Hill Health and Rehabilitation Center
- St. Petersburg, Consulate Health Care Of
- Tallahassee, Consulate Health Care Of
- University Hills Health and Rehabilitation
- Vero Beach, Consulate Health Care Of
- Vista Manor
- Wedge Healthcare Center
- West Altamonte, Consulate Health Care At
- West Palm Beach, Consulate Health Care Of
- Winter Haven, Consulate Health Care of
- Wood Lake Health and Rehabilitation Center

The project involves 74,052 GSF of new construction. The construction cost is \$10,351,533. Total project cost is \$17,140,914. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes to condition the project as shown below:

- The facility will have space for conferences and classrooms in support of community and staff education and training goals
- An EMR system will be included in the new facility and in operation within three months of opening
 - The EMR system will meet Phase 1 of the meaningful use requirements within 24 months
- The applicant will provide all eligible employees the opportunity to complete educational courses that will support the care center's efforts of providing the highest level of quality care and achieve operational excellence
- The applicant care center will partner with Consulate and serve as a facility for health care professionals to obtain clinical rotations

CON Action Numbers: 10255 through 10259

- A nurse navigator will be employed at the care center and will responsible for overseeing the management of patients’ medical needs upon admission to the facility and for up to 60 days following discharge
- Free community health screenings will be offered at least four times per calendar year (CY) to community members, employees, residents and families
- Education programs at Dementia Awareness to improve the independence and quality of life of persons with dementia and their caregivers will be provided at no cost in accordance with state and federal laws
- The applicant will provide a combination of least 34.0 percent the first year and 40.0 percent thereafter, of total patient days to patients who are reimbursed under traditional Medicaid, Managed Medicaid or Long-term Medicaid or uncompensated care
- The applicant will provide space and staffing to support the community’s need for Adult Day Care services
- The applicant will provide in-house hemodialysis services
- The applicant will have the capability to operate up to 20 ventilator-capable beds
- The applicant will construct the facility to include Telehealth capabilities in each patient room

Total GSF and Project Costs of Co-Batched Applicants					
Applicant	CON #	Project	GSF	Costs \$	Cost Per Bed
CMCP-Pinecastle	10255	New 32-bed facility	25,963	\$7,396,707	\$231,147
CON App Marion	10256	New 120-bed facility	80,080	\$21,637,900	\$180,316
MCD	10257	New 120-bed facility	91,400	\$25,753,579	\$214,613
Marion County HRC	10258	New 140-bed facility	90,000	\$22,293,638	\$159,240
Ocala SNF	10259	New 120-bed facility	74,052	\$17,140,914	\$142,841

Source: CON applications 10255-10259 and their respective Schedules 1 and 9

Should a project be approved, the applicant’s proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes; and applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code. These criteria form the basis for the goals of the review process. The goals represent desirable outcomes to be attained by successful applicants who demonstrate an overall compliance with the criteria. Analysis of an applicant's capability to undertake the proposed project successfully is conducted by evaluating the responses and data provided in the application, and independent information gathered by the reviewer.

Applications are analyzed to identify strengths and weaknesses in each proposal. If more than one application is submitted for the same type of project in the same district, applications are comparatively reviewed to determine which applicant(s) best meets the review criteria.

Rule 59C-1.010(3)(b), Florida Administrative Code, prohibits any amendments once an application has been deemed complete. The burden of proof to entitlement of a certificate rests with the applicant. As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the Certification of the Applicant.

As part of the fact-finding, the consultant, Lucy Villafrate analyzed the application with consultation from the financial analyst, Eric West, who evaluated the financial data and Said Baniahmad of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project with the criteria and application content requirements found in Florida Statutes, sections 408.035 and 408.037; applicable rules of the State of Florida, Chapter 59C-1 and 59C-2, Florida Administrative Code.

1. Fixed Need Pool

- a. Does the project proposed respond to need as published by a fixed need pool? Or does the project proposed seek beds or services in excess of the fixed need pool? Rule 59C-1.008 (2), Florida Administrative Code.**

CON Action Numbers: 10255 through 10259

In Volume 40, Number 193 of the Florida Administrative Register dated October 3, 2014, a fixed need pool of 140 beds was published for Subdistrict 3-4 for the July 2017 Planning Horizon. Subdistrict 3-4 is comprised of Marion County.

After publication of this fixed need pool, zero existing subdistrict facilities filed exemption requests and one facility was approved for a 120-bed community nursing home through expedited review.

As of November 19, 2014, Subdistrict 3-4 had 1,372 licensed and no approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 3-4 experienced 89.42 percent utilization at 10 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 3-4.

Marion County Nursing Home Patient Days and Occupancy July 1, 2013-June 30, 2014

Facility	Comm. Nursing Home Bed Inventory	Bed Days	Patient Days	Total Occupancy	Medicaid Occupancy
Avante at Ocala, Inc.	133	48,545	39,549	81.47%	61.35%
Club Health & Rehabilitation Center at The Villages	60	21,900	20,581	93.98%	0.00%
Hawthorne Health and Rehab of Ocala	120	43,800	39,989	91.30%	61.65%
Life Care Center of Ocala	120	43,800	38,319	87.49%	32.37%
Oakhurst Center	180	65,700	59,482	90.54%	63.60%
Ocala Health and Rehabilitation Center	180	65,700	58,843	89.56%	72.93%
Ocala Oaks Rehabilitation Center	120	43,800	40,105	91.56%	70.38%
Palm Garden of Ocala	180	65,700	58,447	88.96%	69.70%
The Lodge Health and Rehabilitation Center	99	36,135	33,511	92.74%	56.89%
TimberRidge Nursing & Rehabilitation Center	180	65,700	58,952	89.73%	50.21%
Total	1,372	500,780	447,778	89.42%	57.99%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

The reviewer notes the current and projected population of Subdistrict 3-4 for the planning horizon. The projected population growth, both numerically and by percent are illustrated below.

**Current and Projected Population Growth Rate
Marion County, District 3, and Florida
January 2014 and January 2017**

County	January 1, 2014 Population			January 1, 2017 Population		
	0-64	65+	Total	0-64	65+	Total
Marion	250,252	90,754	341,006	262,151	100,717	362,868
District 3	1,253,159	399,133	1,652,292	1,305,416	446,101	1,751,517
Florida	15,881,702	3,548,756	19,430,458	16,349,888	3,891,621	20,241,509
County	2014-2017 Increase			2014-2017 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Marion	11,899	9,963	21,862	4.75%	10.98%	6.41%
District 3	52,257	46,968	99,225	4.17%	11.77%	6.01%
Florida	468,186	342,865	811,051	2.95%	9.66%	4.17%

Source: Florida Agency for Health Care Administration Population Estimates, September 2013

CON Action Numbers: 10255 through 10259

The community nursing home beds per 1,000 residents for the age 65 and older cohort in the subdistrict are shown below.

Beds per 1,000 Residents Age 65 and Older

County	Community Beds	2014 Pop. Aged 65+	2014	2017 Pop.	2017
			Beds per 1,000	Aged 65+	Beds per 1,000
Marion County	1,372	90,754	15	100,717	14
District 3	7,558	399,133	19	446,101	17
Florida	80,050	3,548,756	23	3,891,621	21

Source: Florida Agency for Health Care Administration Population Estimates, September 2013 and Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255) provides a detailed analysis of discharges to SNFs for residents of Subdistrict 3-4 for the period April 2013 to March 2014. The applicant reports that combined, hip and knee procedures accounted for 16.7 percent of the total discharges to SNFs in Subdistrict 3-4. The applicant states that viewed differently, almost one-half (40.6 percent) of hip and knee procedures for Marion County residents are discharged to SNFs, indicative of the high demand for short-term rehabilitation services in the area. See the table below:

**Resident 3-4 Discharges to SNFs from
Short-Term Acute Care Hospitals
April 1, 2013 to March 30, 2014**

Service Line	Total Discharges	Discharges to SNF	
Total Discharges	45,176	5,059	11.2%
Hip/Knee Replacement	1,655	587	35.5%
Septicemia	1,444	330	22.9%
Hip/Femur ex. Major Joint	411	252	61.3%
Renal Failure	954	184	19.3%
Simple Pneumonia	1,291	179	13.9%
Kidney/UTI	694	171	24.6%
Heart Failure	1,210	170	14.0%
Stroke/CVA/TIVA	1,049	160	15.3%
Respiratory Failure/COPD	1,679	133	7.9%

Source: CON application #10255, page 1-9, based on Florida Agency Inpatient discharge database and Legacy Consulting Group analysis

The applicant asserts that Brookdale is aware of these patient types and has developed and implemented specific programs and services to address their unique needs. CMCP declares that Brookdale’s delivery model for the proposed facility is for short-term rehabilitation and for orthopedic rehabilitation as well as other short-term skilled nursing services.

CON Action Numbers: 10255 through 10259

The applicant states that there is clearly need for additional SNFs in Subdistrict 3-4 based on the following:

- The subdistrict has significant numbers of discharges in service lines and disease categories such as hip and knee procedures and replacements, septicemia, heart failure and stroke which will further increase demand for skilled nursing care
- The long-standing moratorium on new SNF beds and relative lack of new construction means more modern facilities are needed to keep pace with technological and clinical developments in health care delivery

CON App Marion, LLC (CON #10256) indicates that its preferred ZIP code for the proposed project is 34491, Summerfield and surrounding area. The applicant notes that its analysis confirms the location draws retirees and will continue to do so. CON App Marion asserts that the preferred ZIP code has only one nursing home (though the recent Villages' site is within the area) and also includes a hospital.

The applicant performed a detailed data analysis of 65+ population growth estimates in Marion County by ZIP code for the year 2019-- noting Summerfield is the ZIP code with the highest number of persons likely to require nursing home care.

CON App Marion includes a map with a 6.11 mile radius drawn around ZIP code 34491, insisting that the selection of this ZIP code is a good choice to develop a nursing home. The applicant provides the following population estimates for those 65+, noting that the growth rate for this cohort between years 2014 and 2019 shows significant numbers. See the table below.

**Population Estimates for Persons 65+ in 2014 and 2019 and Increase
Within Radius of 6.11 Miles of Centroid in ZIP Code 34491**

ZIP Code	County	2014 Pop 65+	2019 Pop 65+	Net Increase 65+
32195	Marion	1,055	1,201	146
34491	Marion	12,401	14,346	1,945
32159	Lake	17,729	19,976	2,247
32162	Sumter	36,475	46,033	9,558
34484	Sumter	2,422	3,040	618
Total		70,082	84,596	14,514

Source: CON application #10256, page 1-7, based on data from Nielsen Market Research

The applicant indicates that it embraces the latest in innovative care by focusing on the Pioneer Network and other groups that foster culture change with the long-term care environment. CON App Marion notes that one move from the large institutional setting to a small intimate setting is The Green House®--that uses detached cottages which house 10-12 residents each in their own private room.

Marion County Development LLC (CON #10257) maintains that according to the Agency's estimates, the population of Marion County is expected to grow in the next five years by over 10 percent, compared to the projected growth rate of the state at seven percent. The applicant reports that Marion County will have over 19 percent growth for 65+ and 20 percent growth for 75+ while the State will have 17 percent growth and 12.5 percent growth of these age rates, respectively. MCD states that the 18-64 group is expected to grow by almost seven percent in comparison to the State's growth rate of approximately five percent.

MCD notes that it and Genesis, along with the developer Titan Senior Living, are proposing to implement Genesis's unique brand of short-term post-acute rehabilitation services, known as PowerBack Rehabilitation, in Marion County. The applicant states that some of the unique features of its PowerBack Rehabilitation project include:

- A 120-bed facility designed and developed specifically to meet short-term, post-acute care needs
- An experienced operator of nursing facilities, Genesis HealthCare, with the track record and Florida experience to develop and operate the proposed project
- A proven and highly effective clinical model for quickly restoring patients to maximum health status and physical ability to return home with short lengths of stay
- A unique staffing structure with greater nursing, therapy and physician staff ratios to quickly assess patients and design a plan of care to return them to maximum functional levels as soon as possible
- Relationships with Genesis Rehabilitation Services, Genesis Physician Services and Genesis Respiratory Services that will work in concert to provide maximum clinical benefit to patients admitted to the proposed facility
- A distinctive model of care that is at the forefront of industry trends and Florida's goals and objectives to ensure patients are cared for in the most cost-effective and least restrictive setting

Marion County HRC, LLC (CON #10258) believes that the location of the proposed facility, to be constructed on an eight-acre site in West Marion County west of the I-75 state road 200 intersection, is very convenient to Ocala and the greater Ocala area. Marion County HRC asserts that seniors residing in these ZIP codes (34481 or 34473, with approximately 15,784 seniors) only have one SNF choice in the area. The applicant indicates that it has chosen one site with two additional back-up sites all in close proximity of one another.

CON Action Numbers: 10255 through 10259

The applicant insists that the identified needs within the proposed market are relatively consistent with the needs throughout many of the Florida markets where Clear Choice currently operates. Marion County HRC declares that area patients with problems related to medicine, cardiology and pulmonology would benefit particularly from existing Clear Choice programs, including:

- Medication and disease management programming
- Cardiac programming
- Left ventricular assistive device recipient therapy
- Cerebral vascular accident
- Chronic obstructive pulmonary disease
- Continuous and bi-level positive airway pressure programming

Ocala SNF, LLC (CON #10259) provides a detailed analysis of Marion County resident discharges to SNFs by age cohort, by case mix index (CMI), by payer and as a percent of total discharges for the years 2011-2013 on pages 36 to 40 of CON application #10259.

Ocala SNF reports that resident discharges to SNFs have remained stable at 11 percent of total discharges despite an annual average growth in total discharges of 1.4 percent. The applicant states that although there has been growth in the elderly population of the subdistrict, the constraints on the supply of nursing home beds is likely to be responsible for this trend. See the table below.

**Discharges from Hospitals in Florida to Medicare and Medicaid SNFs
Marion County Residents: 2011-2013**

Year and Data Element	Discharges	Average CMI
Discharges to SNF		
2011	5,324	1.9263
2012	5,648	1.8842
2013	5,373	1.8911
Total Resident Discharges		
2011	47,406	1.4736
2012	48,384	1.4839
2013	48,745	1.5041
Discharges to SNFs as a percent of total discharges		
2011	11.2%	130.7%
2012	11.7%	127.0%
2013	11.0%	125.7%
Percent Change in Discharges to SNF		
2011-2012	6.1%	-2.2%
2012-2013	-4.9%	0.4%
Annual Average 2011-2013	0.5%	-0.9%

Source: CON application #10259, page 39, based on Florida Agency, "Inpatient Hospital Datafile," November Applicant's Note: Total facility discharges includes acute care, hospitals, psychiatric hospitals, rehabilitation hospitals, long-term acute care hospitals and children's hospitals

CON Action Numbers: 10255 through 10259

The applicant indicates that it has the interest, ability and commitment to provide effective solutions for the needs of the subdistrict. Consulate maintains that the proposed project is needed due to three factors:

- The demographic trends of an aging population whose numbers and growth rates are greater than the total population of other age groups
- The episodes of care requiring inpatient admission which are characterized by more chronic conditions and co-morbidities as well as a higher case mix which is indicative of a higher level of severity of illness
- The requirements of the major payers for SNF and health care services--namely government and managed care organizations--for cost-effective, high quality services

- b. If no Agency policy exists, the applicant will be responsible for demonstrating need through a needs assessment methodology, which must include, at a minimum, consideration of the following topics, except where they are inconsistent with the applicable statutory or rule criteria:**

Each co-batched applicant is responding to the Agency's published fixed need pool, so this criterion is not applicable.

2. Agency Rule Preferences

Please indicate how each applicable preference for the type of service proposed is met. Chapter 59C-1.036, Florida Administrative Code.

Chapter 59C-1.036 of the Florida Administrative Code does not contain preferences relative to community nursing home beds nor does the Agency publish specific preferences for these facilities. However, the rule does contain standards the Agency utilizes in assessing an applicant's ability to provide quality care to the residents.

- a. **Geographically Underserved Areas.** In a competitive certificate of need review within the nursing home subdistrict as defined in 59C-2.200, Florida Administrative Code, the Agency shall award a certificate of need if the applicant meets all applicable criteria for a geographically underserved area as specified in subsection 408.032(18), Florida Statutes, and if the applicant meets the applicable statutory certificate of need review criteria specified in section 408.035, Florida Statutes, including bed need according to the relevant bed need formula contained in this rule. If the applicant is awarded a certificate of need based on the provisions of this paragraph, the applicant shall agree that the nursing facility will be located in a county without a nursing facility, or in the center of an area within the subdistrict of a radius of at least 20 miles which meets the definition of a geographically underserved area. The center of the geographically underserved area shall be the proposed nursing home location in the application.

None of the applications were submitted to remedy a geographically underserved area as defined above.

- b. **Proposed Services.** Applicants proposing the establishment of Medicare-certified nursing facility beds to be licensed under Chapter 400, Florida Statutes, shall provide a detailed description of the services to be provided, staffing pattern, patient characteristics, expected average length of stay, ancillary services, patient assessment tools, admission policies and discharge policies.

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255) notes that it currently operates both an ALF and an independent living facility that contain a new Alzheimer's care facility. The applicant maintains that its programs are designed, equipped and staffed to accommodate short-term rehabilitation typically associated with Medicare stays. The applicant indicates that the facility will have an "open plan design" with 28 private rooms and two semi-private rooms. CMCP asserts that the facility will have its own living room, activity area, innovative senior care therapy suite, salon, spa, a "country kitchen" dining room and an exterior courtyard with a covered porch.

CON Action Numbers: 10255 through 10259

CMCP states that the proposed facility will have two staff supportive functions placed within the nursing unit placed at a convenient vantage point so that the nursing staff has constant visual control of the areas. The applicant asserts that patient services will include:

- Speech, occupational and physical therapies
- Outpatient rehabilitation
- General wound care and management
- Acute medical conditions
- Interim medical care following a hospital stay
- Massage and IV therapy
- Laboratory and X-ray service
- Respiratory and Parkinson's care
- Terminal illness care (in cooperation with hospice)
- Stroke recovery
- Diabetic rehabilitation
- Nutritional counseling and special diets
- Individualized care plans

The applicant states that other services and amenities that will provide support, comfort and security include the following:

- 24-hour nursing care
- Social services
- Therapeutic recreational activities
- 24-hour open visitation hours
- Private lavatory/shower
- Barber/beauty salon services
- Accommodations to special therapeutic diet needs
- Therapy suite
- Facility transportation service
- Structures activities seven days a week
- Wi-Fi
- Pet therapy
- Pharmacy services
- Security monitor system
- Multi-lingual staff

The applicant discusses management and evaluation of the care plan, indicating that each care plan will include measureable objectives to meet the resident's goals. CMCP asserts that daily charting supports the need for and delivery of daily skilled nursing and the applicant includes a list of documents supporting the level of care.

CON Action Numbers: 10255 through 10259

CMCP notes that a physician must personally approve in writing a recommendation that an individual be admitted to the facility. The applicant indicates that a preliminary assessment of the resident and development of care will take place during the admission process. The applicant asserts that the care plan committee provides a discharge plan and a physician's order is required for all discharges. CMCP includes samples of its policies and forms associated with these procedures in Exhibits 2-1 through 2-6 of CON application #10255.

The applicant believes that the new facility will be primarily utilized to provide short-term rehabilitation, where the primary payer is Medicare and stays are between 21 and 40 days. CMCP contends that shorter stays are reflective of the need for rehabilitative care in the local area. CMCP provides the following table illustrating the projected admissions, patient days, average length of stay (ALOS) and average daily census (ADC) for the first two years of operation.

**CMCP-Pinecastle
Projected Admissions, Patient Days, ALOS and ADC**

	Year One	Year Two
Admissions	141	248
Patient Days	7,943	10,950
ALOS	56.3	44.2
ADC	21.8	30.0

Source: CON application #10255, page 2-6

The reviewer notes that the applicant only provided a staffing pattern for year one (ending June 30, 2018). Schedule 6 illustrates that FTEs for year one total 42.0. The proposed project's year one FTEs are shown in the table below.

CON Action Numbers: 10255 through 10259

CMCP-Pinecastle (CON application #10255) Projected Year One Staffing	
	Year One FTEs
Administration	
Administrator	1.00
Director of Nursing	1.00
Bookkeeper	1.00
Secretary	1.40
Medical Records Clerk	1.00
Nursing	
RNs	4.20
LPNs	2.80
Nurses' Aides	14.00
Other: MDS Coordinator	1.00
Ancillary	
Physical Therapist	2.00
Speech Therapist	1.00
Occupational Therapist	1.00
Dietary	
Cooks	2.80
Dietary Aides	2.80
Social Services	
Activity Director	1.00
Activities Assistant	0.40
Housekeeping	
Housekeepers	2.10
Laundry	
Laundry Aides	0.50
Plant Maintenance	
Maintenance Assistance	1.00
Total	42.0

Source: CON application #10255, Schedule 6

CON App Marion, LLC (CON #10256) proposes to provide both short-term and long-term care and it will be certified for participation in both Medicare and Medicaid. The applicant asserts that it will provide a broad range of nursing and restorative care services to manage short-term rehabilitation, long-term care and complex medical conditions. CON App Marion indicates on its Schedule 7 that the ALOS will be 39 days for years one and two of operation.

CON App Marion states that a multidisciplinary team of professionals will evaluate the needs of each resident and decisions to transfer are based on consultation with the Care Team as well as with the resident and his or her family and physician. The applicant includes a list of applicable forms used as part of the admissions process.

The applicant insists that developing a plan of care for a resident in a long-term care facility is the single most important task undertaken for that resident. CON App Marion declares that

CON Action Numbers: 10255 through 10259

planning by an interdisciplinary team will help ensure the resident that his/her care will be coordinated and continuous with each individual discipline sharing responsibility for the resident reaching his maximum potential for the highest quality of life possible.

CON App Marion asserts that discharge plans begin with the initial assessment when patient and family needs and attributes are assessed with admission diagnosis specifically addressed. The applicant states that it is responsibility of the facility to have identified the medically related social service or home-based services needs of the resident and assure the needs are met by the appropriate disciplines.

CON App Marion provides a detailed analysis of the services to be provided on pages 2-7 through 2-16 of CON application #10256. The applicant explains that each of the top six major diagnostic categories (MDCs) was examined to identify the diagnostic related groups that comprised it that contained hospital discharges to SNFs. CON App Marion declares that its responses address the provisions of rule and discharge data clearly shows that persons being discharged to SNFs need a high level of skilled nursing and restorative and rehabilitative care.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 76.2 and total 133.6 for year two (ending June 30, 2019). The proposed project's year one and year two FTEs are shown in the table below.

CON Action Numbers: 10255 through 10259

CON App Marion (CON application #10256) Projected Year One & Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.70	2.10
Bookkeeper	1.00	1.00
Medical Records Clerk	1.70	2.10
Other: Marketing	0.00	0.00
Other: Nursing Admin	2.10	4.20
Physicians		
Medical Director (Contracted)	1.0	1.00
Nursing		
RNs	4.50	8.70
LPNs	9.20	17.80
Nurses' Aides	29.20	57.20
Ancillary		
Physical Therapist	3.20	5.00
Speech Therapist	0.90	1.30
Occupational Therapist	2.50	4.00
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	3.40	6.50
Dietary Aides	3.40	6.50
Social Services		
Social Service Director	1.50	1.90
Activity Director	1.00	1.00
Activities Assistant	0.50	0.90
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	2.40	4.60
Laundry		
Laundry Aides	1.50	1.90
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.50	0.90
Total	76.2	133.6

Source: CON application #10256, Schedule 6

Marion County Development LLC (CON #10257) states that through its affiliation with Genesis, it proposes the unique PowerBack Rehabilitation program, which offers an aggressive rehabilitation approach for those in need of physical rehabilitation as a step between a hospital stay and returning home.

CON Action Numbers: 10255 through 10259

The applicant explains that designed for short-term care, most PowerBack Rehabilitation patients typically recover and return home within a few weeks. MCD predicts an ALOS of 21 days, which results in an ADC of 58.78 and 114 in the first two years of operation.

MCD notes that PowerBack Rehabilitation's guiding principles are based on the Robert Wood Johnson Foundation and the Institute of Healthcare Improvement's project, "Transforming Care at the Bedside.":

- Patient-Centered Care
- Patient-Directed Care
- Safe and Reliable Care
- Vitality and Teamwork
- Value-Added Care Process

The applicant includes an overview of the PowerBack Rehabilitation Clinical Care Model, indicating it provides the following services (varying by location):

- Cardiac Care
- Pulmonary Care
- Orthopedic, Aqua, Physical and Occupational Therapy
- Pain Management
- Nutritional Management
- Medication Management
- Driving Rehabilitation

MCD provides a detailed discussion of each the following:

- PowerBack Rehabilitation – Clinical Pathways and Training
- PowerBack Rehabilitation's Staffing Model
- PowerBack Rehabilitation State of the Art Facilities

Schedule 6 illustrates that FTEs for year one (ending December 31, 2018) total 113.59 and total 175.86 for year two (ending December 31, 2019). The proposed project's year one and year two FTEs are shown in the table below.

CON Action Numbers: 10255 through 10259

Marion County Development, LLC (CON application #10257) Projected Year One & Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Executive Administrator	1.00	1.00
Manager-Office Center	0.75	1.30
Bookkeeper, AP	0.17	0.50
Receptionist/Secretary	1.83	2.10
Customer Relation Manager	0.75	1.00
Mgr-Center Scheduling	1.00	1.00
Mgr-HR Center	1.00	1.00
Nursing Administration		
Director of Nursing	1.00	1.00
Coordinator-Clinical Reimbursement	1.42	3.00
Clerk-Central Supply	1.00	1.00
Coordinator-Health Information	0.95	0.88
Analyst, Clinical Reimbursement	1.00	1.00
Nurse Prac Educator (RN)	1.00	1.00
Coordinator-Health Unit II LPN	2.71	4.20
Nursing		
RNs	7.05	17.43
LPNs	7.72	15.31
Nurses' Aides	21.88	38.41
Nurse-Unit Manager/Director	7.72	15.50
Nurse-Charge	7.93	12.60
OT-Nursing Staff	0.89	1.95
Nursing Training		
RN	0.88	0.75
Certified Nursing Aide	0.88	0.75
Nursing Orientation		
RN	3.00	2.00
LPN	0.01	0.01
Certified Nursing Aide	2.88	1.50
Ancillary		
Pharmacist	0.25	0.25
Dietary		
Dietitian	1.58	2.23
Director-Food Service I	1.00	1.00
Chef Executive	1.00	1.00
Cook	2.45	2.80
Assistant Cook	2.14	3.41
Coordinator-Dining Room	0.25	1.00
Dining Aide	7.85	10.98
Other-Food & Nutrition	0.13	0.13
Activities & Recreation		
Asst Activities Director	0.75	1.00
Director Guest Svc	1.00	1.00
Specialist Guest Svc	2.01	3.03
Manager-Recreation Program	1.00	1.0

CON Action Numbers: 10255 through 10259

Social Services		
Social Service Director II	1.00	1.00
Social Worker-Hourly	1.58	3.00
Sr Admission Director	1.00	1.00
Director-Admissions	0.67	1.00
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	5.50	6.54
HSkpg Floor Person	0.94	1.88
Other	0.13	0.13
Laundry		
Laundry Aides	2.09	2.63
Plant Maintenance		
Sr. Maintenance Director	1.00	1.00
Maintenance Assistance	0.75	1.00
Technician- Building Maintenance	0.17	1.00
Total	113.59	175.86

Source: CON application #10257, Schedule 6

Marion County HRC, LLC (CON #10258) states the proposed facility will be built, equipped and staffed to accommodate short-term rehabilitation services and long-term skilled nursing care.

The applicant insists that restoring and enhancing life quality is more than medical capabilities, rehabilitation programs and technology. Marion County HRC indicates that it is about anticipating and welcoming the needs of each unique patient and treating those concerns as if they were their own. The applicant asserts it will embrace the preferences of each patient with a collaborative approach by including families' inputs during the plan of care consistent with other Clear Choice managed facilities.

The applicant proposes to offer the following services and programs:

- Cutting edge therapy facilities
- Fully trained, professional and courteous staff
- Personalized care plan based on patients' goals
- Amenities like full service café bistro and movie theater
- Medication management and reconciliations
- Palliative care and collaborative hospice care
- Nutritional support and management
- Case management
- Patient and resident education
- Physical, occupational, speech and respiratory therapies
- Wound care
- Peritoneal dialysis

CON Action Numbers: 10255 through 10259

- Social services
- Concierge services
- Guardian angel program
- 72-hour meeting

The reviewer notes that earlier in the application, the applicant lists programs that Clear Choice provides at other facilities but does not specifically state they will be offered at the proposed facility.

The applicant notes that while there is not a specific admission or discharge policy, it has attached some sample forms and guidelines used during admission and discharge of a patient. Marion County HRC indicates that it is important to note that these are just a few of the examples intended to provide a brief perspective, but it is no way a complete set--Marion County HRC will have access to the complete and comprehensive set. The applicant notes that Clear Choice has a comprehensive set of guidelines that comply with all state and federal regulations.

The applicant states that the facility anticipated ALOS for short-term patients is approximately 32 days. The reviewer notes the proposed facility is projecting a total facility ALOS of 32.86 for year one and 38.54 for year two. Marion County HRC insists its staffing model will comply with all state regulations and furthermore will be designed to meet the various needs of their customers.

Marion County HRC believes in involving patients and their families in the care plan process. The applicant provides attached care plan forms in CON application #10258.

Schedule 6 illustrates that FTEs for year one (ending December 31, 2017) total 91.50 and total 178.00 for year two (ending December 31, 2018). The proposed project's year one and year two FTEs are shown in the table below.

CON Action Numbers: 10255 through 10259

Marion County HRC, LLC (CON application #10258) Projected Year One & Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Bookkeeper/BOM	1.00	1.00
Secretary	1.00	3.00
Medical Records Clerk	1.00	1.50
Nursing Administrative	5.00	6.00
Other Administrative	1.00	2.50
Marketing	1.00	1.00
Physicians		
Unit/Program Director	1.00	1.00
Nursing		
RNs	3.00	9.00
LPNs	8.00	22.00
Nurses' Aides	34.00	55.00
Ancillary		
Physical Therapist	2.00	9.00
PTA	3.00	9.00
Speech Therapist	2.00	4.00
Occupational Therapist	2.00	5.00
Other: COTA	3.00	9.00
Dietary		
Dietary Supervisor	1.00	2.00
Cooks	2.00	5.00
Dietary Aides	7.00	8.00
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Activities Assistant	0.00	1.00
Other: Transportation	0.00	3.00
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	4.00	8.00
Laundry		
Laundry Aides	2.00	5.00
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.50	1.00
Total	91.50	178.00

Source: CON application #10258, Schedule 6

CON Action Numbers: 10255 through 10259

Ocala SNF, LLC (CON #10259) states that the proposed facility will participate in both the Medicare and Medicaid programs to promote access to all patients.

The applicant asserts that given the need for higher acuity services for skilled nursing patients, the proposed facility will focus on several core programs and services as described below:

- Neurological and stroke care
- Orthopedic care
- Post cardiac care
- Pulmonary care
- Wound care
- Medically complex
- Physical, occupational, speech and respiratory therapy

Ocala SNF asserts that its parent company Consulate has identified 13 of its SNFs as indicators of the need for this CON application based on the following rationale:

- Proximity to the applicable subdistrict for this application
- Distribution of patients in terms of severity or acuity represents a higher skill mix
- Higher levels of Medicare and Medicare Managed Care patients

The applicant notes earlier in the application that these 13 centers have enhanced their scope of services to respond to the current need of acute care hospital patients as reflected by case managers, discharge planners and physicians. Consulate notes that these 13 facilities have experienced a high patient acuity in terms of increased:

- Numbers of ventilator-dependent patients
- Numbers of patients of dialysis
- Hours per patient day for nursing and therapy
- Patient age

The reviewer notes that of the identified Consulate 13 facilities (tab 5 of CON application 10259), only Franco Nursing and Rehabilitation lists “ventilator dependent” as a special program and service on FloridaHealthFinder.gov. In addition, the reviewer notes that there is no mention of ventilator-capable beds in the architectural narrative except to say that oxygen and medical gases will be plumbed into approximately 10 to 20 rooms (to be determined later). The reviewer also notes that while Schedule 6 denotes that therapy FTEs will be outsourced to a third-party and will be reflected in the appropriate department on Schedule 8,

CON Action Numbers: 10255 through 10259

“respiratory and other ancillaries” are listed for \$44,948 for year one (approximately \$2 per patient day) and not specifically at all for year two.

Ocala SNF indicates that the ALOS used for the development of the projected patient days in Schedule 5 and 7 are based on the Consulate Florida 13 and listed below by the major payer categories. The reviewer notes that the applicant did not provide projected admissions in its Schedule 7.

Ocala SNF, ALOS by Payer

Payer	ALOS in Days
Medicare	32.2
Managed Care: Commercial, Managed Medicare and Managed Medicaid	20
Private	49
Medicaid	284

Source: CON application #10259, page 26

The applicant notes that Consulate’s Interdisciplinary Team meets with the patient and family within 72 hours of admission to discuss and develop a plan to meet their health care and discharge goals. Ocala SNF indicates that the purpose of its Resident Centered Program is to educate the resident, family member or loved one on their specific clinical care plan and that goals are set with follow up meetings as needed.

Ocala SNF states that Journey Home, Consulate’s discharge planning program, begins on admission. The applicant asserts that Consulate realizes every patient is unique, requiring an individualized care plan.

Schedule 6 illustrates that FTEs for year one (ending 2017) total 88.50 and total 94.50 for year two (ending 2018). The proposed project’s year one and year two FTEs are shown in the table below. The applicant notes that therapy, dietary, housekeeping and laundry are outsourced to a third-party and not included in the facility FTE count.

CON Action Numbers: 10255 through 10259

Ocala SNF, LLC (CON application #10259) Projected Year One & Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Bookkeeper	1.00	1.00
Secretary	1.50	1.50
Medical Records Clerk	1.00	1.00
Other: Central Supply	1.00	1.00
Physicians		
Medical director	1.00	1.00
Other: Nurse Practitioner	1.00	1.00
Nursing		
RNs	5.00	5.00
LPNs	9.00	11.00
Nurses' Aides	37.00	41.00
Nursing Admin	13.00	13.00
Ancillary		
Physical Therapist	0.00	0.00
Speech Therapist	0.00	0.00
Occupational Therapist	0.00	0.00
Other: Respiratory Therapist	0.00	0.00
Dietary		
Dietary Supervisor	0.00	0.00
Cooks	0.00	0.00
Dietary Aides	0.00	0.00
Social Services		
Social Service Director	2.00	2.00
Activity Director	2.00	2.00
Activities Assistant	4.00	4.00
Other Admissions Coord/Case Management	3.00	3.00
Housekeeping		
Housekeeping Supervision	0.00	0.00
Housekeepers	0.00	0.00
Laundry		
Laundry Aides	0.00	0.00
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	3.00	3.00
Security	1.00	1.00
Total	88.50	94.50

Source: CON application #10259, Schedule 6

c. **Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to s. 408.035 (1) (c), Florida Statutes, the Agency shall evaluate the following facts and circumstances:**

1. **Whether the applicant has had a Chapter 400, Florida Statutes, nursing facility license denied, revoked or suspended within the 36 months prior to the current application.**

Each co-batched applicant is a newly created entity and therefore has not had a nursing facility license denied, revoked or suspended within the 36 months prior to the current application.

2. **Whether the applicant has had a nursing facility placed into receivership at any time during the period of ownership, management or leasing of a nursing facility in the 36 months prior to the current application?**

Each co-batched applicant is a newly created entity and therefore has not had a nursing facility license denied, revoked or suspended within the 36 months prior to the current application.

3. **The extent to which the conditions identified within subparagraphs 1 and 2 threatened or resulted in direct significant harm to the health, safety or welfare of the nursing facility residents.**

Each co-batched applicant indicates that this provision is not applicable, since there have been no violations.

4. **The extent to which the conditions identified within subparagraph 3 were corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory to the Agency.**

Each co-batched applicant indicates that this provision is not applicable, since there have been no violations.

5. **Rule 59C-1.036 (4) (f) Harmful Conditions.** The Agency shall question the ability of the applicant to provide quality of care within any nursing facility when the conditions identified in the subparagraph (e) 1 and (e) 2 result in the direct, significant harm to the health, safety or welfare of a nursing facility resident, and were not corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory with the Agency.

Each co-batched applicant indicates that this provision is not applicable, since there have been no violations.

- d. **Rule 59C-1.036 (5) Utilization Reports.** Within 45 days after the end of each calendar quarter, facilities with nursing facility beds licensed under Chapter 400, Florida Statutes shall report to the Agency, or its designee, the total number of patient days, which occurred in each month of the quarter, and the number of such days that were Medicaid patient days.

Each co-batched applicant states that it will provide the required data to the applicable local health council and to the Agency.

3. **Statutory Review Criteria**

- a. **Is need for the project evidenced by the availability, quality of care, accessibility and extent of utilization of existing health care facilities and health services in the applicants service area? ss. 408.035 (1)(b) and (e), Florida Statutes.**

There are 63 licensed community nursing homes with a total of 7,558 community nursing home beds in District 3. Subdistrict 3-4 is composed of Marion County and has 10 licensed community nursing homes with a total of 1,372 community nursing home beds. The subdistrict averaged 89.42 percent total occupancy for the 12-month period ending June 30, 2014.

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255) notes that for the most recent 12 months ending June 2014, overall occupancy in Marion County (89.4 percent) was virtually the same as District 3 (90.0 percent). The applicant states that Brookdale's community SNF in District 3--Lake Harris Health Center--reported an occupancy rate of 88.1 percent for this same period. CMCP indicates that internal data for its sheltered facility in District 3--Freedom Pointe at the Villages Rehabilitation and Healthcare Center--show an occupancy rate of 95.7 percent for the period of January 2014-September 2014.

CON Action Numbers: 10255 through 10259

The applicant contends that this clearly demonstrates that Brookdale SNF beds and services are in demand.

The applicant maintains that as a result of growing population and a fixed bed supply, the bed rates for persons 65+ and 75+ have declined steadily over the last several years, indicating a need for additional beds in the subdistrict.

CMCP states that the proposed facility will be constructed with 28 private rooms and two semi-private rooms. The applicant provides data on page 3-4 of CON application #10255 illustrating the types of rooms (private, semi-private, three-bed and four-bed) offered at the community nursing homes in Subdistrict 3-4. The applicant indicates this data demonstrate that the proposed facility will have a significantly higher percentage of private rooms (88 percent) than most of the other facilities in the subdistrict.

The applicant states that the applicant's association with an experienced provider like Brookdale ensures the delivery of the highest quality health care as well as adherence to Chapter 400, Part II, Florida Statutes, and Rule 59A-4, Minimum Standards for Nursing Homes. CMCP provides its mission statement on page 3-6 of CON application #10255: *"Enriching the lives of those we serve with compassion, respect, excellence and integrity."*

CMCP asserts that the site location has been chosen--Chambrel at Pinecastle, Brookdale's assisted living facility. CMCP contends that by locating the facility at this location, the community will benefit from true transitional care—independent living, assisted living and skilled nursing. The applicant notes that population demographics, locations of existing nursing homes, hospitals and roadways were all factored in so that the proposed site location will improve access to the community.

The applicant provides a map on page 3-9 illustrating the locations of the eight SNFs that are within a 10-mile radius of the proposed site. CMCP indicates that the 2015 population of this 10-mile service area is 185,081 of which 40,419 are seniors (42 percent of the senior population of the entire county). The applicant states that by 2020, the senior population of this 10-mile service area will reach 44,571 (39.2 percent of Subdistrict 3-4's senior population). CMCP declares that adding beds to this area assures that access will be improved where it is needed most.

CMCP asserts that since hospitals are referral sources for nursing homes, proximity to area hospitals is important. The applicant notes that Subdistrict 3-4 has a total of three short-term acute care hospitals--two of which are located only two miles away from the proposed site with the third being approximately five miles away. CMCP reports that during

CON Action Numbers: 10255 through 10259

the 12-month period ending March 2014, these three hospitals discharged a combined total of 4,966 patients to SNFs--12.3 percent of all discharges.

The applicant also reports that during this period, 5,232 Marion County residents were discharged from hospitals to SNFs. See the table below.

**Hospital Discharges to SNFs by City for
Marion County Residents, April 2013 to March 2014**

City	Cases
Anthony	69
Belleview	231
Citra	63
Dunnellon	328
Fort McCoy	130
Micanopy	23
Ocala	3,386
Ocklawaha	125
Reddick	57
Silver Springs	163
Summerfield	598
Weirsdale	59
Grand Total	5,232

Source: CON application #10255, page 3-13

CMCP contends that facilities with high occupancy rates reduce access to needed beds because beds that are occupied are not available to those in need. The applicant states that the prevailing standard in skilled nursing care is semi-private accommodation. CMCP believes that factors such as isolation status for communicable diseases significantly affect bed availability in a semi-private care setting.

The applicant notes that occupancy rates within Subdistrict 3-4 range from 81.5 percent to 94.0 percent. CMCP contends that the mean occupancy rate for Subdistrict 3-4--just over 88 percent--is indicative of need or additional beds in the subdistrict.

CMCP provides the following table illustrating that that the eight SNFs located within 10 miles of the applicant's proposed site each has high occupancy rates and quality scores. The applicant contends that although 80 percent of Marion County's inventory of SNFs is within 10 miles of the proposed location—the proposed area is where the senior population is projected to grow.

CON Action Numbers: 10255 through 10259

**Occupancy Rates and Quality Scores for SNFs in 10-Mile Service Area
July 2013-June 2014**

Facility	Five-Star Ratings		Occupancy
	Overall	Quality	
Avante at Ocala, Inc.	5	5	81.47%
Hawthorne Health and Rehab of Ocala	4	5	91.30%
Life Care Center of Ocala	4	4	87.49%
Oakhurst Center	1	3	90.54%
Ocala Health and Rehabilitation Center	4	4	89.56%
Ocala Oaks Rehabilitation Center	4	5	91.56%
Palm Garden of Ocala	3	4	88.96%
The Lodge Health and Rehabilitation Center	5	5	92.74%

Source: CON application #10255, page 3-15

The applicant next compares occupancy rates of Lake Harris with those in District 3 as a whole. The reviewer used the applicant’s data to draw a more condensed chart, shown below.

Occupancy Rates for District 3 and Lake Harris Health for Periods Shown

	July 2013 to June 2014	CY 2013	CY 2012	CY 2011	CY 2010	CY 2009
District 3	90.0%	89.6%	88.8%	88.7%	88.3%	87.9%
Lake Harris	88.1%	90.8%	76.0%	93.0%	91.7%	93.2%

Source: CON application #10255, page 3-16

CMCP claims that the occupancy rates in District 3 are virtually the same as those in Subdistrict 3-4 and Lake Harris. The reviewer notes that the differences between the occupancy rates as reported by the applicant for District 3 and Lake Harris range from 1.2 percentage points to 12.8 percentage points. The applicant insists that if the proposed project is approved, CMCP expects to exceed the utilization of Brookdale’s sheltered facility, Freedom Pointe (previously reported as almost 96 percent during January 2014-September 2014).

CMCP believes that without the addition of skilled nursing beds to Subdistrict 3-4, occupancy rates would rise to overcapacity. The applicant states that the bed rate per capita (for persons 65 and older) in Subdistrict 3-4 is 4.87 for the baseline year of July 2014. CMCP indicates that assuming this rate is held constant and applied to the projected senior population for July 2017 and July 2018, occupancy rates in these years would reach 99.7 percent and 103.4 percent, respectively. See the table below.

**Forecast for Nursing Home Subdistrict 3-4
in July 2017 and July 2018**

Factor	Baseline July 2014	July 2017	July 2018
65+ Population	92,034	102,608	106,387
Marion County Days	447,778	499,224	517,610
Licensed SNF Beds	1,372	1,372	1,372
Licensed Bed Days	500,780	500,780	500,780
Occupancy	89.4%	99.7%	103.4%

Source: CON application #10255, page 3-17

CON Action Numbers: 10255 through 10259

CMCP predicts that the proposed facility will reach an overall occupancy rate of 68 percent in the first year during the fill-up period and is anticipated to reach 93 percent by the first quarter of the second year. See the table below.

Forecast for CMCP-Pinecastle, First Two Years of Operation

Factor	Year One: July 2017	Year Two: July 2018
Resident Days	7,943	10,950
Community Beds	32	32
Bed Days	11,680	11,680
Medicaid Days	1,338	2,190
Occupancy	68.0%	93.8%
Medicaid Occupancy	16.8%	20.0%

Source: CON application #10255, page 3-18

CON App Marion, LLC (CON #10256) notes that Subdistrict 3-4 has 1,372 community nursing home beds achieving an occupancy rate of 89.4 percent. The applicant states that the area continues to attract retirees as demand for health care services grows. CON App Marion asserts that high occupancies can result in placement delays--which can cause decline in a person's condition and may result in hospital readmission.

The applicant provides a figure comparing nursing home occupancy rates in the subdistrict, district and the state for the most recent three fiscal years on page 3-2 of CON application #10256. CON App Marion notes that Marion County's occupancy rates increased over the most recent three year period. The reviewer notes that the applicant's figure shows a decline in occupancy from fiscal year 2011-2012 to fiscal year 2012-2013, but the occupancy rate does rise in fiscal year 2013-2014.

CON App Marion asserts that it identified the 10 most frequently cited F-tag deficiencies on compliant surveys. The applicant believes that knowing that these deficiencies continue to occur and surveyors continue to be concerned, the applicant can be focused on remedies and procedures to address them to avoid occurrence.

The applicant includes a chart displaying the star ratings from FloridahealthFinder.gov for the 10 SNFs in Marion County. CON App Marion reports that overall, the quality is high, with six of the 10 SNFs having four and five stars for overall inspection. The applicant believes that competing in the Marion County market will require focus and quality. CON App Marion declares that the selection of Kevin Bessolo, architect, for the proposed project reflects his ongoing involvement in innovative design to create a facility that is efficient, yet has home-like amenities and appointments establishing the environment of care.

CON Action Numbers: 10255 through 10259

CON App Marion provides a map that shows selected travel distances from ZIP code centroids to the applicant’s preferred ZIP code centroid-- 34491 in Summerfield. The applicant notes the following distance comparisons (34491 is the preferred ZIP code):

- From ZIP Code 34420 to 34491--5.5 miles and nine minutes
- From centroid of ZIP Code 32162 to 34491--7.8 miles and 13 minutes
- From centroid in ZIP Code 32195 to ZIP code 34491--8.4 miles and 13 minutes

To forecast utilization, the applicant states that it used the resident days per 1,000 population aged 65+ of 5,144 days and applied that rate to the future population estimate of 97,941 to generate an estimate of the demand for nursing home care. The applicant explains that growing from 447,778 resident days in the baseline period, the year 2019 generates an estimate of 503,852 resident days. CON App Marion insists that with 1,372 beds, the resulting occupancy rate would be 100.6 percent--with the applicant’s 120 beds, this would be slightly lower at 92.5 percent.

Next, the applicant predicts its resident days at the assumed occupancy rate of 92 percent, subtracts these days from the total forecasted resident days for Marion County in the year 2019 and allocates the days to the subdistrict’s other SNFs based on each facility’s market share. See the table below. The reviewer notes that the applicant does not include the newly approved 120-bed facility for Marion County (CON application #10337 approved December 24, 2014) in this chart.

Analysis of the Impact of the CON App Marion LLC on Existing Nursing Homes in Marion County, Second Year of Operation 07/01/2018 to 06/30/2019

Nursing Home	Market Share	Year 2019 Days	Net Increase
Avante at Ocala, Inc.	8.8%	40,943	1,394
Club Health & Rehab Center at the Villages	4.6%	21,306	725
Hawthorne Health and Rehab of Ocala	8.9%	41,398	1,409
Life Care Center of Ocala	8.6%	39,669	1,350
Oakhurst Center	13.3%	61,578	2,096
Ocala Health and Rehabilitation Center	13.1%	60,916	2,073
Ocala Oaks Rehabilitation Center	9.0%	41,518	1,413
Palm Garden of Ocala	13.1%	60,507	2,060
The Lodge Health and Rehabilitation Center	7.5%	34,692	1,181
TimberRidge Nursing & Rehabilitation Center	13.2%	61,029	2,077
Total	100.0%	463,556	15,778

Source: CON application #10256, page 1-11, Baseline utilization comes from the Agency publication, Florida Nursing Home Bed Need Projections by District and Subdistrict, October 3, 2014

CON Action Numbers: 10255 through 10259

CON App Marion asserts that as the column above in the table labeled “Net Increase” shows, each facility gained resident days over the 2014 baseline period with the applicant’s nursing home assumed to take 40,296 days, attaining an occupancy rate of 92 percent. The applicant concludes that its proposal will not adversely affect the other SNFs in Marion County.

The applicant states that the assumption of 92 percent occupancy used in its methods described above may be optimistic in the short-term for a new provider. Hence, CON App Marion states the occupancy rates for years one and two were lowered after examining the recent experiences for new nursing homes.

The reviewer created the following chart from applicant’s Schedule 7.

CON App Marion Forecasted Utilization

	Year One	Year Two
Total Admissions	498	979
Total Patient Days	19,642	38,655
Occupancy	44.84%	88.25%

Source: CON application #10256, Schedule 7

Marion County Development LLC (CON #10257) indicates that approximately 77 percent of the Marion County’s population receiving skilled nursing care was age 60 and over. The applicant feels that it is important to note that however, eight percent of the population receiving skilled nursing care from Marion County was between the ages of 40 and 60. MCD compares the utilization of three of its existing PowerBack Rehabilitation locations in the Northeast with utilization in Marion County. The reviewer notes that the applicant did not include a time frame for this data. See the table below.

Skilled Nursing Patient Age Breakdown Comparison

Age	Power Back	Marion County
90+	9.9%	10.8%
80-89	30.3%	35.8%
70-79	26.1%	30.3%
60-69	19.2%	14.6%
50-59	10.4%	6.0%
40-49	2.9%	1.9%
30-39	0.9%	0.4%
20-29	0.3%	0.1%
Unknown	0.1%	0.0%
Total	100.0%	100.0%

Source: CON application #10257, page 47

The applicant asserts that as shown above, approximately 86 percent of the PowerBack Rehabilitation patients are 60 years or older and 13 percent are between 40 and 60. MCD declares that clearly, PowerBack Rehabilitation’s model of care is perfectly suited to treat the population of the county, given the county’s historical utilization of SNFs by age range.

CON Action Numbers: 10255 through 10259

MCD indicates that much of the population resides in southern Ocala and in southern Marion County. The applicant presents a data analysis of population density by focusing on 13 ZIP codes. MCD asserts that these ZIP codes represent 66 percent of the 2014 Marion County population and 67 percent of the 2019 projected total population and that all 13 ZIP codes will increase their population. See the table below.

2014-2019 Marion County Total Population by ZIP Code

ZIP Codes	2014	2019	Percent Change
34491	29,445	31,018	5.34%
34472	28,154	30,268	7.51%
34471	20,055	25,164	0.44%
34476	22,495	24,277	7.92%
34481	18,931	20,552	8.56%
34480	18,879	19,459	3.07%
34474	17,399	19,081	9.67%
34473	17,157	18,411	7.31%
34420	15,859	15,991	0.83%
34432	12,902	13,305	3.12%
32162	8,531	10,030	17.58%
32179	8,307	8,363	0.67%
32195	2,790	2,861	2.54%
Total 13 ZIPs	225,904	238,780	5.70%
Total Other ZIPS	113,151	114,391	1.10%
Total	339,055	353,171	4.16%

Source: CON application #10257, page 50

The applicant asserts that its preferred ZIP Code--34491--will have over 5.3 percent growth. MCD discusses the growth rates of the ZIP codes surrounding 34491, concluding that it is important to highlight the fact that the PowerBack Rehabilitation location will be situated in the midst of the majority of the Marion County population that will have the greatest five-year growth.

MCD further analyzes the 13 ZIP codes by age and race, finding the percent change from 2014 to 2019 to be:

- For the population 65+, 14.33 percent
- For the population 75+, 8.68 percent
- For the Hispanic population, 16.8 percent
- For the African American population, 15.72 percent

The applicant insists that the statistics on the number of patients from Marion County discharged from a hospital to a Medicare SNF also illuminates the demographics of the county. MCD reports that patients from the 13 ZIP codes in south Marion constituted 69 percent of all hospital discharges to a Medicare SNF--and remarkably, close to 11 percent came from the preferred ZIP code for the project--34491. The reviewer notes that the applicant did not provide a data source. See the table below.

2013 Marion County Hospital Discharges to SNF

ZIP Code	Discharges	Percentage
34491	571	10.81%
34471	553	10.47%
34481	525	9.94%
34476	417	7.90%
34474	330	6.25%
34472	327	6.19%
34473	215	4.07%
34420	207	3.92%
34432	182	3.45%
34480	148	2.80%
32179	115	2.18%
32195	51	0.97%
Total 13 ZIPs	3,641	68.95%
Total Other ZIPs	1,640	31.05%
Total Discharges	5,281	100.0%

Source: CON application #10257, page 58

The applicant includes a list of Marion County hospitals and further notes that The Villages Regional Medical Center and Promises Hospital at the Villages are located just south of the proposed location in Sumter County. MCD points that out that both of these facilities submitted letters of support and will provide additional referrals.

MCD provides two maps of Marion County: one illustrating population and one noting the current hospitals and nursing homes. The applicant indicates that most of the SNFs are in ZIP Code 34471 near the acute care hospitals. MCD states that much of the population in Marion County is located to the south and southwest of Ocala, where there are few providers of short-term or long-term rehabilitation care.

MCD presents an analysis of the Agency’s SNF data from July 2010 to July 2014, making the following observations:

- The total occupancy for Marion County SNFs increased from 85 to 89 percent
- Marion County has seen a five percent increase in patient days
- The fact that The Club Health & Rehab (which offers post-acute short-term rehab care) has had success of operating at 98 percent occupancy at the start of its third year, is an indicator of the need for short-term-rehab in the county
- After changing its name and focus to the short-term post-acute patient, The Lodge’s occupancy rose from 74 percent to between 89 and 93 percent in the last two years
- The facilities in Marion County are well utilized and there is a continued need for more short-stay post-acute beds in the area that PowerBack Rehabilitation seeks to provide

CON Action Numbers: 10255 through 10259

The applicant states that Genesis obtained CY 2013 data¹ from WellFlorida, Inc. for the existing providers in Marion County. MCD indicates that Medicare admissions in total for the Marion County facilities were 72.3 percent of total SNF admissions, along with 6.2 percent Medicaid, 18.5 percent commercial or private insurance admissions and the remaining three percent were private pay or other admissions.

MCD reports that in 2013, over 57 percent of all patient days in Marion County were Medicaid days and approximately 29 percent were Medicare days. The applicant contends that as can be seen, Medicaid and long-term care are a necessity--however, there is a tremendous need for a provider that can serve short-term patients who are primarily covered by Medicaid and commercial managed care plans.

The applicant insists that the ability of the PowerBack Rehabilitation model to improve quality in Marion County can be seen in the intensity of staff resources employed in treating patients. MCD reports that current PowerBack Rehabilitation locations provide 154.1 percent more licensed nurse staff minutes per resident day than existing Marion County providers--and 241.8 percent more RN care per day and 63.4 percent more LPN/LVN care per day than existing providers. The applicant maintains PowerBack Rehabilitation patients also receive 359.1 percent more therapy minutes daily than the average existing Marion County providers afford their patients.

MCD states that in order to determine the projected utilization and other operational assumptions, it examined the experience of three PowerBack Rehabilitation facilities in the Northeast. This detailed analysis, which includes comparisons to Marion County, can be found pages 71 to 76 of CON application #10257.

The applicant states that the basis for the projected utilization of the PowerBack Rehabilitation location is the post-acute discharges from hospitals serving Marion County residents. MCD includes its step-by-step methods in projecting utilization on pages 77 to 80 of CON application #10257, producing the following table:

¹ The applicant notes that WellFlorida, Inc. only had data for The Club Health and Rehab from April 2013 to December 2013.

CON Action Numbers: 10255 through 10259

MDC Projected Patients

	2018	2019
18 to 44	14	27
45 to 64	158	230
65 to 74	150	317
75 to 84	191	387
85+	155	316
Total Incremental	669	1,277
Shift of Patients from Oakhurst	150	300
Total Marion	819	1,577
In-migration	205	394
Total Genesis	1,024	1,972
Patient Days	21,455	41,610
ADC	58.78	114.00
Occupancy of 120 Beds	49.0%	95.0%

Source: CON application #10257, page 80

Marion County HRC, LLC (CON #10258) notes that Marion County currently has nine SNFs in the Ocala and greater Ocala area. Marion County HRC is confident its proposed site location in West Marion County this is the best area for the proposed project because:

- The western side of I-75 has only one facility in a 15-mile radius west of the intersection
- The 65+ population is highly concentrated (over 20,000 seniors) and growing on this side of I-75 and this area is in need of a quality post-acute option
- The top two ZIP Codes 34481 and 34476 that fall to the west of I-75 happen to be the ZIP codes where the majority of all discharges from all three hospitals in the area

The applicant provides a market study to illustrate its points in Attachment 2 of CON application #10258. Marion County HRC believes its marketing study reflects an area that is growing rapidly with senior housing and 55+ communities. The applicant insists that this section of the county is underserved from the standpoint of SNF beds. Marion County HRC provides an analysis of increasing population trends in Attachment 5--indicating that the trend reflects a substantial increase in the growth of those 65+ in the primary and secondary markets as well as those 80+ within the target area.

The applicant asserts that according to its Hospital Study (Attachment 6 of CON application #10258), the majority of admissions to the three Ocala area hospitals are related to medicine, cardiology and pulmonology. Marion County HRC notes that UF Health at Shands in Gainesville is one of a handful of hospitals in Florida that performs Left Ventricular Assist Device (LVAD) surgery. Marion County HRC insists that Clear Choice currently manages the only SNF in Florida that is trained to rehabilitate LVAD patients and that Marion County HRC staff will be trained to successfully do so.

CON Action Numbers: 10255 through 10259

Marion County HRC states that given the high concentration of seniors in the western part of Marion County it feels the project location will allow community seniors to benefit not only from Clear Choice inpatient programming but also from outpatient programming. The applicant contends that Clear Choice’s programs work toward prolonging a person’s independence and enhancing their quality of life which in turn lowers the potential cost to the state Medicaid and federal Medicare programs. Marion Country HRC includes articles on Clear Choice programs (Reducing Hospital Readmissions/Transport in Attachments 24 and 25) in CON application #10258.

The reviewer created the following chart from applicant’s Schedule 7 regarding the proposed facility.

Marion County HRC Forecasted Utilization

	Year One	Year Two
Total Admissions	624	1,154
Total Patient Days	20,509	44,480
Occupancy	40.1%	87.0%

Source: CON application #10258, Schedule 7

The applicant provides the following table of Marion County nursing homes. The reviewer notes that the applicant did not include a source for its star ratings, but the reviewer was able to confirm them on the CMS’s Nursing Home Compare website. The reviewer has added the State inspection ratings, as published on FloridaHealthFinder.gov as well. The reviewer notes that although the applicant specifies that there are nine SNFs in Marion County, the applicant did not include the star ratings for Ocala Oaks Rehabilitation Center--which currently has an overall star rating of four stars on CMS’s Nursing Home Compare website and two stars on Floridahealthfinder.gov.

CON Action Numbers: 10255 through 10259

Marion County Nursing Homes, Beds, Occupancy & Inspection Ratings

Facility Name	Beds	Occupancy	Overall Inspection Rating	FloridaHealth Finder.gov Rating
Avante at Ocala 2021 SW 1 st Ave Ocala, Florida 34474	133	83%	Five Stars	Four Stars
Hawthorne Health and Rehab of Ocala 4100 SW 33 rd Ave Ocala, Florida 34474	120	90%	Four Stars	Three Stars
Life Care Center of Ocala 2800 SW 4 th St Ocala, Florida 34474	120	91%	Four Stars	Five Stars
Oakhurst Center 1501 SE 24 th Rd Ocala, Florida 34471	180	90%	One Star	One Star
Ocala Health and Rehabilitation Center 1201 SE 24 th Rd Ocala, Florida 34471	180	91%	Four Stars	Four Stars
Palm Garden of Ocala 2700 SW 3 rd St Ocala, Florida 34474	180	N/A	Three Stars	Three Stars
The Lodge Health and Rehabilitation Center 635 SE 17 th St Ocala, Florida 34471	99	93%	Five Stars	Five Stars
Timberridge Nursing & Rehabilitation Center 9848 SW 110 th St Ocala, Florida 34481	180	88%	Five Stars	Five Stars

Source: CON application #10258, page 21 and the Nursing Home Guide as published on FloridaHealthFinder.gov on January 13, 2015

Ocala SNF, LLC (CON #10259) indicates that the service area for the proposed project is Marion County. Ocala SNF states that there are 10 community nursing homes with 1,372 licensed beds in the county. The applicant states that Marion county’s ratio of 14.9 beds per 1,000 65+ is lower than the statewide average of 22.3 beds by 33 percent.

Ocala SNF provides a comparative analysis of historical and projected growth for the population 65+ by age cohort, indicating the following major observations:

- Marion County’s population of elderly in the age cohorts of 65-75, 75-84 and 85+ as a percent of total population exceeds that of District 3 and Florida for 2014
- Marion County’s population of elderly in the age cohorts of 65-75, 75-84 and 85+ as a percent of total population is projected to be greater in 2019 than it is currently estimated for 2014 and also at levels higher than District 3 and Florida for 2019

The applicant includes a data analysis of utilization for SNFs in Florida using discharges of all hospitals in Florida, population and demographic data. Ocala SNF summarizes its findings:

CON Action Numbers: 10255 through 10259

- The elderly population is increasing at a much faster rate than the total population or younger cohorts
- 60-65 percent of patients discharged from hospitals to SNFs are for patients aged 75+, of which 30 percent are by persons 85+
- The severity of illness of patients discharged from hospitals to SNFs as measured by CMI values is increasing
- Despite the increases in population and hospital utilization in general, discharges to SNFs have been relative stable, primarily due to the supply constraint of the CON moratorium on new SNFs for the last 13-14 years
- Medicare, Medicaid, and Managed Care payers were responsible for over 90 percent of the patients discharged from hospitals to SNFs in CY 2013
- The top 15 Diagnosis Related Groups of discharges from hospitals in Florida to Medicare and Medicaid SNFs for Marion County residents in CY 2013 reflect chronic conditions, major organ failure, orthopedic surgical procedures, cardiac and neurologic events and septicemia

The applicant asserts that there is a need for nursing facility beds that are responsible to the clinical needs of older and more severely ill patients. Ocala SNF states that the Consulate Florida 13 that have taken the lead in responding to these recent trends already have some of the elements of resources required to care for the higher acuity patients. The applicant indicates that as such, their utilization experience is valuable in assessing the need for new skilled nursing beds in this area as well. Ocala SNF reports that total occupancy rates at the Consulate Florida 13 SNFs range from 90 to 95 percent.

The applicant states that ALOS for Medicare patients at the Consulate Florida 13 is slightly lower than the overall average for all SNFs in the respective “home county.” The applicant contends that although such patients generally have a higher acuity level upon admission to a SNF compared to all patients, the Florida Consulate 13 are able to discharge such patients 13 to 14 percent sooner than other nursing homes. See the table below.

CON Action Numbers: 10255 through 10259

ALOS for Medicare Patients at the Consulate Florida 13 SNFs

Primary Condition at Admission	Consulate Florida 13	Average for all SNFs in the "Home" County	All SNFs in Florida	Variance of the Consulate Florida 13 to	
				Average for all SNFs in "Home" County	All SNFs in Florida
Alzheimer's Disease	30.27	33.38	33.59	-10.3%	-11.0%
Back Problems	25.67	28.44	26.52	-10.8%	-3.3%
Infectious Diseases	26.90	27.84	26.88	-3.5%	0.1%
Major Joint Replacement	30.50	31.98	32.05	-4.9%	-5.1%
Neurological Disorders	29.05	29.32	28.72	-0.9%	1.1%
Pulmonary Disease	24.33	26.78	25.90	-10.1%	-6.4%
Stroke	29.29	33.22	33.55	-13.4%	-14.6%

Applicant's Note: "Home County" refers to the county in which the Consulate Florida 13 facility is located
 Source: CON application #10259, page 45, based on Avalere, Inc. "Vantage Care Positioning System,"
 December 2014

Ocala SNF includes an analysis of Medicare readmission rates to acute care hospitals for the Consulate Florida 13. The applicant concludes that the Consulate Florida 13 had an all-cause readmission rate of 21.2 percent compared to a 21.6 percent rate statewide for all SNFs in Florida. Ocala SNF notes that seven of the 13 reported readmission rates are lower than the state rate leaving five that had readmission rates higher than the state rate. The applicant noted that Franco Nursing and Rehabilitation Center in Miami-Dade County was excluded from the Consulate Florida 13 group because of the unique characteristics of patients in its ventilator-assistance program. The reviewer notes that the applicant conditioned approval of the project to "the capability to operate up to 20 ventilator-capable rooms"--it is unclear whether this analysis provided by the applicant is applicable to the proposed project.

The applicant notes that utilization data for community nursing home beds in the subdistrict, district and Florida is presented in Exhibit 3 (page 35) of CON application #10259, indicating the following major observations:

- Licensed beds in the subdistrict have been the same for the past two years
- Patient days increased in the subdistrict one percent per year over the three-year period and 2.8 percent from fiscal year 2013-2014
- From 2013-2014, patient days in the subdistrict increased at a faster rate than the district and the state: 2.8 percent versus 0.9 percent versus 0.3 percent
- The subdistrict's occupancy rate increased from 87.1 percent in 2013 to 89.4 percent in 2014

CON Action Numbers: 10255 through 10259

- The subdistrict's occupancy rate approximates that of the district and is slightly higher than the state rate
- Medicaid occupancy in the subdistrict has been steady at 58 percent over the past three years
- The subdistrict's Medicaid occupancy rate is slightly lower than the district and the state's rate

b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality of care? Is the applicant a Gold Seal Program nursing facility that is proposing to add beds to an existing nursing home? ss. 408.035 (1) (c) and (j), Florida Statutes.

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255) states that it is the owner and operator of the 14-acre campus consisting of an assisted living facility, memory care center and an independent living community--the proposed project will be constructed on the same campus in Ocala, Florida. The applicant states that it is developing a nursing facility that will promote culture change and quality of care. CMCP discusses its mission statement and its Optimum Life® program on pages 4-1 to 4-2 of CON application #10255.

The applicant asserts that Brookdale's promise is to consider residents and their families as partners in care and to listen well so that choices are respected and care is provided with compassion and competence. CMCP includes a brief description of competence, compassion, flexibility, cleanliness and hospitality.

CMCP reports that 78 percent of Brookdale's Florida SNFs have been awarded a four or five-star quality rating by CMS. The applicant discusses further recognitions of its facilities on pages 4-3 to 4-5 of CON application #10255.

The applicant indicates that Brookdale uses PointRight RADAR--an analytics reporting system--to proactively assess trends, track decline, plan interventions for affordable high risk outcomes and begin a dialogue with residents and their families on care preferences. CMCP states that the three perspectives of Brookdale Senior Living's Quality Assurance Performance Improvement Model include ensuring the foundation, creating improvement and sustaining the gains. CMCP includes its forms and policies related to quality of care in Exhibit 4-4 of CON application #10255.

CON Action Numbers: 10255 through 10259

The applicant provides a detailed discussion of each of the following topics related to quality of care:

- Building relationships with residents
- Assuring resident participation
- Offering targeted services to residents needs
- The Brookdale Bridge: ensuring safe transitions for residents
- Preventing resident abuse

Agency records indicate the applicant operates 12 SNFs in Florida:

- Lake Harris Health Center
- Freedom Pointe at the Villages Rehabilitation & Healthcare Center
- Atrium Healthcare Center
- Sylvan Health Care
- Freedom Square Rehabilitation Center and Nursing Services
- Seminole Pavilion Rehabilitation and Nursing Services
- Freedom Village at Bradenton
- Plaza West
- Premier Place at Glenview
- Harbour Health Center
- Palmer Ranch Healthcare and Rehabilitation
- Cypress Village

Agency complaint records indicate that the affiliated nursing home associated with the parent company, for the three-year period ending November 19, 2014, had 20 substantiated complaints at 12 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Substantiated Complaint Categories for the Past 36 Months	
Complaint Category	Number Substantiated
Quality of Care/Treatment	12
Nursing Services	3
Admission/Transfer and Discharge	3
Resident Rights	3
Physical Environment	3
Administration/Personnel	2
Resident Assessment	1
Resident Abuse	1

Source: Agency for Health Care Administration Complaint Records

CON App Marion, LLC (CON #10256) states that its proposed facility shall develop, implement and maintain an ongoing, facility-wide Quality Assessment and Assurance Program designed to monitor and evaluate the quality of resident care, pursue methods to improve care quality and resolve identified problems. The applicant includes a detailed description of this program, including its purposes, authority, implementation, evaluation, coordinator and focus on pages 4-2 through 4-6 of CON application #10256.

CON Action Numbers: 10255 through 10259

CON App Marion asserts a Residents' Rights brochure will be provided to each admission and that every employee is given their own copy and receives education upon hire during the first day of orientation and annually thereafter. The applicant indicates that its policy statement is "*Employees shall treat all residents with kindness, respect and dignity.*"

A copy of the applicant's education/training of Residents' Rights can be found in Exhibit 4-2 of CON application #10256.

CON App Marion insists that activities are designed to augment treatments that occur pursuant to the residents' care plans and that activities accomplish the following objectives:

- To provide a planned range of meaningful, purposeful activities that reflect the residents' interests, skills and enjoyment
- To promote adaptation and restoration of functions
- To continue the fostering of individual interests and pursuits for enjoyment, for creativity, for mastery and for purpose
- To maximize the expression of individualism, through groups and family involvement, spiritual development and independence

Agency records indicate that the applicant is a new entity and does not have any operational history for quality of care.

Marion County Development LLC (CON #10257) indicates that Genesis has a long and distinguished history of providing quality care to its patients. The applicant includes its awards and recognitions in Attachments 7-10 and its quality-related policies in Attachment 38 of CON application #10257.

MCD includes a survey history of Genesis's nine Florida nursing homes since it acquired them from Sun Health in 2012. The applicant believes that it is important to note that there have been no deficiencies with a G or higher since its ownership began in December 2012.

The applicant maintains that PowerBack Rehabilitation locations have used a measurable scale to analyze and document the quality outcomes associated with its unique model of care. MCD describes the Barthel Activities of Daily Living Index--an original scale used to measure performance in activities of daily living with 10 variables.

The applicant asserts that the PowerBack Rehabilitation model has provided excellent results in relation to the Modified Barthel Index (MBI) scores for its patients. MCD reports that the average improvement in MBI scores associated with the PowerBack Rehabilitation model is at 61 percent, much higher than the national benchmark of 46 percent. MCD declares that the PowerBack Rehabilitation facilities are having significant results in rehabilitating patients and providing them the

CON Action Numbers: 10255 through 10259

health, well-being and resources to be allowed to return home and not linger in a SNF, or to be hospitalized and that this same level of quality will be provided in Marion County.

Agency complaint records indicate that the affiliated nursing home associated with the parent company, for the three-year period ending November 19, 2014, had 61 substantiated complaints at nine facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Substantiated Complaint Categories for the Past 36 Months	
Complaint Category	Number Substantiated
Quality of Care/Treatment	21
Resident/Patient/Client Rights	10
Administration/Personnel	8
Physical Environment	6
Dietary Services	4
Nursing Services	4
Resident/Patient/Client Assessment	3
Infection Control	2
Resident/Patient/Client Abuse	2
Physician Services	1

Source: Agency for Health Care Administration Complaint Records

Marion County HRC, LLC (CON #10258) asserts that it is a new entity, but Clear Choice is a health care management company specializing in the rehabilitation model for SNFs. The applicant describes the history of Clear Choice, indicating that on October 11, 2007 it took over management of six facilities previously managed by Southern Health Care, along with a retirement property in Sun City Center, Florida. Marion County HRC states that Clear Choice took over management of two more SNFs, one in Florida in 2008 and one in Colorado in 2009.

The applicant declares that the survey history of Clear Choice managed facilities has continued to improve over the last seven years. Marion County HRC insists that to help ensure it stays focused on customers, it has instituted several initiatives in each center, including:

- Personalized goal setting
- Manager on duty
- Guardian angel
- 72-hour meeting
- Concierge service

Marion County HRC maintains that it has five nursing consultants for just 10 facilities, which the applicant states is well beyond the normal ratio for most skilled nursing operators in Florida. The applicant indicates that it has focused on clinical education and increased facility oversight--asserting that efforts have led to improved survey results. Marion County HRC provides the following table illustrating annual survey deficiency trending over the last seven years.

CON Action Numbers: 10255 through 10259

Annual Survey Deficiencies Since Clear Choice Began Management

Facility	2007	2008	2009	2010	2011	2012	2013	2014
Belleair Health Care	8	9	11	5	2	2	3	N/A
Centre Point Health	-	14*	7	2	2	6	3	D. Free***
Conway Lakes Health	23	10	3	7	8	3	5	D. Fee***
East Bay Rehab	5	11	1	D. Free***	10	5	2	N/A
Melbourne Terrace	13**	20**	4	7	5	5	2	D. Free***
Orchard Park****	-	-	24*	15	12	9	1	2
Port Charlotte Rehab	19	11	14	12	11	5	8	6
Spring Lake Rehab	9	7	4	4	4	1	1	6
Sun Terrace Health	7	21	6	5	4	-	2	3

*The applicant notes the facility was under prior management

**The applicant notes 6-month survey from prior management

***Deficiency Free

****The applicant notes this facility began 10/01/09, Colorado

Source: CON application #10258, page 24

Marion County HRC asserts that Clear Choice has worked very hard over the past seven years to transform each of its facilities into facilities of excellence. The applicant provides the following table, illustrating that in each facility that Clear Choice has assumed operational management of, the initial star ratings were one or two stars, except for East Bay. Marion County HRC declares that 89 percent of Clear Choice’s facilities have either a four or a five star rating. The reviewer notes that the applicant did not include a source for its star ratings, but the reviewer was able to confirm them on CMS’s Nursing Home Compare website. The reviewer added a column to the applicant’s table illustrating each facility’s star rating per FloridaHealthFinder.gov. See the table below.

Clear Choice’s Star Ratings

Facility	Star Rating When Clear Choice Health Care Management Began	Current Star Rating	Reviewer’s Note
Belleair Health Care	One	Four	Three
Centre Pointe Health	Two	Four	Four
Conway Lakes Health	One	Five	Four
East Bay Rehab	Four	Four	Two
Melbourne Terrace	One	Five	Five
Orchard Park (Colorado)	One	Five	-
Port Charlotte Rehab	One	Four	Two
Spring Lake Rehab	One	Two	One
Sun Terrace Health	Two	Five	Four

Source: CON application #10258, page 25

Marion County HRC states that the December 3, 2013 complaint survey conducted for Spring Lake Rehab resulted in deficiencies centered around the absence of a lab order and the responsibility of having such an order in place. The applicant insists that attending physicians and expert physicians who reviewed the care, supported the facility and its staff complied with the standard of care. Marion County HRC contends that although Spring Lake Rehab disputed the deficiencies, and ultimately a settlement was entered into as a compromise resolution

CON Action Numbers: 10255 through 10259

without admission. The applicant asserts that Spring Lake immediately reviewed its systems and put additional interventions and protocols in place and no similar issues have arisen.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending November 19, 2014, had 24 substantiated complaints at eight facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Substantiated Complaint Categories for the Past 36 Months	
Complaint Category	Number Substantiated
Quality of Care/Treatment	14
Nursing Services	5
Dietary Services	3
Resident/Patient/Client Assessment	3
Physician Services	2
Physical Environment	2
Resident/Patient/Client Abuse	1
Resident/Patient/Client Rights	1
Infection Control	1

Source: Florida Agency for Health Care Administration Complaint Records

Ocala SNF, LLC (CON #10259) states it is a newly created entity developed for the purpose of submitting this CON application and does not hold a license for a nursing facility. The applicant indicates its response is submitted in regard to its ultimate management company Consulate.

The applicant maintains that at the core of all its policies, procedures and programs are Quality Assurance and Quality Improvement (QAPI) structures as well as Root Cause Analysis (RCA). Ocala SNF declares that Consulate's efforts to continuously improve quality of care and patient outcomes have been incorporated into nine best practice programs. The applicant provides Exhibit 12: Best Practices At-A-Glance on pages 50 to 51 of CON application #10259.

Ocala SNF insists that four of Consulate's care centers in Florida have met the criteria and are eligible to submit an application to the Agency to become a Gold Seal Facility. The reviewer notes these four facilities are not currently Gold Seal Facilities per Floridahealthfinder.gov.

The applicant provides a detailed discussion of each of the following programs and policies related to quality of care:

- Consulate is organized to focus on quality of care
- Policies and procedures affecting quality of care
- Use of quality of care data at Consulate

CON Action Numbers: 10255 through 10259

- Quality of care for patients
- Quality initiatives in programs and services
- Awards and recognition of Consulate’s care centers
- Quality of Consulate’s staff

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending November 19, 2014, had 411 substantiated complaints at its 76 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Substantiated Complaint Categories for the Past 36 Months	
Complaint Category	Number Substantiated
Quality of Care/Treatment	221
Resident/Patient/Client Rights	83
Administration/Personnel	64
Nursing Services	48
Resident/Patient/Client Assessment	45
Physical Environment	35
Infection Control	25
Admission, Transfer, & Discharge Rights	24
Dietary Services	22
Resident/Patient/Client Abuse	13
Resident/Patient/Client Neglect	8
Physician Services	6
Falsification of Records/Reports	4
Misappropriation of Property	4
State Licensure	4
Billing/Refunds	2
Life Safety Code	1
Quality of Life	1
Unqualified Personnel	1

Source: Agency for Health Care Administration Complaint Records

- c. What resources, including health manpower, management personnel and funds for capital and operating expenditures, are available for project accomplishment and operation? ss. 408.035 (1)(d), Florida Statutes.**

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance in the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could

CON Action Numbers: 10255 through 10259

be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

The below is an analysis of the audited financial statements of Brookdale Senior Living, Inc., the parent company funding the project, and where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year. All dollar values are in thousands.

Brookdale Senior Living, Inc.		
	Current Year	Previous Year
Current Assets	\$294,862	\$309,038
Total Assets	\$4,737,757	\$4,706,768
Current Liabilities	\$870,844	\$1,130,898
Total Liabilities	\$3,716,820	\$3,709,782
Net Assets	\$1,020,937	\$996,986
Total Revenues	\$2,891,966	\$2,768,738
Excess of Revenues Over Expenses	(\$3,584)	(\$66,467)
Cash Flow from Operations	\$366,121	\$290,969
Short-Term Analysis		
Current Ratio (CA/CL)	0.3	0.3
Cash Flow to Current Liabilities (CFO/CL)	42.04%	25.73%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	278.8%	258.7%
Total Margin (ER/TR)	-0.12%	-2.40%
Measure of Available Funding		
Working Capital	(\$575,982)	(\$821,860)

Position	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

Capital Requirements and Funding:

The applicant lists \$8,301,929 for capital projects including the application currently under review and various capital expenditures. Funding for this project will be provided by operating cash flows and debt financing, if necessary. The parent company is partially funding the project for CON application #10264 and fully funding the project for CON application #10286. The parent has significant positive operating cash flows as shown in the above table (amounts in thousands).

Conclusion:

Funding for this project and the entire capital budget should be available as needed.

CON App Marion, LLC (CON #10256):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project.

The applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by a third-party source and cash on hand.

Capital Requirements and Funding:

The applicant lists total capital projects in the amount of \$21,637,900 which consists solely of this CON currently under review. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by Tunic Capital, LLC (third-party). Tunic Capital provided a letter of interest in financing this project. A letter of interest does not constitute a firm commitment to lend. In the absence of a firm commitment to lend, we would rely on an analysis of the applicant or parent audit to assess the financial stability and therefore likelihood of the applicant to obtain debt financing. In this case the applicant is a development stage company with no operations to evaluate. Therefore we do not have sufficient evidence to determine likelihood of funding this project.

Conclusion:

Funding for this project is in question.

Marion County Development LLC (CON #10257):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance in the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

The applicant is a development stage company with no operations to date. The below is an analysis of the audited financial statements of Genesis Healthcare LLC and Subsidiaries, the parent company, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year. All numbers are in thousands.

CON Action Numbers: 10255 through 10259

Genesis Healthcare LLC and Subsidiaries		
	Current Year	Previous Year
Current Assets	\$927,027	\$876,012
Total Assets	\$5,137,005	\$5,248,119
Current Liabilities	\$685,683	\$640,255
Total Liabilities	\$5,320,886	\$5,246,100
Net Assets	(\$183,881)	\$2,019
Total Revenues	\$4,749,754	\$3,078,949
Excess of Revenues Over Expenses	(\$176,970)	(\$171,722)
Cash Flow from Operations	\$82,149	\$9,972
Short-Term Analysis		
Current Ratio (CA/CL)	1.4	1.4
Cash Flow to Current Liabilities (CFO/CL)	11.98%	1.56%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-2520.8%	228125.1%
Total Margin (ER/TR)	-3.73%	-5.58%
Measure of Available Funding		
Working Capital	\$241,344	\$235,757

Position	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

Capital Requirements and Funding:

The applicant lists total capital projects in the amount of \$26,230,554 which includes the CON currently under review (\$25,253,579), \$53,775 for year one capital budget, and \$423,200 for year two capital budget. The applicant plans to fund the project from equity provided by an affiliate and a loan from Bank of Texas. Bank statements showing the availability of \$8,213,456 were provided. Titan Senior Living provided a letter stating that financing will be secured by them for the applicant. Titan Senior Living did not provide audited financial statements for analysis to demonstrate their ability to secure the financing. A letter of interest was provided from the Bank of Texas, however a letter of interest is not a commitment to lend. The bank letter did however outline a preexisting relationship with the developer and parent entity. Based on the above analysis, the parent has working capital of \$241.3 million.

CON Action Numbers: 10255 through 10259

Although the parent's overall financial position is relatively weak, the available capital is sufficient to fund the project outright which makes loan acquisition more likely.

Conclusion:

Funding for this project is likely but not guaranteed.

Marion County HRC, LLC (CON #10258):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent or other related parties who will fund the project.

The applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by cash on hand and a third-party source.

Capital Requirements and Funding:

The applicant lists \$22,336,223 which consists solely of the CON currently under review. The applicant submitted a letter from BB&T expressing interest in providing financing for up to 85 percent of the cost of the project. A letter of interest is not considered a firm commitment to lend. However, the letter outlined an existing relationship with the parent entity, the banks knowledge of the financial strength of the parent, and indicated terms of the anticipated loan including the required 15 percent equity funding. The applicant submitted an investment statement of the parent showing over \$8 million in liquid assets available. Given the preexisting relationship with the lender and evidence of ability to fund the equity portion of the project, while not guaranteed, funding for this project appears likely.

It should be noted that the applicant's parent company currently has three CON applications under review including this one (10250, 10258, and 10325). All three cite the same \$8 million investment statement and have virtually identical funding needs and letter of interest. Funding the 15 percent equity portion of all three projects would be in excess of the \$8 million presented. Given the information provided, it is not clear that sufficient resources exist to fund more than two of the CON applications if awarded.

Conclusion:

Funding for this project appears likely, but not guaranteed.

Ocala SNF, LLC (CON #10259):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent or other related parties who will fund the project.

The applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by a third-party source and cash on hand.

Capital Requirements and Funding:

The applicant provided a development stage audit. The audit indicates that the applicant has very little assets, liabilities, net worth and no revenue. The applicant indicates on Schedule 2 capital projects totaling \$17,140,919 which includes this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided cash on hand of \$40,000 and by non-related company financing. The applicant's parent company currently has six CON applications under review including this one. The applicant provided a letter from Mainstreet Investments indicating a commitment to fund this project. The applicant provided audited financial statements of Mainstreet affiliates (Mainstreet Asset Management, Inc. and Mainstreet Property Group, LLC). The letter was specific to this project and in general mentioned funding 50 projects in 2015. Mainstreet is cited as a funding source for several CONs in this batching cycle. Mainstreet is not a traditional bank or lender but rather is in the business of funding and acquiring funding from various investors, lenders, and various Real Estate Investment Trusts (REITs) to build facilities and lease and or sell them to operators of health care facilities. To that point, a letter of interest was provided by PNC Real Estate to provide funding for upcoming Mainstreet projects (it should be noted that a letter of interest is not considered a firm commitment to lend).

The structure and nature of these types of entities makes it difficult to determine ability to fund any given project due to both the complexity and variety of funding options and the turnover of projects. However, this is not an uncommon method of funding skilled nursing facility construction and operation. We reviewed the Mainstreet affiliated audits and the primary entity appears to be sound and has been in existence for

over 10 years. While the letter of interest from PNC cannot be relied on as a commitment, the letter did acknowledge a preexisting lending relationship that supports the business conducted by Mainstreet as described in its commitment letter and audits. Based on that analysis, it is likely that Mainstreet would be able to fund this project.

Conclusion:

Funding for this project is not guaranteed but appears likely.

- d. What is the immediate and long-term financial feasibility of the proposal? ss. 408.035 (1) (f), Florida Statutes.**

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

CON Action Numbers: 10255 through 10259

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	4,294,197	392	1,876	514	284
Total Expenses	3,881,942	354	1,796	489	337
Operating Income	412,255	38	176	26	-173
Operating Margin	9.60%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	10,951	93.76%	97.64%	91.30%	33.72%
Medicaid	2,190	20.00%	29.81%	20.69%	2.05%
Medicare	4,745	43.33%	66.46%	35.09%	6.50%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. The applicant only provided data for the first year of operations, therefore the Agency cannot determine if staffing is sufficient in the second year. Based on the information provided in Schedule 6, the applicant’s projected staffing meets this requirement in the first year.

The range of actual results in our group for small nursing homes is wide due to the small volume of nursing homes in the group and associated scale of cost and revenue. However, the projected NRPD, CPD and profit fall closer to the median of the group range than to the highest value and are considered reasonable. Therefore, the overall profitability appears achievable.

Conclusion:

This project appears to be financially feasible.

CON App Marion, LLC (CON #10256):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results

CON Action Numbers: 10255 through 10259

from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	13,596,600	352	575	364	252
Total Expenses	13,146,700	340	557	356	265
Operating Income	449,900	12	112	9	-64
Operating Margin	3.31%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	38,655	88%	99.58%	92.71%	75.37%
Medicaid/MDCD HMO	15,462	40%	50.02%	41.97%	29.95%
Medicare	15,462	40%	61.01%	35.64%	3.48%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant’s projected staffing meets this requirement.

The projected NRPD, CPD and profitability all fall within the group range and are therefore considered reasonable.

Conclusion:

This project appears to be financially feasible.

Marion County Development LLC (CON #10257):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our

CON Action Numbers: 10255 through 10259

analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	20,850,716	501	490	439	305
Total Expenses	19,684,395	473	487	404	333
Operating Income	1,166,321	28	54	33	-25
Operating Margin	5.59%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	41,610	95%	99.86%	91.31%	60.95%
Medicaid/MDCD HMO	0	0%	29.95%	22.37%	12.57%
Medicare	18,250	44%	85.89%	59.23%	7.73%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant’s projected staffing meets this requirement.

The NRPD is above the group highest. The applicant is projecting zero Medicaid utilization. Because we are using Medicaid cost report data as our basis for a group comparison, we have no data with zero Medicaid utilization. We used a group with as little Medicaid utilization as available. It is not unreasonable for revenue and cost to be at the high end of the group since Medicare payers tend to be rehabilitation patients which is more labor intensive (the applicant also indicated that this would be the focus). The projected CPD and profitability fall within the group range. Even though the NRPD is above the highest in the group,

CON Action Numbers: 10255 through 10259

CPD follows at the high end of the group and profitability is just below the median. Given the type of service expected to be provided, the overall projections appear reasonable.

Conclusion:

This project appears to be financially feasible.

Marion County HRC, LLC (CON #10258):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	17,783,985	400	451	391	214
Total Expenses	15,429,851	347	448	388	293
Operating Income	2,354,134	53	28	-29	-106
Operating Margin	13.24%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	44,480	87%	89.36%	80.65%	68.68%
Medicaid/MDCD HMO	14,416	32%	35.93%	30.87%	11.87%
Medicare	25,805	58%	58.06%	40.45%	12.36%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the projections provided, the applicant meets these requirements.

The projections for NRPD and CPD are within the range and appear reasonable. The margin per patient is well above the highest value. Given that both revenue and cost are within a reasonable range in the group, profitability is considered achievable but likely at a lower rate than projected.

Conclusion:

This project appears to be financially feasible.

Ocala SNF, LLC (CON #10259):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and ultimately whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

CON Action Numbers: 10255 through 10259

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	14,296,481	349	558	353	245
Total Expenses	14,006,809	342	541	346	257
Operating Income	289,672	7	112	9	-64
Operating Margin	2.03%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	40,976	93.55%	99.58%	92.71%	75.37%
Medicaid/MDCD HMO	16,886	41.21%	50.02%	41.97%	29.95%
Medicare	20,440	49.88%	61.01%	35.64%	3.48%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, neither the nursing assistant staffing, nor the nursing staffing meet this requirement. The projected nursing assistant staffing in year two is 2.09 hours, which is less than the 2.5 hour requirement. The projected nursing staffing in year two is 0.82 hours, which is less than the 1.0 hour requirement.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable. However, the total cost appears understated due to the lack of sufficient staffing as outlined above. Therefore, the overall profitability while achievable is likely overstated.

Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant.

- e. **Will the proposed project foster competition to promote quality and cost-effectiveness? ss. 408.035 (1)(e) and (g), Florida Statutes.**

Analysis:

The type of competition that would result in increased efficiencies, service and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in the nursing home industry, price-based competition is limited. With a large portion

of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The publication of need in this area suggests that there is an unmet and untapped customer base for a new entrant to absorb. Since nursing home services are limited to available beds and the need formula suggest excess capacity in the market to fill those beds, the impact on market share would be limited. The combination of the existing health care system's barrier to price-based competition via fixed price payers and the existence of unmet need in the district limits any significant gains in cost-effectiveness and quality that would be generated from competition.

Conclusion:

These projects are not likely to have a material impact on competition to promote quality and cost-effectiveness.

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035 (1) (h), Florida Statutes; Ch. 59A-4, Florida Administrative Code.**

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255):

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the propose project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

CON App Marion, LLC (CON #10256): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of

CON Action Numbers: 10255 through 10259

the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

Marion County Development LLC (CON #10257): The construction type is not listed but building materials are described as non-combustible and comply with the requirements of the applicable codes.

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

Marion County HRC, LLC (CON #10258): Although architectural drawings are not to scale, all the required spaces have been provided and appear to be adequately sized.

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives

CON Action Numbers: 10255 through 10259

and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

However construction type V-A as indicated in the architectural plans does not allow construction of a two-story building for health care occupancy (I-2), and must be revised.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

Ocala SNF, LLC (CON #10259): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

- g. Does the applicant have a history of and propose the provision of health services to Medicaid patients and the medically indigent? Does the applicant propose to provide health services to Medicaid patients and the medically indigent? ss. 408.035 (1) (i), Florida Statutes.**

A five-year history of Medicaid patient days and occupancy for the subdistrict, district and state is provided in the table below.

CON Action Numbers: 10255 through 10259

**Medicaid Patient Days & Medicaid Occupancy in Marion County,
District 3 and Florida**

Medicaid Patient Days					
Facility/Area	2009	2010	2011	2012	2013
Marion County	236,163	232,979	246,701	249,338	258,820
District 3	1,454,706	1,468,022	1,499,110	1,523,920	1,539,243
Florida	15,411,373	15,530,575	15,612,015	15,733,318	15,700,197
Medicaid Occupancy					
Facility/Area	2009	2010	2011	2012	2013
Marion County	56.41%	55.59%	57.12%	58.08%	57.79%
District 3	59.99%	60.25%	61.28%	62.13%	62.34%
Florida	61.26%	61.33%	61.56%	61.85%	61.66%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255)

states it is the operator applying to develop a new 32-bed SNF and therefore has no history of utilization. The applicant notes that its affiliate company Brookdale is related to over 150 senior living communities in Florida (11 of which are SNFs) and that these facilities provide skilled nursing care to their respective and distinct market demands.

CMCP believes that no market is the same and that certain subdistricts have larger Medicaid patient base while others do not. The applicant discusses two of its affiliated SNFs in Subdistrict 3-7--Lake Harris Health Center and Freedom Pointe at the Villages Rehabilitation and Healthcare Center. CMCP notes that due to the characteristic of each market and services it demands, Lake Harris provides Medicaid, but Freedom Pointe does not.

The applicant indicates that for the most recent annual period ending June 30, 2014, Lake Harris, Subdistrict 3-4 and the state overall reported Medicaid occupancies of 36.8 percent, 58.0 percent, and 62.1 percent, respectively.

The reviewer compiled the following Medicaid occupancy data for Brookdale operated Florida facilities for July 1, 2013 to June 30, 2014. See the table below.

CON Action Numbers: 10255 through 10259

**Brookdale Operated Facilities, Florida Medicaid Occupancy
July 1, 2013 to June 30, 2014**

Facility	Medicaid Days	Total Days	Medicaid Occupancy
Lake Harris Health Center	13,021	35,365	36.82%
Freedom Pointe at the Villages*	N/A	N/A	N/A
Atrium Healthcare Center (name changed to Brookdale Atrium Way 2 on 12/18/2014)	9,507	27,932	34.04%
Sylvan Health Care	4,410	20,524	21.49%
Freedom Square Rehab Center and Nursing	10,398	19,939	52.15%
Seminole Pavilion Rehab and Nursing Services	14,945	41,297	36.19%
Freedom Village at Bradenton*	N/A	N/A	N/A
Plaza West	6,899	37,665	18.32%
Premier Place at Glenview	0	7,636	0.00%
Harbour Health Center	16,151	35,474	45.53%
Palmer Ranch Healthcare and Rehabilitation	7,495	20,500	36.56%
Total	75,934	246,332	31.23%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle
*The reviewer notes that this SNF is a sheltered facility without Medicaid utilization

CMCP asserts that the proposed facility will focus on short-term rehabilitation enabling patients to return to their home environment-- however, the proposed facility will extend its services to provide for Medicaid patients. CMCP provides the following payer forecast for the first two years of operation of the proposed facility.

**Forecasted Admissions and Patient Days
CMCP-Pinecastle**

Payer	Year One		Year Two	
	Patient Days	Percent	Patient Days	Percent
Medicare	2,346	29.5%	4,745	43.3%
Medicaid	1,338	16.8%	2,190	20.0%
Private Pay	3,916	49.3%	3,468	31.7%
Commercial	344	4.3%	548	5.0%
Total	7,943	100.0%	10,950	100.0%

Source: CON application #10255, page 9-3

The reviewer confirms these numbers by calculations performed on the applicant's Schedule 7.

CMCP states that with Brookdale facilities all over Florida, care can be coordinated and operations managed efficiently to meet both short-term and long-term care needs for residents of the area. CMCP declares that implementation of the proposed project will ensure continued access to skilled nursing care for Medicaid recipients.

CMCP indicates that it is aware of all aspects of the newly implemented Statewide Medicaid Managed Care Long-Term Care program (SMMC LTC) and will form a provider agreement with one of the LTC plans available in Region 3 (Alachua, Bradford, Citrus, Columbia, Dixie, Gilchrist, Hamilton, Hernando, Lafayette, Lake, Levy, Marion, Putnam, Sumter, Suwannee and Union Counties).

CON Action Numbers: 10255 through 10259

The applicant notes that following the March 2014 initiation of SMMC LTC in Region 3, the three SMMC LTC plans operating enrolled approximately 7,000 individuals. CMCP maintains that it will enroll in, and continue to provide timely and accurate provider information to the Agency Provider Master List. The applicant asserts that it will also collaborate with the chosen LTC plan to identify and implement quality and performance measures to monitor the facility's clinical performance on an ongoing basis. CMCP provides a summary of the three available Medicaid SMMC LTC plans operating in Region 3.

CON App Marion, LLC (CON #10256) states that although it is a new entity and has no history of Medicaid, it will certify the facility in the Medicare and Medicaid programs.

The applicant provides an overview of changes to long-term care including the advent of SMMC plans. In this discussion, CON App Marion includes information on the available plans and services in Region 3.

CON App Marion asserts that the levels of Medicare and Medicaid managed care are difficult to forecast as the experience with them continues to evolve. The applicant believes that with the advent of SMMC for long-term care, the expectation is that Medicaid utilization will continue to trend downward as options to institutional placement are advanced. CON App Marion indicates that Medicare Advantage Plans are also growing in enrollments. The applicant provides the following payer forecast for the first two years of operation.

CON App Marion, Projected Utilization

Payer	Year One Resident Days	Year Two Resident Days	Percent of Days
Medicare	4,911	9,664	25.0%
Medicare Managed Care	2,946	5,798	15.0%
Medicaid Managed Care	7,857	15,462	40.0%
Self-Pay	3,928	7,731	20.0%
Total	19,642	38,655	100.0%
Occupancy	44.8%	88.3%	

Source: CON application #10256, page 9-4

The applicant notes that while other payers may be served, their numbers are much lower than those shown above that represent the major payers for nursing home care. CON App Marion states that in addition to the above payer mix, uncollected billings and charity care appear on Schedule 8--converting the revenues to resident days produces 240 and 472 resident days in the first and second year, respectively.

CON Action Numbers: 10255 through 10259

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 40.0 percent and 20.0 percent, respectively, of year one and year two annual total patient days.

Marion County Development LLC (CON #10257) states that it has a history of providing health services to all patients that require nursing home care, without regard to age, sex, race, ethnic group, diagnosis or ability to pay. The chart below presents the payer mix of Genesis's existing facilities in Florida.

Genesis Facilities' Payer Mix: June 2013-July 2014

Genesis Facility	Medicaid	All-Other Payers%
Oakhurst Center	63.6%	36.4%
Orchard Ridge	60.9%	39.1%
Bay Tree Center	65.9%	34.1%
West Bay of Tampa	62.5%	37.5%
Sunset Point	57.1%	42.9%
Huntington Place	58.0%	42.0%
Springwood Center	85.7%	14.3%
Pinebrook Center	62.7%	37.3%
Lakeside Pavilion	74.6%	25.4%
Total	65.6%	34.4%

Source: CON application #10257, page 107, based on Florida Nursing Home Bed Need Projections

MCD indicates that its payer mix will differ from that of Genesis's other Florida nursing homes because of unique nature of the PowerBack Rehabilitation to be implemented. The applicant notes that because MCD will focus on short-stay, post-acute care, these patients are generally covered primarily by Medicare and managed care. MCD will also serve younger patients for whom Medicaid is the primary payer as well as medically indigent patients. The reviewer notes that the applicant has no provision for Medicaid on its Schedule 7 and one percent of revenues for bad debt on its Schedule 8. The reviewer further notes that the applicant does not explain or give any details regarding provisions to younger patients.

MCD discusses its intention to create a local network in Marion County so that patients requiring short-term can be served at MCD while those requiring long-term care will be referred to its Marion County facility, Oakhurst Center. The applicant reports that Oakhurst Center offers more traditional long-term care to a patient population for which 62.6 percent are covered by Medicaid. The applicant asserts that the shift of short-term patients from Oakhurst Center to MCD will create additional capacity at Oakhurst to serve long-term care patients, the majority of who will be Medicaid recipients.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 0.0 percent and 0.0 percent, respectively, of year one and year two annual total patient days.

CON Action Numbers: 10255 through 10259

Marion County HRC, LLC (CON #10258) states that it is a new entity with no operational history. The applicant maintains that Medicaid and medically indigent residents/patients within other Clear Choice managed facilities represent between 50 to 60 percent of the total population. The reviewer notes the applicant did not provide a data source or detailed report on Medicaid and charity care provided at its current facilities. Marion County HRC insists that Clear Choice instills a culture of caring and giving back to the community.

The applicant declares that Clear Choice facilities understand that part of serving the community is providing care to people in need despite of payer source. Marion County HRC reports that Clear Choice is on track for writing-off over \$1,000,000.00 dollars in unreimbursed care to Medicaid and medically indigent residents/patients.

Marion County HRC indicates that Clear Choice Health Care has developed a culture of giving back to the local community charities. The applicant includes articles of Clear Choice programs pertaining to charity work in Attachments 13 and 17 of CON application #10250.

The applicant states it will provide services to Medicaid patients and the medically indigent.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 14.9 percent and 6.8 percent, respectively, of year one and 32.4 percent and 3.3 percent, respectively, of year two annual total patient days.

The reviewer compiled the following Medicaid occupancy data for Clear Choice operated Florida facilities for July 1, 2013 to June 30, 2014. See the table below.

**Clear Choice Operated Facilities, Florida Medicaid Occupancy
July 1, 2013 to June 30, 2014**

Facility	Medicaid Days	Total Days	Medicaid Occupancy
Belleair Health Care	19,895	39,679	50.14%
Centre Pointe Health	18,268	41,667	43.84%
Conway Lakes Health	14,546	39,814	36.53%
East Bay Rehab	16,902	40,806	41.42%
Melbourne Terrace Rehab	12,609	40,064	31.47%
Port Charlotte Rehab	21,608	39,441	54.79%
Spring Lake Rehab	10,847	40,756	26.61%
Sun Terrace Health	10,472	36,951	28.34%
Total	125,147	319,178	39.21%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

CON Action Numbers: 10255 through 10259

Ocala SNF, LLC (CON #10259) asserts that it is a newly created entity and does not hold a license for a nursing facility.

Ocala SNF states that utilization data for the aforementioned Consulate Florida 13 are presented as Attachment 5 and a summary of the data regarding occupancy rates for total patients and Medicaid patients is shown as exhibit eight of CON application #10259. The reviewer confirms this data in the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict* publications for the October 2012, 2013 and 2014 Batching Cycles. However, the applicant includes annual change columns that cannot be confirmed by the reviewer.

The applicant summarizes the major observations of this data:

- The total occupancy rate at the Consulate Florida 13 SNFs of 96.2 percent is higher than the State's rate of 87.3 percent
- The Medicaid occupancy rate of eight of the 13 Consulate care centers is higher than the state's rate of 62.1 percent, but on a total basis, Medicaid occupancy at the Consulate Florida 13 of 52.9 percent is lower than the state's figure
- For the 11 months of January to November 2014, the 80 consulate care centers² provided approximately two million days of care to Medicaid patients
- Nevertheless, the utilization data documents that Consulate care centers are available, and utilized by Medicaid and medically indigent persons

The reviewer compiled the following Medicaid occupancy data for the Consulate 13 facilities for July 1, 2013 through June 2014. The reviewer notes that for these facilities, the average Medicaid occupancy percentage was 52.99 percent. See the table below.

² The reviewer notes that 76 of Consulate's 80 care centers are SNFs.

CON Action Numbers: 10255 through 10259

**Consulate 13, Florida Medicaid Occupancy
July 1, 2013-June 30, 2014**

Facility Name	Medicaid Days	Total Days	Medicaid Occupancy
Baya Pointe Nursing & Rehabilitation Center	17,060	30,261	56.38%
Brandon Health & Rehabilitation Center	14,957	42,669	35.05%
Consulate Health Care of Brandon	23,437	42,520	55.12%
Consulate Health Care of Jacksonville	22,577	40,378	55.91%
Fletcher Health & Rehabilitation Center	27,427	42,084	65.17%
Grand Oaks Health & Rehabilitation Center	17,800	42,347	42.03%
Consulate Health Care of Kissimmee	27,222	43,116	63.14%
Lake Mary Health & Rehabilitation	16,138	42,313	37.14%
Franco Nursing & Rehabilitation	30,127	41,198	73.13%
Oakbridge Health Care	19,338	42,364	45.65%
Osprey Point Nursing Home	11,269	20,649	54.57%
Consulate Health Care at West Altamonte	24,501	41,355	59.25%
North Florida Rehabilitation & Specialty Care	41,933	19,439	46.36%
Total	293,786	490,693	52.99%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

Ocala SNF projects that the two key payer groups identified by this Agency rule preference are self-pay and managed Medicaid. See the table below.

Ocala SNF, LLC Medicaid

Payer	Percent of Total Patient Days	
	Year One	Year Two
Medicaid Managed Care	34.8%	41.2%
Self-Pay	7.3%	8.9%
Total	42.1%	50.1%

Source: CON application #10259, page 80

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 34.8 and 7.3 percent, respectively, of year one and 41.2 percent and 8.9 percent, respectively, of year two annual total patient days.

F. SUMMARY

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255), an affiliate of Brookdale Senior Living, proposes to establish a new 32-bed community nursing home in District 3/Subdistrict 3-4, Marion County. The applicant states that it intends to aggregate available bed need from Subdistrict 3-3, Putnam County, with published need from 3-4 in order to accommodate the proposed project. The applicant does not specify how many beds it would aggregate from Putnam County to accomplish the proposed project.

The applicant operates 11 SNFs in Florida.

CON Action Numbers: 10255 through 10259

The project involves 25,963 GSF of new construction. The construction cost is \$5,168,540. Total project cost is \$7,396,707. Project cost includes land, building, equipment, project development and start-up costs.

The applicant does not wish to accept any conditions for the proposed project.

CON App Marion, LLC (CON #10256) proposes to establish a new 120-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

The project involves 80,080 GSF of new construction. The construction cost is \$14,000,000. Total project cost is \$21,637,900. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant does not wish to accept any conditions for the proposed project.

Marion County Development LLC (CON #10257), an affiliate of Genesis HealthCare, LLC, proposes to establish a new 120-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

The applicant operates nine SNFs in Florida.

The project involves 91,400 GSF of new construction. The construction cost is \$16,101,250. Total project cost is \$25,753,579. Project cost includes land, building, equipment, project development, financing, and start-up costs.

The applicant proposes four conditions on its Schedule C.

Marion County HRC, LLC (CON #10258) owned by SBK Capital LLC but to be managed by Clear Choice Health Care, proposes to establish a new 140-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

Clear Choice operates eight SNFs in Florida.

The project involves 90,000 GSF of new construction. The construction cost is \$14,130,000. Total project cost is \$22,293,638. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes one condition on its Schedule C.

CON Action Numbers: 10255 through 10259

Ocala SNF, LLC (CON #10259), an affiliate of Consulate Healthcare, proposes to establish a new 120-bed community nursing home in District 3/Subdistrict 3-4, Marion County.

The applicant operates 76 SNFs in Florida.

The project involves 74,052 GSF of new construction. The construction cost is \$10,351,533. Total project cost is \$17,140,914. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes 12 conditions on its Schedule C.

Need:

In Volume 40, Number 193 of the Florida Administrative Register dated October 3, 2014, a fixed need pool of 140 beds was published for Subdistrict 3-4 for the July 2017 Planning Horizon.

As of November 19, 2014, Subdistrict 3-4 had 1,372 licensed and zero approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 3-4 experienced 89.42 percent utilization at 10 existing facilities.

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255) states that there is clearly need for additional SNFs in Subdistrict 3-4 based on the following:

- The subdistrict has significant numbers of discharges in service lines and disease categories such as hip and knee procedures and replacements, septicemia, heart failure and stroke which will further increase demand for skilled nursing care
- The long-standing moratorium on new SNF beds and relative lack of new construction means more modern facilities are needed to keep pace with technological and clinical developments in health care delivery

CMCP indicates that the ALOS will be 56.3 days for year one and 44.2 days for year two of operation.

CON App Marion, LLC (CON #10256) indicates that its preferred ZIP code for the proposed project is 34491, Summerfield and surrounding area. The applicant notes that its analysis confirms the location draws retirees and will continue to do so. CON App Marion asserts that the preferred ZIP code has only one nursing home (though the recent Villages' site is within the area) and also includes a hospital.

CON Action Numbers: 10255 through 10259

The applicant performed a detailed data analysis of 65+ population growth estimates in Marion County by ZIP code for the year 2019--noting Summerfield is the ZIP code with the highest number of persons likely to require nursing home care.

The applicant believes that competing in the Marion County market will require focus and quality. CON App Marion declares that the selection of Kevin Bessolo, architect, for the proposed project reflects his ongoing involvement in innovative design to create a facility that is efficient, yet has home-like amenities and appointments establishing the environment of care.

CON App Marion indicates on its Schedule 7 that the ALOS will be 39 days for years one and two of operation.

Marion County Development LLC (CON #10257) notes that it and Genesis, along with the developer Titan Senior Living, are proposing to implement Genesis's unique brand of short-term post-acute rehabilitation services, known as PowerBack Rehabilitation, in Marion County. The applicant states that some of the unique features of its PowerBack Rehabilitation project include:

- A 120-bed facility designed and developed specifically to meet short-term, post-acute care needs
- An experienced operator of nursing facilities, Genesis HealthCare, with the track record and Florida experience to develop and operate the proposed project
- A proven and highly effective clinical model for quickly restoring patients to maximum health status and physical ability to return home with short lengths of stay
- A unique staffing structure with greater nursing, therapy and physician staff ratios to quickly assess patients and design a plan of care to return them to maximum functional levels as soon as possible
- Relationships with Genesis Rehabilitation Services, Genesis Physician Services and Genesis Respiratory Services that will work in concert to provide maximum clinical benefit to patients admitted to the proposed facility
- A distinctive model of care that is at the forefront of industry trends and Florida's goals and objectives to ensure patients are cared for in the most cost-effective and least restrictive setting

MCD predicts an ALOS of 21 days, which results in an ADC of 58.78 and 114 in the first two years of operation.

CON Action Numbers: 10255 through 10259

Marion County HRC, LLC (CON #10258) believes that the location of the proposed facility, to be constructed on an eight-acre site in west Marion County west of the I-75 state road 200 intersection, is very convenient to Ocala and the greater Ocala area.

The applicant insists that the identified needs within the proposed market are relatively consistent with the needs throughout many of the Florida markets where Clear Choice currently operates. Marion County HRC declares that area patients with problems related to medicine, cardiology and pulmonology would benefit particularly from existing Clear Choice programs, including:

- Medication and disease management programming
- Cardiac programming
- Left ventricular assistive device recipient therapy
- Cerebral vascular accident
- Chronic obstructive pulmonary disease
- Continuous and bi-level positive airway pressure programming

The applicant states that the facility anticipated ALOS for short-term patients is approximately 32 days. The reviewer notes the proposed facility is projecting a total facility ALOS of 32.86 for year one and 38.54 for year two.

Ocala SNF, LLC (CON #10259) indicates that it has the interest, ability and commitment to provide effective solutions for the needs of the subdistrict. Consulate maintains that the proposed project is needed due to three factors:

- The demographic trends of an aging population whose numbers and growth rates are greater than the total population of other age groups
- The episodes of care requiring inpatient admission which are characterized by more chronic conditions and co-morbidities as well as a higher case mix which is indicative of a higher level of severity of illness
- The requirements of the major payers for SNF and health care services--namely government and managed care organizations--for cost-effective, high quality services

Ocala SNF indicates that the ALOS used for the development of the projected patient days in Schedule 5 and 7 are based on the recent Consulate Florida 13 and listed below by the major payer categories. The reviewer notes that the applicant did not provide projected admissions in its Schedule 7.

CON Action Numbers: 10255 through 10259

Ocala SNF, ALOS by Payer

Payer	ALOS in Days
Medicare	32.2
Managed Care: Commercial, Managed Medicare and Managed Medicaid	20
Private	49
Medicaid	284

Source: CON application #10259, page 26

Quality of Care:

All five applicants described their ability to provide quality care.

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255):

The applicant's controlling interest had 20 substantiated complaints at its 12 Florida SNFs during November 19, 2011 to November 19, 2014.

CON App Marion, LLC (CON #10256): Agency records indicate that the applicant is a new entity and does not have any operational history for quality of care.

Marion County Development LLC (CON #10257): The applicant's controlling interest had 61 substantiated complaints at its nine Florida SNFs during November 19, 2011 to November 19, 2014.

Marion County HRC, LLC (CON #10258): The applicant's controlling interest had 24 substantiated complaints at its eight Florida SNFs during November 19, 2011 to November 19, 2014.

Ocala SNF, LLC (CON #10259): The applicant's controlling interest had 411 substantiated complaints at its 76 Florida SNFs during November 19, 2011 to November 19, 2014.

Financial Feasibility/Availability of Funds:

CMCP-Pinecastle, LLC (CON #10255): Funding for this project and the entire capital budget should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement in the first year. This project appears to be financially feasible.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

CON App Marion, LLC (CON #10256): Funding for this project is in question. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible.

CON Action Numbers: 10255 through 10259

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Marion County Development LLC (CON #10257): Funding for this project is likely but not guaranteed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Marion County HRC, LLC (CON #10258): Funding for this project appears likely, but not guaranteed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Ocala SNF, LLC (CON #10259): Funding for this project is not guaranteed but appears likely. Based on the information provided in Schedule 6, neither the nursing assistant staffing, nor the nursing staffing meet this requirement. The projected nursing assistant staffing in year two is 2.09 hours, which is less than the 2.5 hour requirement. The projected nursing staffing in year two is 0.82 hours, which is less than the 1.0 hour requirement. This project appears to be financially feasible based on the projections provided by the applicant.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Medicaid/Charity Care:

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 16.8 percent and 49.5 percent of year one and 20.0 percent and 31.7 percent of year two annual total patient days.

CMCP indicates that it is aware of all aspects of the newly implemented SMMC LTC and will form a provider agreement with one of the LTC plans available in Region 3.

CON Action Numbers: 10255 through 10259

CON App Marion, LLC (CON #10256) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 40.0 percent and 20.0 percent, respectively, of year one and year two annual total patient days.

The applicant provides an overview of changes to long-term care including the advent of SMMC plans. In this discussion, CON App Marion includes information on the available plans and services in Region 3.

Marion County Development LLC (CON #10257) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 0.0 percent and 0.0 percent, respectively, of year one and year two annual total patient days.

MCD discusses its intention to create a local network in Marion County so that patients requiring short-term care can be served at MCD while those requiring long-term care will be referred to its Marion County facility, Oakhurst Center.

Marion County HRC, LLC (CON #10258) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 14.9 percent and 6.8 percent, respectively, of year one and 32.4 percent and 3.3 percent, respectively, of year two annual total patient days.

Ocala SNF, LLC (CON #10259) proposes to condition project approval to 34.0 percent in the first year and 40.0 percent annually thereafter of the 120-bed facility's total annual patient days being provided to Medicaid patients.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 34.8 and 7.3 percent, respectively, of year one and 41.2 percent and 8.9 percent, respectively, of year two annual total patient days.

Architectural:

CMCP-Pinecastle, LLC d/b/a Chambrel at Pinecastle (CON #10255):

The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

CON App Marion, LLC (CON #10256): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Marion County Development LLC (CON #10257): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Marion County HRC, LLC (CON #10258): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Ocala SNF, LLC (CON #10259): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

G. RECOMMENDATION

Approve CON #10255 to establish a 32-bed community nursing home in District 3, Subdistrict 4, Marion County. The total project cost is \$7,395,707. The project involves 25,963 GSF of new construction and a construction cost of \$5,168,540.

CON Action Numbers: 10255 through 10259

Approve CON #10257 to establish a 120-bed community nursing home in District 3, Subdistrict 4, Marion County. The total project cost is \$25,753,579. The project involves 91,400 GSF of new construction and a construction cost of \$16,101,250.

CONDITIONS:

- Site-specific location in Marion County--approximately three acres of a 110-acre tract of land adjacent to The Villages located off County Road 42 between Highway 201/35 and Federal Highway 441/27 to be controlled by Titan Senior Living
 - The facility will be accessible to the Villages via golf cart
- Inclusion of a specialized pool for the provision of aqua-therapy
- Provision of on-site physician and/or physician extender services seven days per week
- Participation in the Center for Medicare and Medicaid Services' (CMS's) Bundled Care Payment Initiative Model 3

Deny CON #10256, CON #10258 and CON #10259.

AUTHORIZATION FOR AGENCY ACTION

Authorized representatives of the Agency for Health Care Administration adopted the recommendation contained herein and released the State Agency Action Report.

DATE: _____

Marisol Fitch
Health Services and Facilities Consultant Supervisor
Certificate of Need