

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

CCRC-Freedom Pointe at the Villages, LLC/CON #10264

6737 West Washington Street, Suite 2300
Milwaukee, Wisconsin 53214

Authorized Representative: Anna Munoz
(414) 918-5443

CON App Sumter/CON #10265

2970 Stirling Road, Suite 101A
Hollywood, Florida 33020

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

Fountain Inn Nursing and Rehabilitation Center/CON #10266

550 East Rollins Street, 6th Floor
Orlando, Florida 32803

Authorized Representative: Diane Godfrey
(407) 303-9808

Innovative Medical Management Solutions, LLC/CON #10267

3241 Hidden Lake Drive
Winter Garden, Florida 34787

Authorized Representative: D. Jeffrey Sapp
(407) 342-5842

Wesley Village SNF Operations, LLC/CON #10268

1800 N. Wabash Ave., Suite 300
Marion, Indiana 46952

Authorized Representative: Ryan M. Ott
(765) 664-5400

2. Service District/Subdistrict

District 3/Subdistrict 7 (Lake and Sumter Counties)

B. PUBLIC HEARING

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

Letters of Support

CCRC-Freedom Pointe at the Villages, LLC (CON #10264): The Agency received a few letters of support submitted by the applicant. The letters were composed by two professional and one academic group that all work with the applicant.

CON App Sumter, LLC (CON #10265): The Agency received many letters of support submitted by the applicant. The letters were composed by local health care providers and associations, local business leaders, community organizations and patients of facilities affiliated with the applicant.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266): The Agency received several letters of the support submitted by the applicant and through mail delivery. The letters were composed by local health care providers and associations, local elected officials and local business leaders. Various letters were submitted by affiliates of Florida Hospital Waterman, in including one from Mr. David Ottati, the Chief Financial Officer.

Innovative Medical Management Solutions, LLC (CON #10267): The Agency received no letters of support nor did the applicant submit any letters of support for the proposed project.

Wesley Village SNF Operations, LLC (CON #10268): The Agency received various letters of the support submitted by the applicant. A few letters were submitted on behalf of The Villages, including one voicing support from Gary L. Lester, Vice President of Community Relations, on behalf of The Villages of Lake-Sumter, Inc. Most of the remaining letters were composed by local health care providers, with the exception of one submitted by the applicant's management company, TLC Management.

C. PROJECT SUMMARY

CCRC-Freedom Pointe at the Villages, LLC (CON #10264), hereafter referred to as Freedom Pointe, an affiliate of Brookdale Senior Living (referred to as Brookdale throughout this document), proposes to convert 72 sheltered nursing home beds to community nursing home beds in Subdistrict 3-7, Sumter County.

Freedom Pointe is a 72-sheltered bed facility located in The Villages in Sumter County. It is located on the campus of a continuing care retirement community (CCRC).

Brookdale operates 11 skilled nursing facilities (SNFs) in Florida:

- Lake Harris Health Center
- Freedom Pointe at the Villages Rehabilitation and Healthcare Center (this facility)
- 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 proposed project is a conversion of existing licensed beds and will involve no construction or renovation. The applicant states that the only project costs are those costs associated with building and project development costs. The applicant notes no construction costs on its Schedule 9, but does indicate a \$10,000 “plans and construction fee” on its Schedule 1.

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

CON App Sumter, LLC (CON #10265) proposes to establish a new 180-bed community nursing home through the delicensure of 30 beds from an existing licensed nursing home within the same subdistrict, Arbor Village Nursing Center, and 150 beds from the fixed need pool in Subdistrict 3-7, Sumter County.

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The applicant provides a notarized letter signed by Tzvi Bogomilsky, Managing Member of Arbor Village Nursing Center, agreeing to voluntarily relinquish 30 of its 180 beds should the Agency approve this CON application in Exhibit 1-1 of CON application #10265.

CON App Sumter does not note that it is the current operator of The Villages Rehab and Nursing Center but the reviewer notes that Mr. Timothy F. Smith, Director of Operations for The Villages Rehab and Nursing Center states that the applicant is the operator of his community.

The project involves 112,191 GSF of new construction. The construction cost is \$19,250,000. Total project cost is \$27,675,600. 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266), hereafter referred to as Fountain Inn or the applicant, a wholly owned subsidiary of Sunbelt Health Care Centers, Inc. d/b/a Adventist Care Centers (referred to as Adventist throughout this document), proposes to establish a new 120-bed community nursing home in Subdistrict 3-7, Lake County.

The applicant operates six SNFs in Florida:

- Adventist Care Centers Courtland
- East Orlando Nursing and Rehabilitation
- Florida Living Nursing and Rehab Center
- Sunbelt Apopka Nursing and Rehab Center
- Zephyr Haven Nursing and Rehab Center
- Zephyrhills Health and Rehab Center

The project involves 80,800 GSF of new construction. The construction cost is \$17,517,000. Total project cost is \$26,086,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- The proposed facility will be located on the campus of Florida Hospital Waterman--located in Lake County, 1000 Waterman Way, Tavares Florida 32778
- Fountain Inn will provide at least 56 percent of total facility patient days to Medicaid, Medicaid Managed Care or indigent/charity patients

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- In addition to providing a comprehensive array of orthopedic/neurological/pulmonary/cardiac rehabilitation therapy programs for its residents, Fountain Inn will also provide a hydrotherapy program in support of its therapy patients
- Fountain Inn will have 100 percent private rooms
- Fountain Inn will have access to and be integrated with Adventist Health System's and Adventist Care System's existing and operating health information and health information exchange system supported by the organization's HealthMEDX Vision health information platform
- Fountain Inn will provide up to \$10,000 annually for at least three years to support staff education and/or certification activities in order to assist facility staff to upgrade skills, gain certifications or achieve educational advancement
- Fountain Inn will provide up to \$10,000 annually for at least three years to support community health education and community wellness activities in support of the organization's goal to enhance the health of the entire community--not just residents served in the new facility

Innovative Medical Management Solutions, LLC (CON #10267), hereafter referred to as IMMS or the applicant, proposes to establish a new 60-bed community nursing home in Subdistrict 3-7, Lake County.

The project involves 44,874 GSF of new construction. The construction cost is \$8,822,250. Total project cost is \$15,818,305. 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.

Wesley Village SNF Operations, LLC (CON #10268), hereafter referred to as Wesley Village or the applicant, an affiliate of Tender Loving Care Management (referred to as TLC throughout this document), LLC proposes to establish a new 100-bed community nursing home in Subdistrict 3-7, Sumter County.

The applicant operates one SNF in Florida:

- Astoria Health and Rehabilitation Center, a 120-bed SNF located in Polk County (Subdistrict 6-5)

Additionally, the applicant has been approved through CON #10346 to establish a 120-bed SNF in a deed-restricted retirement community, On Top of the World, Marion County, Florida (District 3/Subdistrict 3-4).

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The project involves 70,000 GSF of new construction. The construction cost is \$10,969,000. Total project cost is \$19,607,250. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- Wesley Village commits that it will build and operate the 100-bed nursing home proposed herein southeast (SE) of the intersection of County Road (CR) 466A and Morse Boulevard, on a parcel of land located within The Villages, Sumter County
- All patient rooms in the 100-bed nursing home proposed herein will be private rooms

Total GSF and Project Costs of Co-Batched Applicants					
Applicant	CON #	Project	GSF	Costs \$	Cost Per Bed
Freedom Pointe	10264	Convert 72 sheltered beds to community beds	0	\$76,482.50	\$1,062
CON App Sumter	10265	New 180-bed facility	112,191	\$27,675,600	\$153,753
Fountain Inn	10266	New 120-bed facility	80,800	\$26,086,000	\$217,383
IMMS	10267	New 60-bed facility	44,874	\$15,818,305	\$176,445
Wesley Village	10268	New 100-bed facility	70,000	\$19,607,250	\$163,393

Source: CON applications 10264-10268 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.

In Volume 40, Number 193 of the Florida Administrative Register dated October 3, 2014, a fixed need pool of 205 beds was published for Subdistrict 3-7 for the July 2017 Planning Horizon. Subdistrict 3-7 is comprised of Lake and Sumter Counties.

After publication of this fixed need pool, one existing Subdistrict facility filed exemption requests or filed expedited CON reviews to increase or add community nursing home beds:

- Retirement Four, LLC, to construct a 120-bed community nursing home in a deed-restricted retirement community, The Villages, Florida (X10238) was approved on November 19, 2014

As of November 19, 2014, Subdistrict 3-7 had 1,727 licensed and 120 approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 3-7 experienced 88.91 percent utilization at 15 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 3-7.

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Lake and Sumter Counties 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 Leesburg, Inc.	116	42,340	33,439	78.98%	67.47%
Avante at Mt. Dora, Inc.	116	42,340	36,998	87.38%	57.47%
Bayview Center	120	43,800	38,024	86.81%	84.70%
Clermont Health and Rehabilitation Center	182	66,430	64,206	96.65%	77.46%
Edgewater at Waterman Village	120	43,800	39,410	89.98%	40.92%
Lady Lake Specialty Care Center	145	52,925	47,343	89.45%	37.03%
Lake Eustis Health and Rehabilitation Center	90	32,850	30,333	92.34%	61.16%
Lake Harris Health Center	110	40,150	35,365	88.08%	36.82%
Lakeview Terrace Skilled Nursing Facility	20	7,300	6,909	94.64%	16.30%
North Campus Rehabilitation and Nursing	90	32,850	28,694	87.35%	47.90%
Ruleme Center	138	50,370	43,076	85.52%	68.77%
South Campus Rehabilitation and Nursing	120	43,800	37,580	85.80%	62.08%
Villages Rehabilitation and Nursing Center	120	43,800	36,373	83.04%	25.44%
Arbor Village Nursing Center	180	65,700	62,045	94.44%	68.35%
Osprey Point Nursing Center	60	21,900	20,649	94.29%	54.57%
Total	1,727	630,355	560,444	88.91%	57.42%

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 3-7 for the planning horizon. The projected population growth, both numerically and by percent are illustrated below.

**Current and Projected Population Growth Rate
Lake and Sumter Counties, District 3, and Florida
January 2014 and January 2017**

County/ Area	January 1, 2014 Population			January 1, 2017 Population		
	0-64	65+	Total	0-64	65+	Total
Lake	233,689	74,998	308,687	250,178	83,253	333,431
Sumter	56,234	50,147	106,381	58,986	59,438	118,424
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/ Area	2014-2017 Increase			2014-2017 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Lake	16,489	8,255	24,744	7.06%	11.01%	8.02%
Sumter	2,752	9,291	12,043	4.89%	18.53%	11.32%
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

The community nursing home beds per 1,000 residents for the age 65+ 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	
			Beds per 1,000	Pop. Aged 65+	Beds per 1,000
Lake	1,487	74,998	20	83,253	18
Sumter	240	50,147	5	59,438	4
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

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) provides a detailed analysis of discharges to SNFs for residents of Subdistrict 3-7 for the period April 2013 to March 2014. The applicant reports that combined, hip and knee procedures accounted for 16.4 percent of the total discharges to SNFs in Subdistrict 3-7. Freedom Pointe states that viewed differently, over one-third (35.5 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 3-7 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	62,240	7,446	11.9%
Hip/Knee Replacement	2,952	888	30.1%
Septicemia	1,975	420	21.3%
Hip/Femur ex. Major Joint	495	336	67.9%
Heart Failure	1,865	330	17.7%
Kidney/UTI	1,177	302	25.7%
Renal Failure	1,124	255	22.7%
Stroke/CVA/TIVA	1,516	250	16.5%
Respiratory Failure/COPD	2,226	190	8.5%
Simple Pneumonia	1,581	185	11.7%

Source: CON application #10264, page 1-10, based on Florida Agency Inpatient discharge database and Legacy Consulting Group analysis

The applicant insists that Brookdale is aware of these patient types and has developed and implemented specific programs and services to address their unique needs. Freedom Pointe provides a map illustrating the geographic distribution of discharges to SNFs in the subdistrict. The applicant notes that it is located in the heart of the high demand area near the center of The Villages, in very close proximity to a major acute care hospital--The Villages Regional Hospital (0.2 miles).

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Freedom Pointe states that there is clearly need for additional SNFs in Subdistrict 3-7 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 means that the need for beds and services is overdue and the immediate availability of nursing home beds, such as the result from this project, is needed to keep pace with the demand

CON App Sumter, LLC (CON #10265) indicates that since the nursing home moratorium went into effect in 2001 and is just now being lifted, The Villages has blossomed and contributed to a higher growth rate for Sumter County--which has grown by 19.0 compared to Lake County's growth of 4.3 percent since the 2010 census. CON App Sumter provides a detailed population estimate analysis of District 3 for the years 2014 and 2019 on pages 1-6 to 1-8 of CON application #10265, noting the following main points:

- Sumter County has the highest concentration of seniors 65+ among the 16 counties in District 3
- Likewise, the 75+ population is more heavily represented within Sumter County than in other counties of District 3
- The five-year projected growth rate in Sumter County is also higher for the elderly age cohorts
- While Lake County has a larger population 65+, the elderly population in Sumter County is expected to increase by a greater amount (32.5 percent) over the next five years, compared to Lake County (19.7 percent)

CON App Sumter maintains that of the top three ZIP codes it has determined have the largest number of seniors 65+, ZIP code 34484 offers the best opportunity for developing a SNF, as there are fewer available nursing beds within it. The applicant provides a map showing a 10-mile radius around ZIP code 34484—the applicant expects the population 65+ within the 10-mile radius to grow by 19 percent from 2014 to 2019.

The applicant declares that its data show that a location proximate to ZIP codes 34484 and 32162 with access to the populations it describes will contribute to the area's continuum of care. CON App Sumter states that the growth rates within these two ZIP codes for the elderly 65+ exceeds 25 percent. The applicant also notes that Arbor Village--the facility coordinating with the relocation of 30 beds to this project site--is within the 10-mile radius and is highly utilized.

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 Sumter 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266) asserts that in addition to the Agency's fixed bed need pool, the need for this specific project is supported by the following facts:

- As a not-for-profit nursing home, Fountain Inn will focus on community needs rather than investor returns
- The proposed Medicaid condition and proposed conditions of defining support for internal and external activities substantiate the applicant's intent to focus on the provision of needed community care versus maximizing profitability
- With 100 percent private beds, each resident in the facility will have the individual space and privacy needed to support optimal resident care and resident recovery
- The 120-bed private room facility will more than double the private room capacity in the subdistrict and will provide for a significant enhancement in resident care
- With the facility located on the Florida Hospital Waterman campus, the coordination/integration of care and the Hospital's broad array of services and staff will provide enhanced efficiencies and outcomes not available elsewhere in the subdistrict
- The linkage of the proposed facility with additional community-based services (home health care, hospice, senior housing options) will ensure that a full continuum of care is available for Lake County residents requiring post-acute care support
- The application condition to invest at least \$10,000 per year for three years in support of community-based elderly service initiatives will provide even more integration of care
- Fountain Inn will be an active and creative participant in Florida's long-term managed care initiatives
- Adventist has already contracted with three Medicaid Managed providers in Region 3--Adventist will only need to have an addendum executed to the existing contract to add the new facility
- The eastern portion of the subdistrict, where this proposed facility will be located, has had no new nursing home capacity added for at least 15 years

Innovative Medical Management Solutions, LLC (CON #10267)

asserts that it is anticipated that the proposed facility will be constructed on approximately 4.5 acres of land adjacent to Superior Residence Assisted Living Facility on Hunt Trace Boulevard in Clermont, located in south Lake County. The applicant indicates that it proposes to construct the new 60-bed SNF in the city of Clermont to service the needs of the rapid population growth in the south Lake County area.

IMMS states that estimates for January 2015 from the Agency's forecast reported the percentage of those 65+ in Lake County as 24.3 percent of the population. The applicant believes that this represents a disproportionately larger senior population in Lake County as compared to that of the state as a whole, currently projected at 18.5 percent.

IMMS insists that the population forecast for seniors in Lake County is projected to increase by 24 percent from 2014 to 2020 and by 74 percent from 2014 to 2030. The applicant indicates that historically, Clermont's population grew over 200 percent from 2000 to 2010. IMMS reports that currently Clermont seniors represent 19.89 percent of the population and are projected to grow at a rate consistent with Lake County.

Wesley Village SNF Operations, LLC (CON #10268) reports that official State of Florida population estimates from the Florida Office of Economic and Demographic Research show that between July 1, 2000 and July 1, 2010 Sumter County's population increased by 82.5 percent, second only to Flagler County (90.9 percent) among all Florida counties and nearly five times the state average of 17.6 percent. Wesley Village insists that the dramatic growth within Sumter County over the decade was attributable to The Villages, an integrated, master-planned retirement community encompassing portions of three counties.

Wesley Village provides a table illustrating that the elderly populations in Lake and Sumter Counties are projected to grow by 15.4 percent and 25.4 percent, respectively, from January 2014 to January 2018. The applicant points out that Sumter County's 65+ growth is greater than Lake County in terms of both absolute numbers and percentage.

The applicant uses data from the Nielsen Company to present elderly population by ZIP code for Subdistrict 3-7 and for Marion County for the same time period in Tables 7 and 8 (pages 18 and 20) of CON application #10268, coming to the following conclusions:

- The seven "Village" area ZIP codes are among the largest growing areas in the three counties
- In fact, the top two are 32162 (The Villages) and 32159 (Lady Lake)
- The Villages' projected increase is nearly five times that of Lady Lake

- Five of the 12 biggest growth ZIP code areas are within the area identified by Wesley Village as the expected source of most of its admissions
- By January 2018 the seven “Village” area ZIP code area will account for more than 35 percent of the elderly population of three counties
- The absolute growth in The Villages area will account for over 45 percent of the numeric change in the three county area
- The 65+ population of The Villages area is expected to grow by 17.4 percent, compared to 11.0 percent in the rest of the three counties and 13.2 percent combined

- 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.

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) maintains that it is currently operates on the campus of a CCRC that offers exceptional independent living, personalized assisted living, Alzheimer's and Dementia care and skilled nursing care options for seniors in a single setting. Freedom Pointe declares that it is equipped and staffed to accommodate short-term rehabilitation typically associated with Medicare stays and long-term skilled nursing care.

The applicant explains that it has 72 sheltered beds divided into two nursing units, both as skilled long-term and rehabilitation. Freedom Pointe indicates that Unit One has 23 private rooms and seven shared-private rooms (for a total of 37 beds) while Unit Two

has 19 private rooms and eight shared-private rooms (for a total of 35 beds). Freedom Pointe insists that all rooms contain spacious accommodations and includes a list of features that the two nursing units within the facility contain the place to include.

Freedom Pointe states that the nurse station and adjacent support spaces are located 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
- Clare Bridge Program for skilled memory care
- 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
- A chapel to provide a place for solace and peace
- Ice cream parlor
- Multi-purpose theater
- Therapy suites
- Facility transportation service
- Structures activities seven days a week
- Wi-Fi
- Pet therapy
- Pharmacy services
- Security monitor system
- Multi-lingual staff

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Freedom Pointe discusses Brookdale’s Clare Bridge Concept for Memory care, indicating that the program is deeply rooted in a person-centered approach focused on sustaining feelings of belonging and purpose while seeking to preserve a sense of self. The applicant notes that services include:

- Customized anti-aging and dementia prevention programs
- Consultation on lifestyle, diet and supplements, plus bio-identical hormones in selected cases
- Optimization of brain function through neuro feedback

The applicant discusses the management and evaluation of the care plan, noting that each care plan will include measureable objectives to meet the resident’s goals. Freedom Pointe 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.

Freedom Pointe maintains 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. Freedom Pointe states that the care plan committee provides a discharge plan and a physician’s order is required for all discharges.

The applicant includes samples of its policies and forms associated with these procedures in Exhibits 2-1 through 2-6 of CON application #10264.

Freedom Pointe 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. The applicant contends that shorter stays are reflective of the need for rehabilitative care in the local area.

The applicant 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.

**CCRC-Freedom Pointe
Projected Admissions, Patient Days, ALOS and ADC**

	Year One	Year Two
Admissions	1,342	1,342
Patient Days	25,105	25,105
ALOS	18.7	18.7
ADC	68.6	68.6

Source: CON application #10264, page 2-7

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The reviewer notes that the applicant only provided a staffing pattern for year one (ending 2016). The reviewer notes that the applicant's Schedule 6 shows that no new FTEs were added by this project.

CON App Sumter, LLC (CON #10265) 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 Sumter indicates on its Schedule 7 that the ALOS will be 39.5 days for years one and two of operation.

The applicant states that the skilled nursing staff will be comprised of a multidisciplinary team who will work together to set goals and produce measured progress with all residents.

- Medical director
- Physical, speech and occupational therapy
- Vision
- Dermatology
- Pharmacy
- Psychological counseling
- Psychiatry
- Medicare and Medicaid certified
- Audiology
- Dental
- Laboratory
- Podiatry
- Radiology
- Secured unit

CON App Sumter asserts that specialized therapies are designed to improve the impairment and lessen the symptoms from certain conditions such as:

Orthopedic	Neurological	Wound Care
Fractures	Cerebrovascular	IV therapy
Total knee replacements	Accident	Tracheostomy care
Total hip replacements	Multiple Sclerosis	Air fluid bed therapy
Joint replacements	Parkinson's Disease	Pressure
Spinal injury	Communication disorders	Post-surgical/trauma
Neck surgeries	Neuromuscular diseases	Pain management

Source: CON application #10265, page 2-3

The applicant insists that developing a plan of care for a resident in a long-term care facility is the single most important task

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undertaken for that resident. CON App Sumter declares that planning by an interdisciplinary team will help ensure the resident that his 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 Sumter 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 asserts that discharge plans begin with the initial assessment when patient and family needs and attributes are assessed with admission diagnosis specifically addressed. CON App Sumter states that it is the 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 Sumter provides a detailed analysis of the services to be provided on pages 2-8 through 2-17 of CON application #10265. 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 Sumter 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 99.9 and total 184.3 for year two (ending June 30, 2019). The proposed project's year one and year two FTEs are shown in the table below.

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CON App Sumter (CON application #10265) Projected Year One and 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	1.50	1.90
Other: Nursing Admin	2.80	5.60
Physicians		
Medical Director (Contracted)	1.00	1.00
Nursing		
RNs	6.60	13.30
LPNs	13.50	26.90
Nurses' Aides	43.40	86.10
Ancillary		
Physical Therapist	3.80	6.60
Speech Therapist	0.90	1.30
Occupational Therapist	3.40	6.00
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	2.40	4.90
Dietary Aides	4.20	8.50
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	2.80	5.60
Laundry		
Laundry Aides	2.40	3.80
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.50	0.90
Total	99.90	184.30

Source: CON application #10265, Schedule 6

Fountain Inn Nursing and Rehabilitation Center, Inc.

(CON #10266) states that programs, services or treatments will be individualized to meet the unique physical, social, emotional and spiritual needs of each resident. The applicant believes that a critical component of each resident's care is the establishment of a comprehensive care plan. Fountain Inn asserts that the written plan of care will be developed based on assessed needs, will be communicated to staff for use in providing direction for the resident's care and will be reviewed and revised when indicated.

The applicant plans to offer two major lines of service--sub-acute care and long-term care and within each of those service categories the facility will offer individual programs and services in

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accordance with resident, community and market needs. Fountain Inn also plans to offer a restorative nursing program.

Fountain Inn indicates that other services, amenities and activities will include:

- Private bath and shower in each room
- Free wireless internet access in all rooms
- Internet Café available to all residents
- Flat screen televisions
- Individual phone with direct dial numbers
- Beauty and barber shop services
- Fine dining program
- Walking/ambulation program
- Pet therapy
- Music therapy
- Touch therapy
- Sensory stimulus therapy
- Reality orientation
- Community outings
- Arts and crafts
- Gardening
- Sewing
- Bingo
- Coffee hour
- Films/movies

Fountain Inn provides a detailed overview of the following lines of services it will offer:

- Sub-acute care
- Restorative nursing care
- Long-term care
- INTERACT program
- Electronic medical record and health information exchange initiatives
- National quality award program
- Step It Up program
- Other services and programs
- Staffing patterns

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The applicant describes its anticipated resident characteristics, indicating that while the facility’s ultimate service mix will reflect community needs, the facility is designed to support 60 beds for long-term residents plus 60 beds for sub-acute residents.

Fountain Inn states that the only anticipated nursing home resident types not expected to be treated are residents under the age of 21, residents with severe behavioral conditions, new traumatic brain or spinal cord injury residents, ventilator residents and dialysis patients. The applicant asserts that if such patients are in need of nursing home care, the facility staff will work with the patient/family to obtain this specialized care--potentially at another Adventist facility.

Fountain Inn indicates that the expected ALOS is bi-modal--as it will be dependent upon whether a patient is treated in the long-term care or the sub-acute care portion of the facility. The applicant explains that the financial forecasts assume a Medicaid and self-pay ALOS of approximately 600+ days while sub-acute patients are expected to have an ALOS of 20-30 days. Fountain Inn states that the financial forecasts show a Medicare patient with an ALOS of 28 days.

The reviewer created the following table from the applicant’s Schedule 7 for ALOS for each patient type.

Fountain Inn ALOS by Payer Type

Payer Type	Year One ALOS (in Days)	Year Two ALOS (in Days)
Self-Pay	248	365
Medicaid	151	732*
Medicare	28	28
Medicare HMO	14	14

Source: CON application #10266, Schedule 7

*The reviewer notes that the table was calculated by dividing the number of admissions by the number of patient days for each payer type. As this number is higher than 365, it shows that Medicaid admissions from the prior year are included in the 735 ALOS number.

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The applicant notes that ancillary services anticipated to be provided at the proposed facility include, but are not limited to:

- Physical, occupational, speech/language pathology services
- Hydrotherapy service
- Pulmonary therapy
- Audiology, social, imaging, laboratory and nutrition services
- Recreation/recreational therapy services
- Psychiatric/psychological/behavioral services
- Medications
- Medical supplies and equipment

Fountain Inn explains that critical admission policies for the proposed facility will vary based upon whether the resident is a long-term care or a sub-acute care resident. The applicant lists the requirements for admission for both resident types and also explains sub-acute specific clinical admission criteria.

The applicant indicates that a discharge plan will be developed for each resident with interdisciplinary team input and will be reviewed periodically during the resident's stay. Additional information regarding discharge/transfer policies and guidelines is presented in Appendix L of CON application #10266.

Schedule 6 illustrates that FTEs for year one total 64.9 and total 134.9 for year two. The proposed project's year one and year two FTEs are shown in the table below.

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Fountain Inn Nursing and Rehabilitation Center, Inc. (CON application #10266) Projected Year One and 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	0.70	1.00
Secretary	1.00	1.00
Medical Records Clerk	1.00	1.00
Other: Central Supply	0.70	1.00
Nursing		
RNs	7.10	11.60
LPNs	5.80	20.40
Nurses' Aides	21.20	53.90
Other: MDS/Staff Scheduling	1.70	3.00
Ancillary		
Physical Therapist	3.00	6.00
Speech Therapist	1.00	2.00
Occupational Therapist	2.00	4.00
Other	0.50	1.00
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	2.80	2.80
Dietary Aides	2.10	5.60
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Other	1.50	3.00
Housekeeping		
Housekeepers	3.80	5.60
Laundry		
Laundry Aides	1.80	4.00
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.20	1.00
Total	64.90	134.90

Source: CON application #10266, Schedule 6

Innovative Medical Management Solutions, LLC (CON #10267)

states that the new facility will be constructed and staffed to accommodate both short-term rehabilitation and long-term skilled nursing care needs and will focus on the Center for Medicare and Medicaid Services' (CMS's) triple aim for better population health, better patient experiences and reduction of per capita cost. IMMS asserts that it will focus on transitional care for post-operative rehabilitation of surgical and cardiovascular patients and provide a safe affordable alternative to costly hospital stays.

The applicant indicates that the proposed facility will have all private rooms equipped with individual bathrooms. IMMS maintains that trained staff will provide care in a therapy suite

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designed to accommodate physical, occupational and speech therapy. The applicant insists that other services include, at a minimum:

- Comprehensive assessment and targeted care plan development
- Outpatient rehabilitation
- Cardiac and stroke rehab monitoring
- Pain and IV therapy management
- Lymphedema therapy
- Restorative nursing program
- Wound care treatment and management program
- Customized pressure support systems
- Infectious disease treatment
- Oncology/cancer care
- Psychological services, including depression treatment
- Self-care management skills training
- Medication management and medication adherence
- Physical activity counseling and training
- Registered Dietician services
- Patient health literacy enhancement
- Transition of care program
- Informal caregiver training and education
- Comfort and security measures to include: pet therapy, security system, multi-lingual staff, daily transportation, snack bar, televisions, hones, beauty/barber shop, whirlpool spa

IMMS states that pharmacologic and non-pharmacologic rehabilitation interventions for patient-centric care plan development will be guided by evidence-based guidelines, which the applicant includes a description of in CON application #10267, Schedule B.

The applicant discusses patient characteristics, citing findings about the types of patients served in nursing homes by the American Health Care Association Quality Report and the Florida Health Care Association State of Aging and Long-Term Care summary.

The applicant maintains that patient assessment and planning will begin immediately upon admission and that within seven days, an interdisciplinary team collaborates to complete a comprehensive care plan for the patient/resident. IMMS asserts that to facilitate clinical integration, care coordination and care management, the

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facility will implement a highly functional and comprehensive integration platform referred to as Guardian. The applicant provides a detailed description of care management features of the Guardian platform in Schedule B.

IMMS indicates that the projected ALOS will reflect the short-term rehabilitation focus of the proposed project--which Medicare is usually the payer for with an ALOS of 21-40 days. The applicant's Schedule 7 indicates an ALOS of 26.5 days and 26.0 days in years one and two of operation, respectively.

The applicant explains that an admission must be under the recommendation of a physician and patients must remain under the care of the physician during their stay. IMMS states that discharge will require a physician order and a post discharge plan developed by a care team will be provided to the resident/family.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 64.0 and total 83.0 for year two (ending June 30, 2019). The reviewer notes that FTEs for year one actually total 65.0 and FTEs for year one actually total 82.0. The proposed project's year one and year two FTEs are shown in the table below.

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Innovative Medical Management Solutions, LLC (CON application #10267) Projected Year One and Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	2.00	3.00
Bookkeeper	1.00	1.00
Secretary	1.00	1.00
Medical Records Clerk	1.00	1.00
Other: Assistant Director	1.00	1.00
Nursing		
RNs	6.00	9.00
LPNs	6.00	10.00
Nurses' Aides	20.00	26.00
RN Care Plan Coordinator	2.00	2.00
Dietary		
Dietary Supervisor	1.00	2.00
Cooks	4.00	4.00
Dietary Aides	2.00	3.00
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Activities Assistant	1.00	1.00
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	3.00	5.00
Laundry		
Laundry Aides	3.00	3.00
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	2.00	1.00
Security	3.00	3.00
Total	64.00	83.00

Source: CON application #10267, Schedule 6

Wesley Village SNF Operations, LLC (CON #10268) declares that it will provide comprehensive skilled nursing care to residents. The applicant notes that the proposed facility will feature 100 beds located in all private rooms, rooms for group activities and dining and ample rehabilitation and therapy spaces. The applicant indicates that additional highlights of the building include:

- Private bathrooms with a shower
- Short walking distances to dining and lounges
- Four small distinct neighborhood within the SNF
- Two sunrooms and courtyards for outdoor enjoyment
- Home style dining
- 3,000 square foot state-of-the-art rehabilitation center and an outdoor rehab treatment course
- Café for families and residents to enjoy

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- Beauty salon
- Enclosed courtyards
- Laundry service
- Wi-Fi
- Medical transportation assistance
- Full day calendar of activities
- 24-hour visitation
- Pet therapy
- 24-hour RN coverage
- State of the art therapy gym and equipment
- Newspaper delivery
- Community outings

Wesley Village insists that it will develop specialized programs to provide residents with a high level of rehabilitative and restorative care, including the following:

- Physical, speech and respiratory therapy
- Specialized wound care
- Cardiac services
- VitaStim therapy
- IV therapy
- KCI wound vac care
- Complex medical and pain management
- Surgical recovery
- Occupational and respiratory therapy
- Stroke rehabilitation
- Orthopedic services
- Tracheotomy, hospice and respite care
- Alzheimer's and dementia care

Wesley Village also includes a list of contract services that will be available by appointment.

The applicant states that more than 95 percent of admissions to the proposed facility are expected to be referrals or transfers from acute care hospitals following an acute care patient stay for medical or surgical care to address an injury, an acute illness or flare-up of a chronic condition. Wesley Village maintains that a large proportion of patients will receive rehabilitative care orientated toward restoring the maximum function possible based on their condition.

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Wesley Village expects the following the following approximate patient characteristics based on TLC’s experience in Florida:

Category	Percent
Ages ≤65	12% to 18%
Ages 65 to 74	18% to 22%
Ages 75+	65% to 70%
Male	40%
Female	60%

Source: CON application #10268, page 31

The applicant provides a discussion of its expected diagnoses by rank order and area hospital discharges to nursing home diagnosis by rank order. Wesley Village assessed the geographic area by ZIP code constituting The Villages and all contiguous ZIP codes to determine the hospital discharge diagnoses. The applicant finds that the 3,626 discharges in the identified seven-ZIP code area fell into 24 major diagnostic groups (MDCs), however the top seven MDCs accounted for 88 percent of all discharges.

The applicant expects the rehabilitation, long-term and overall ALOS to be 29 days, 61 days, and 45 days, respectively. The applicant’s Schedule 7 indicates that the ALOS will be 30 days in the first two years of operation.

Wesley Village states that upon admission, a detailed assessment will be conducted to provide a plan of care directed toward discharge. The applicant includes a detailed description of its admission, care planning and patient assessment tools on pages 32 to 35 of CON application #10268.

The applicant notes that discharge plans begin with the initial assessment and that it is the responsibility of the facility to have identified the medically related social service or home based services needs of the resident and assure that the needs are met by the appropriate disciplines.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 76.6 and total 119.3 for year two (ending June 30, 2019). The reviewer notes that the applicant’s year one FTEs actually total 77.6. The proposed project’s year one and year two FTEs are shown in the table below.

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Wesley Village Operations (CON application #10268) Projected Year One and 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	3.00
Bookkeeper	1.00	1.00
Secretary	3.20	3.00
Medical Records Clerk	1.00	1.00
Nursing		
RNs	4.00	7.00
LPNs	15.50	24.50
Nurses' Aides	27.40	47.10
Dietary		
Dietary Supervisor	1.00	2.00
Cooks	6.00	8.20
Social Services		
Social Service Director	2.00	2.00
Activity Director	1.00	1.00
Activities Assistant	2.00	3.00
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	4.50	7.50
Laundry		
Laundry Aides	3.00	4.00
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	1.00	1.00
Total	76.6	119.3

Source: CON application #10268, 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.**

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) states it has not had a nursing home license denied, revoked or suspended.

Four co-batched applicants state that they are newly created entities and therefore this criterion does not apply.

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?**

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) states it has not had a nursing home placed into receivership.

Four co-batched applicants state that they are newly created entities and therefore this criterion does not apply.

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.

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.

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 applicant's 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 3-7 is composed of Lake and Sumter Counties and has 15 licensed community nursing homes with a total of 1,727 community nursing home beds. The subdistrict averaged 88.91 percent total occupancy for the 12-month period ending June 30, 2014.

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) notes that for the most recent 12-month period ending June 2014, overall occupancy in Subdistrict 3-7 (88.9 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. Freedom Pointe reports its own occupancy at 95.7 percent for the period of January 2014-September 2014 through internal data and Legacy Consulting Group analysis. 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 (community beds for 1,000 persons aged 65+) have declined steadily over the last several years, indicating a need for additional beds in the subdistrict. Freedom Pointe provides a figure illustrating this trend on page 3-3 of CON application #10264.

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Freedom Pointe states that it has 42 private rooms and 15 semi-private rooms. The applicant provides data on page 3-4 of CON application #10264 illustrating the types of rooms (private, semi-private, three-bed and four-bed) offered at the community nursing homes in Subdistrict 3-7. The applicant indicates this data demonstrate that it has a significantly higher percentage of private rooms (58 percent) than most of the other facilities in the subdistrict.

The applicant states that its 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. Freedom Pointe provides its mission statement on page 3-6 of CON application #10264: *“Enriching the lives of those we serve with compassion, respect, excellence and integrity.”*

Freedom Pointe indicates that the forecasted demand for skilled nursing care will increase due to the expanding numbers of seniors in the subdistrict and for this reason, population demographics, locations of existing nursing homes, hospitals and roadways have been factored in so that the proposal to convert 72 sheltered beds into community beds will improve access to the community.

The applicant includes maps on pages 3-8 and 3-9 of CON application #10264 of Subdistrict 3-7: one illustrates the current 2015 population and one illustrates the changes in population expected from 2015 to 2020. Freedom Pointe insists that these maps show that the senior population growth is expected to be the heaviest in and around The Villages and southern Lake County.

The applicant explains that a local service area for Freedom Pointe has been defined based on internal patient origin data for the period January 2012-early November 2014. Freedom Pointe notes that the service area is based on all community admissions with known ZIP codes during the period. The applicant points out that the service area comprises two ZIP codes and represents 75.4 percent of all community patients admitted to Freedom Pointe during the period. See the table below.

**Patient Origin and Service Area Definition for Freedom Pointe
January 2012-November 2014**

ZIP Code	Volume	Percent of Total	Cumulative Percent
32162	999	40.7%	40.7%
32159	853	34.7%	75.4%
34491	272	11.1%	86.5%
34484	56	2.3%	88.8%
34748	37	1.5%	90.3%
32163	29	1.2%	91.4%
34785	28	1.1%	92.6%
34731	27	1.1%	93.7%
34420	13	0.5%	94.2%
32778	9	0.4%	94.6%
32158	7	0.3%	94.9%
32195	6	0.2%	95.1%
34476	5	0.2%	95.3%
All Other	115	4.7%	100.0%
Total	2,456	100.0%	

Source: CON application #10264, page 3-10, based on Brookdale Senior Living internal data and Legacy Consulting Group analysis

The applicant provides a map on page 3-11 illustrating the locations of the four SNFs that are within a 10-mile radius of the proposed site. Freedom Pointe reports that the two ZIP codes that make up Freedom Pointe’s service area--32159 and 32162--have a total 2015 population of 86,823--52,172 of which are seniors and the number of seniors will grow to 71,813 in 2020. Freedom Pointe declares that adding beds to this area assures that access will be improved where it is needed most.

Freedom Pointe asserts that since hospitals are referral sources for nursing homes, proximity to area hospitals is important. The applicant notes that Freedom Pointe is located approximately 0.2 miles away from The Villages Regional Hospital, where 2,384 patients were discharged to a SNF (17.6 percent) during the 12-month period ending March 2014. Freedom Pointe reports that during the 12-month period ending March 2014, Subdistrict’s 3-7’s four short-term acute care hospitals discharged a combined total of 6,749 patients to SNFs.

The applicant also reports that during this period, 7,671 Subdistrict 3-7 residents were discharged from hospitals to SNFs. Freedom Pointe provides a table illustrating these discharges by city, noting that several areas, including The Villages, Lady Lake and Leesburg, had the largest number of discharges to skilled nursing.

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Freedom Pointe 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--therefore disease status and gender affect whether an unoccupied bed is available to the person who may require one.

Freedom Pointe provides the following table illustrating that that the five SNFs located within 10 miles of the applicant (including the applicant) each has high occupancy rates and quality scores. The applicant maintains that the inventory of SNFs within 10 miles of Freedom Pointe is near capacity and with the senior population projected to grow, this area will need more available beds.

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

Facility	Five Star Ratings		Occupancy
	Overall	Quality	
Arbor Village Nursing Center	3	4	94.44%
Club Health and Rehabilitation Center	5	5	93.98%
Freedom Pointe at the Villages	5	5	95.71%*
Lady Lake Specialty Care Center	3	5	89.45%
Villages Rehabilitation and Nursing Center	5	5	83.04%

*The applicant notes that this occupancy rate is from Brookdale Senior Living internal data
Source: CON application #10264, page 3-16, based on Florida Agency's Florida Nursing Home Utilization by District and Subdistrict, July 2013-June2014 and www.data.medicare.gov

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 #10264, page 3-17, based on the Florida Agency publication, Florida Nursing Home Utilization by District and Subdistrict

Freedom Pointe 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 difference 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 indicates that Freedom Pointe has surpassed the reported occupancies at almost 96.0 percent and if the proposed project is approved, the applicant and Brookdale expect to maintain that high utilization rate.

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The reviewer notes that the applicant states and presents data as to its significant current occupancy rates in its facility with 72 sheltered beds. Pursuant to 651.118, F.S., these beds are “for the exclusive use of the prospective residents of the proposed continuing care facility”. The reviewer notes that the applicant has not applied for and has not been granted a five-year extension for extended use of sheltered skilled nursing beds. The reviewer also notes that the facility has been licensed longer than five years and as such the provisions of 59C-1.037(1) (b), Florida Administrative Code, no longer apply, “sheltered nursing home beds may be used for persons who are not residents of the continuing care facility, and who are not a party to a continuing care contract, for a period of up to five years from the date of issuance of the initial nursing home license.” Freedom Pointe was issued its initial license on October 8, 2009. The applicant makes no distinction as to whether the high occupancy levels currently experienced in the facility are a result of community nursing home days or sheltered nursing home days.

The applicant notes that by converting its entire compliment of sheltered beds to community beds, sheltered beds will no longer be guaranteed to life contract holders. Freedom Pointe states that in the event a CCRC life contract holder requires a skilled nursing bed and none is available, the resident will be transferred to another facility until a bed at Freedom Pointe becomes available, returning as soon as a bed is available. The applicant asserts that if a life contract holder is transferred to another facility, Brookdale will honor the terms of the resident’s life contract with respect to out-of-pocket expenses and co-payments while staying at the outside facility. It is unclear from the data provided by the applicant how approval of the proposed conversion which includes all 72 of the applicant’s sheltered beds would improve availability and accessibility to skilled nursing for residents of the CCRC.

Freedom Pointe believes that without the addition of skilled nursing beds to Subdistrict 3-7, occupancy rates would rise to overcapacity. The applicant states that the bed rate per capita (for persons 65 and older) in Subdistrict 3-7 is 4.40 for the baseline year of July 2014. Freedom Pointe indicates that assuming this rate is held constant and applied to the projected senior population for July 2016 and July 2017, occupancy rates in these years would reach 96.9 percent and 101.8 percent, respectively. See the table below.

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**Forecast for Nursing Home Subdistrict 3-7
in July 2017 and July 2018**

Factor	Baseline July 2014	July 2015	July 2016	July 2017
65+ Population	127,515	132,877	139,379	146,040
Subdistrict 3-7 Days	560,444	584,011	612,588	641,864
Licensed SNF Beds	1,727	1,727	1,727	1,727
Licensed Bed Days	630,355	630,355	632,082	630,355
Occupancy	88.9%	92.6%	96.9%	101.8%

Source: CON application #10264, page 3-18 based on Florida Population Estimates and Projections by Florida Agency District, 2010 to 2030, published September 2013 and the Florida Agency's Florida Nursing Home Utilization by District and Subdistrict for periods shown

The applicant asserts that the proposed 72-bed conversion is forecasted to occur by January 2016. Freedom Pointe expects to maintain an occupancy rate of at least 95 percent in the first two years of conversion, a continuation of current occupancy rates. See the table below.

Forecast for CCRC-Freedom Pointe First Two Years of Operation

Factor	Year One: July 2017	Year Two: July 2018
Resident Days	25,105	25,105
Beds, Community	72	72
Bed Days	26,356	26,280
Medicare Days	19,985	19,985
Occupancy	95.5%	95.5%
Medicare Occupancy	75.8%	76.0%

Source: CON application #10264, page 3-19

CON App Sumter, LLC (CON #10265) indicates that within the 10-mile radius of its preferred ZIP code, 34484, there are five SNFs, 505 community beds, 72 sheltered beds and 120 additional recently approved beds. The applicant calculates that this results in nine SNF beds per 1,000 residents 65+, while the state has 23 beds per 1,000 residents 65+. CON App Sumter states that therefore, even counting the recent approval, the number is below what would be expected.

The applicant reports that all facilities within a 10-mile radius are highly occupied. See the table below.

**Utilization of SNFs for July 1, 2013-June 3, 2014
Within a One-Mile Radius of ZIP Code 34484**

Facility	County	Beds	Patient Days	Occup.	Medicaid Days	Medicaid Occup.
Arbor Village Nursing	Sumter	180	62,045	94.44%	42,409	68.35%
Club Health and Rehab	Marion	60	20,581	93.98%	0	0.00%
Lady Lake Specialty Care	Lake	145	47,343	89.45%	17,532	37.03%
Villages Rehabilitation and Nursing Center	Lake	120	36,343	83.04%	9,332	25.66%
10-Mile Radius of ZIP code 34484		545	166,342	90.24%	69,273	41.64%

Source: CON application #10265, page 1-13, based on Florida Nursing Home Bed Need Projections, 10/03/14

CON App Sumter provides a map on page 1-14 of CON application #10265 illustrating the primary service area of Arbor Village--the facility that will release 30 beds in cooperation of this project to decompress

space and eliminate its four-bed wards. The applicant declares that several residents are from ZIP codes identified by the project as being in high demand will benefit from another facility.

The applicant insists that the facility design will improve quality through implementing features and finishes to provide a home-like feel. CON App Sumter maintains that the facility will have smaller neighborhoods, with smaller dining and living area throughout to encourage use and involvement. The applicant states that the large rooms are private, with the semi-private rooms having wall separation while sharing a handicap accessible bath. CON App Sumter notes that Ms. Susan Crane, NHA, and chair of the Florida Pioneer Network, provided a letter of support for the project noting several advantages that will implement culture change.

CON App Sumter states that Subdistrict 3-7's facility occupancy rate for the 12-month period ending June 30, 2014 (88.91 percent) is similar to the occupancy rates of District 3 (89.99 percent) and the state (87.35 percent). The applicant believes that the expectation is that managed care will continue to drive Medicaid utilization down in nursing homes as diversions are preferred. CON App Sumter asserts that recent information indicates an eight percent decline in Medicaid when looking overall at selected counties. The reviewer cannot confirm this information as the applicant did not provide which counties were included in calculating the eight percent decline.

The reviewer notes that Subdistrict 3-7 had a 57.42 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 57.93 percent Medicaid occupancy from July 1, 2012 to June 30, 2013--an increase of 1.80 percent (5,685 patient days) in fiscal year (FY) 2013. District 3 had a 62.79 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 62.26 percent Medicaid occupancy from July 1, 2012 to June 30, 2013--an increase in of .94 percent (14,391 patient days) in FY 2013. The state had a 62.05 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 61.58 percent Medicaid occupancy from July 1, 2012 to June 30, 2013—an increase of 1.02 percent (160,406 patient days) in FY 2013.

The applicant declares that the proposed facility will be located within Sumter County to improve access, as both of the Sumter County facilities have occupancy rates above 94 percent, indicating higher demand.

To forecast utilization, the applicant predicts that Subdistrict 3-7 will experience growth in resident days to 657,642 in 2019. CON App Sumter insists that the proposed new nursing home, assuming at 92 percent occupancy, would absorb 50,370 days, leaving a balance of

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607,272 days to be allocated to the existing 15 SNFs in the subdistrict. The applicant explains that with the new nursing home number of licensed beds increasing by 150 to 1,877 with 657,642 forecasted resident days for 2019, the subdistrict/county's occupancy rate would be 93.5 percent in 2019.

CON App Sumter believes that given the changing reimbursement climate and an emphasis on options other than nursing homes, actual nursing home utilization may decline in the next several years. The applicant states in examining recent experiences for new nursing homes, the assumption of 92 percent occupancy was adjusted downward. The reviewer created the following chart from applicant's Schedule 7.

CON App Sumter Forecasted Utilization

	Year One	Year Two
Total Admissions	741	1,470
Total Patient Days	29,279	58,137
Occupancy	44.56%	88.49%

Source: CON application #10265, Schedule 7

The applicant states that for the baseline period, each nursing home's resident days were used to obtain the percent of the total subdistrict's resident days. The applicant explains that each percentage represents a facility's market share of the subdistrict's resident days for the period July 1, 2013 to June 30, 2014. See the table below.

**Historical Resident Days by Nursing Home and Market Share
Lake and Sumter Counties, July 1, 2013 to June 30, 2014**

Lake County Facilities	FY 2014 Resident Days	Market Share
Arbor Village Nursing Center	33,439	6.0%
Avante at Mt. Dora, Inc.	36,998	6.6%
Bayview Center	38,024	6.8%
Clermont Health and Rehab	64,206	11.5%
Edgewater at Waterman Village	39,410	7.0%
Lady Lake Specialty Care Center	47,343	8.4%
Lake Eustis Health and Rehab	30,333	5.4%
Lake Harris Health Center	35,365	6.3%
Lakeview Terrace SNF	6,909	1.2%
North Campus Rehab and Nursing	28,694	5.1%
Ruleme Center	43,076	7.7%
South Campus Rehab and Nursing	37,580	6.7%
Villages Rehab and Nursing Center	36,373	6.5%
Subtotal	477,750	85.2%
Sumter County Facilities		
Arbor Village Nursing Center	62,045	11.1%
Freedom Pointe at the Villages	0	0.0%
Osprey Point Nursing Center	20,649	3.7%
Subtotal	82,694	14.8%
TOTAL	560,444	100.0%

Source: CON application #10265, page 1-20, based on Florida Nursing Home Bed Need Projections 10/03/14

CON App Sumter points out that Sumter County only possesses 14.8 percent of the market share in Subdistrict 3-7, while Lake County controls the majority with 85.2 percent. The applicant declares that the proposed facility would give the residents of Sumter County a new option in a deprived section of the market.

The applicant states that the remaining resident days after subtracting the new facility's days from the forecast (607,272) were allocated to each existing nursing home by market share. CON App Sumter insists that the results show that in the second year of operation, all existing nursing homes have resident days above what was reported in the baseline. The applicant concludes that the proposed project would not adversely impact already licensed and occupied SNFs in Sumter County.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266) asserts that with the Agency's applicable fixed need pool forecast showing a need for 205 additional beds within Lake and Sumter Counties, it is clear that there is not adequate availability of nursing home capacity. The applicant states that in addition, the subdistrict was at 90.7 percent occupancy in the six months ending June 30, 2014, with only 107 total private rooms, it is clear there is a need for additional SNF capacity to ensure adequate nursing home availability. Fountain Inn points out that six of the 15 existing SNFs in the subdistrict are licensed to operate three or four bed resident rooms.

The applicant maintains that the addition of 120 new private beds to the subdistrict will provide a true increase of capacity of 120 patients. Fountain Inn indicates that with no issues associated with semi-private patient placement conflict in this facility, effective and available new capacity is really +120 beds rather than a smaller number associated with facilities with semi-private bed rooms. The applicant asserts that the proposed facility will provide private bed room facilities in both the long-term and short-term sub-acute care portion of the new nursing home which will provide many benefits to facility staff, residents, their families and their loved ones, including the needs of the significant demands of the rapidly growing baby boomer generation. Fountain Inn includes a list of additional benefits offered by private rooms.

The applicant asserts that it has a strong and proven track record of addressing the needs of low income persons, racial and ethnic minorities, women, handicapped person and other underserved groups and the elderly. Fountain Inn states that the proposed facility will likewise continue to serve there traditionally underserved populations.

Fountain Inn declares that the introduction of a new state-of-the-art 120 private bed facility will have a positive impact on the quality of care offered within the local market. The applicant feels that this is especially relevant as a result of the coordination and collaboration that is expected among the proposed project and Florida Hospital Waterman--which is located adjacent to the proposed facility. Fountain Inn insists that with the development of a seamless continuum of acute to post-acute care, the unique nursing home/hospital linkage proposed in this project does support and document the need for the proposed Fountain Inn project.

The applicant insists that rather than providing only services/products that will maximize organizational profitability, the applicant will provide a mix of services and products that best meet local needs--even if profit maximization is not achieved. Fountain Inn states that while long-term profitability is expected for this project, the ultimate goal of this new nursing home is to provide needed care while staying financially viable, versus putting profit maximization as the primary goal.

Fountain Inn insists that strong local community support provides additional documentation of the need for the proposed project and includes excerpts from its many letters of support.

Innovative Medical Management Solutions, LLC (CON #10267) states that the Lake County Community Health Improvement Plan from September 2012 reported the health status of the population, indicating the following:

- The overall age-adjusted mortality rate for Lake County for 2007-2009 was 654.2 per 100,000 while the state's was 666.7 per 100,000
- Although heart disease is the leading cause of death in the state, cancer is the topmost cause of death in Lake County
- In both Lake County and the state as a whole, the majority of deaths can be attributed to chronic diseases
- Racial disparities are present, as black residents in Lake County have a 23 percent higher overall age-adjusted mortality rate compared to white residents
- Poor health behaviors are generally on the rise in Lake County as measured by the Behavioral Risk Factor Surveillance System
- The total number of physicians per 100,000 residents (FY 2009-2010) is 44 percent lower in Lake County (167.5) as compared to Florida, statewide (300.6)

IMMS maintains that as proof of south Lake County's community need deficit, a search around a 10-mile radius of Clermont for SNFs in the South Lake service area from Medicare.gov Nursing Home Compare

revealed that only one community SNF exists in Clermont. The applicant states that Clermont Health and Rehabilitation Center, which realized 95.55 percent occupancy in 2013, is a 182-bed SNF that is currently on the Agency's Watch List. The reviewer confirms that this facility is on the Agency's Watch List on FloridaHealthFinder.gov.

IMMS states that South Lake Memorial provided notification to the Agency (NF130005) on March 27, 2013 to establish a 30-bed hospital-based skilled nursing unit no later than February 2014. The reviewer confirms that South Lake Hospital submitted a notification letter on March 25, 2013 to add a 30-bed hospital based skilled nursing unit (SNU). The applicant believes that South Lake Memorial has a strategic advantage over any other non-health system or non-health hospital competitor in South Lake hospitals because hospitals are not required to participate in the CON process for adding community nursing home beds to their service area, but must only file notification. IMMS indicates that South Lake renewed its license on February 22, 2014 and as of October 2014, the planned hospital-based SNU has not been licensed. The reviewer notes that hospital-based skilled nursing units are not considered community nursing home beds, these beds are not inventoried with community nursing home beds, not counted in the fixed need pool and require a notification to the Agency prior to being implemented.

The applicant notes that within 15 miles, three additional nursing homes are available in Orange County:

- Colonial Lakes Health Care with an occupancy rate of 97.37 percent in 2013 (93.88 percent in 2012)
- Health Central Park with an occupancy rate of 91.38 percent in 2013 (89.10 percent in 2012)
- Quality Health of Orange County with an occupancy rate of 75.54 percent in 2013 (77.39 percent in 2012)

IMMS declares that as a result of the explosive growth in the South Lake area, the lack of additional community SNFs within south Lake County has made it difficult for both Medicare and Medicaid beneficiaries residing in south Lake County service area to seek a SNF within their local community. The reviewer notes that the applicant did not provide statistical analysis to support this assumption.

The applicant provides a data analysis of the Medicare cost data for service beneficiary claims in contiguous counties to Lake and the Agency inpatient data from 2013 to illustrate comparative elements of hospitals and nursing home dynamics in Tables 1 and 2 of CON application #10267.

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IMMS asserts that Agency hospital inpatient data from 2013 reported that hospitals in Lake County discharged 4,129 patients to nursing homes. The applicant also reviewed those hospitals closest to South Lake Memorial from contiguous counties, assuming Lake County residents may likely travel to the closest service area hospitals. See the table below.

Discharges from Area Hospitals, 2013

AHCA #	Hospital Name	County	Discharges	% of Total Patients
100051	South Lake Hospital	Lake	533	1.9%
100084	Leesburg Regional Medical	Lake	1,985	7.1%
100057	Florida Hospital Waterman	Lake	1,611	5.8%
Total Lake			4,129	
120002	Dr. Phillips Hospital	Orange	701	2.5%
100030	Health Central	Orange	1,171	5.2%
120003	Florida Hospital Apopka	Orange	159	0.6%
Total Orange			2,031	
100137	Heart of Florida Regional Medical	Polk	949	3.4%

Source: CON application #10267, Table 3

The applicant states that South Lake Memorial discharged only 1.9 percent of the total patients to a SNF, which is the lowest for any compared hospital in Lake, Orange and Polk Counties. IMMS also reports that South Lake Memorial reported the highest charge per patient in Lake County. The applicant contends that South Lake Memorial and Clermont Health and Rehabilitation Center have an excessively high market share in the South Lake service area and the lack of a reasonable competitive choice dictates the need for additional community nursing home beds.

IMMS includes a discussion of reducing hospital readmissions as the new performance standard, noting that high admission rates are viewed by CMS as a sign of poor quality of care. The applicant analyzes hospital readmission rates for 2013 by county, indicating that Lake County has the lowest readmission rate of those compared. See the table below.

**Hospital Readmissions by County
Medicare Cost 2013 Fee for Service Report**

County	Acute Hospital Readmissions	Hospital Readmission Rate
Lake	4,478	17.77%
Orange	7,084	22.70%
Polk	4,828	20.52%
Sumter	518	19.10%

Source: CON application #10267, Table 4

The applicant concludes that the importance of a resident-driven care plan will focus on quality improvements and continual support of CMS's Innovative Initiatives for Triple Aim. IMMS feels this can be accomplished through safely reducing hospital readmissions through

collaboration with providers, increasing staffing stability, increasing customer satisfaction and reducing the off label use of antipsychotics.

Wesley Village SNF Operations, LLC (CON #10268) states that in addition to the fixed need pool it has undertaken its own needs assessment related to circumstances in the subdistrict, specifically an examination of bed-to-population ratios as well as extensive research into patterns of hospital discharges to the nursing home setting by patient ZIP code.

The applicant declares that this additional analysis has confirmed Wesley Village’s belief that Sumter County, in particular, and the rapidly developing southern portion of The Villages, represents the best choice within Subdistrict 3-7 for development of a new SNF. Wesley Village notes that it has selected its proposed site and that this location will place its new SNF in the far southern portion of The Villages.

Wesley Village asserts that there is currently one licensed acute care hospital in Sumter County, The Villages Regional Hospital--the area of Sumter County proximate to it lies within a single planned retirement community (The Villages). The applicant indicates that build out of those portions of the Villages within a five-mile radius of the hospital is now virtually complete. Wesley Village concludes that as such, a nursing home located in the general vicinity of Villages Regional is not conducive to meeting the needs of Sumter County residents living outside The Villages or for future residents of those areas of The Villages currently under development or to be developed.

Wesley Village provides an analysis of bed-to-population 65+ ratios in Sumter and Lake Counties. The applicant concludes that Sumter County’s ratio is significantly below Lake County and Subdistrict 3-7 as a whole and that this would continue to be the case even if all 205 beds shown as currently needed are awarded to Sumter County applicants. See the table below.

**Subdistrict 3-7 Nursing Home Bed to Population Ratios
January 1, 2014 and July 1, 2017**

Area	Beds	Population 65+		Bed-To-Pop. Ratios	
		01/14/14	07/01/17	01/01/14	07/01/17
Sumter County	360	50,147	61,149	7.18	5.89
Lake County	1,727	74,998	84,891	23.03	20.34
Subdistrict 3-7	2,087	125,145	146,040	16.68	14.29
If 100 percent of Bed Need is Approved in Sumter**	565	50,147	61,149	11.27	9.24
Subdistrict 3-7	2,292	125,145	146,040	18.31	15.69

*Applicant’s note: Includes the 120 beds approved at Buffalo Crossing

**Applicant’s note: Assumes all 205 beds currently shown as needed are awarded in Sumter County

Source: CON application #10268, page 11

The applicant provides a detailed analysis of Agency hospital discharge data to ascertain patterns of nursing home utilization at the level of ZIP code to patient residence. Wesley Village focuses its ZIP code analysis on Leesburg Regional Medical Center and The Villages Regional Hospital because although these two hospitals along with Florida Hospital Waterman accounted for 70 percent of Subdistrict 3-7 resident discharges to a SNF in calendar year (CY) 2013, Florida Hospital Waterman was responsible for a mere 20 discharges to Sumter County SNFs.

Wesley Village comes to the following conclusions from its analysis:

- The primary Villages ZIP code (32162) accounted for the greatest number of discharges to SNFs followed by Lady Lake ZIP code (32159) which is adjacent to 32162
- The sum total of discharges to SNFs from six Village-area ZIP codes--32162, 32159, 34785, 34731, 34484, 32163- is 2,360, or 62 percent of the two hospital total of 3,897 for Subdistrict 3-7

The applicant states that it also evaluated Marion County because some residents of that county have historically gravitated to Subdistrict 3-7 for health care services. Wesley Village indicates that the bulk of the discharges by these two hospitals originated from the Summerfield area (34491), as expected, and also notes that the two hospitals also generated more Marion County discharges from Weirsdale (32195). The applicant feels that this analysis confirms that it is appropriate to include ZIP code area 34491 in a definition of a service area for the nursing home sited within the Villages community. The applicant states that however, because the Weirsdale ZIP code is not an area that is adjacent to The Villages proper and because of the small numbers of patients from that area, 32195 is not considered part of the service area.

Wesley Village states that the need for 205 additional beds in Subdistrict 3-7 is the third-highest unmet need in the entire state (in 44 separate nursing home subdistricts). The applicant contends that because the rule and need methodology incorporate issues of availability, accessibility and extent of utilization, those issues do by definition evidence need for the proposed project by TLC in Lake and Sumter Counties.

Wesley Village also believes that there is deemed to be no substantive adverse impact on existing providers. The applicant states that the bulk of licensed community nursing home beds--86 percent--are located in Lake County while only 14 percent are located in Sumter County. Wesley Village reports that current occupancy rates are much higher in Sumter County (over 94 percent) than in Lake County (88 percent) for the 12-months ending June 2014.

The applicant states that none of the licensed SNFs in Lake County are accessible to the southern portions of The Villages. Wesley Village provides the following table illustrating ground time and distance between location of the proposed project and the existing and approved SNFs to demonstrate this point. The reviewer notes that the applicant did not indicate the units of measurement for time--seconds, minutes, or hours--or for distance--miles or kilometers.

**Ground Time and Distance
Between Location of Wesley Village SNF and Existing/Potential
Sumter County Community Nursing Home Beds
December 2014**

Nursing Home Facility	Relative to Wesley Village Location	
	Time	Distance
Buffalo Crossing	15	7.5
Freedom Pointe	19	10.6
Villages Nursing and Rehab Center	11	5.8
Lady Lake CC	15	6.6
Arbor Village	10	5.8
Osprey Point	32	21

*Applicant's Note: Technically in Lake County but adjacent to the Sumter portion of The Villages
Source: CON application #10268, page 38, based on Google Maps

Wesley Village contends that only Villages Nursing and Rehab Center and Arbor Village Nursing Center are considered to be located in reasonable proximity to the planned location of Wesley Village and only Arbor Village could be considered located near the southern part of The Villages. The applicant argues that however, neither is accessible from an operational standpoint--Arbor Village reported an occupancy rate of 94.3 percent during the 12 months ending June 2014 and Villages Nursing and Rehab Center recorded an average occupancy of 95.2 percent during the first half of the year.

Wesley Village believes that the ability to traverse The Villages along its extensive network of golf cart paths is one of the key reasons for the community's popularity among seniors. The applicant maintains that the chief drawback given the sheer size of the Villages is the increase in associated travel times versus those typical of automobile travel. Wesley Village indicates that therefore, it is important that health care resources be evenly distributed and at present, when it comes to SNFs, this is not the case as the southern Villages is relatively lacking in these resources.

The applicant asserts that TLC's start-up occupancy projections are based on its experience in other locations in Florida and Indiana. Wesley Village believes its first year average projected occupancy of 27 percent is conservative but easily achievable. The applicant expects its facility's utilization to plateau at 90 percent by the third quarter of the second year, resulting in an annual average of 81.9 percent.

Wesley Village includes a brief video discussing its history and core convictions as a quality provider. Gary L. Ott, President of TLC, states that as a visual tool, he likens his company to a three legged stool focusing on three components: being the facility of choice, being the employer of choice and being the leader of the innovation and technology in the industry.

- 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.**

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) states that the proposed project, if approved, will allow Freedom Pointe to continue its history of providing quality care to its residents. The applicant asserts that the facility is expected to attain and maintain its high quality rating because of its broad-based support for residents. Freedom Pointe discusses its mission statement and its Optimum Life® program on page 4-2 of CON application #10264.

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 its definition of competence, compassion, flexibility, cleanliness and hospitality.

Freedom Pointe 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 #10264.

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. Freedom Pointe states that the three perspectives of Brookdale's Quality Assurance Performance Improvement Model include ensuring the foundation, creating improvement and sustaining the gains.

Freedom Pointe includes its forms and policies related to quality of care in Exhibits 4-3 and 4-4 of CON application #10264.

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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

Freedom Pointe is not a Gold Seal Program nor is it on the Nursing Home Watch List. The most recent Agency inspection indicates Freedom Pointe received an overall four-star rating out of a possible five stars. The Agency's Nursing Home Guide was last updated November 2014. Freedom Pointe had one substantiated complaint during November 19, 2011 to November 19, 2104 in the complaint category of nursing services.

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 homes 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:

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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 Sumter, LLC (CON #10265) 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 #10265.

CON App Sumter 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 #10265.

CON App Sumter 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266) notes that although it is a newly formed entity, Adventist has strong and successful experience operating nursing homes in Florida and other states. The applicant includes examples of select Adventist quality of care policies/procedures and guidelines in Appendix M of CON application #10266.

The applicant provides the following table illustrating its quality rankings for Florida and for Medicare.

**Adventist Care Centers Florida Facility Quality Summary
December 2014 Reports**

Facility	City	Beds	Florida	Medicare
Sunbelt Health and Rehab Center	Apopka	120	Four Stars	Four Stars
East Orlando Health and Rehab	Orlando	120	Two Stars	Three Stars
Adventist Care Center-Courtland	Orlando	120	Three Stars	Three Stars
Florida Living Nursing Center	Apopka	222*	One Star	One Star
Zephyr Haven Health and Rehab	Zephyrhills	120	Three Stars	Three Stars
Zephyrhills Health and Rehab	Zephyrhills	115	Five Stars	Five Stars

*The reviewer notes that the applicant incorrectly reported the number of licensed beds for this facility--which should be 202 beds according to FloridaHealthFinder.gov
Source: CON application #10266, page 42

Fountain Inn points out that the one Adventist facility that has not been rated at least at the average level is Florida Living. The applicant claims that while it is Adventist’s intent to enhance this facility’s star rating, the reality of the service and resident mix provided at this facility makes achieving a three star rating or above extremely difficult. Fountain Inn asserts that Florida Living is one of the few central Florida area SNFs that treats a large number of long-term residents with behavioral health conditions and has a large and active tracheotomy/ventilator program with extensive resource requirements and an inherent level of complications associated with treating this resident group.

The applicant further explains that after Florida Living had a difficult year in 2011, Adventist moved in quickly and the management at the facility was changed in early 2013. Fountain Inn insists that Florida Living has improved in deficiencies since the leadership change and that it has recently been named a Bronze Award recipient from the National Quality Award Program.

Fountain Inn states that in addition to its quality ratings, review of Adventist’s discharge to community rates and its Medicare ALOS also provide documentation of Adventist’s quality initiatives and quality results. Using data from the American Health Care Association’s Long-

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Term Care Trend Tracker program, the applicant compares Adventist’s four Orlando facilities (identified as “My Centers”) to the remainder of Orlando and Seminole County facilities (“Peer Facilities”). See the table below.

**Adventist Orlando Facilities
Discharge to Home and Medicare ALOS Comparison**

	2012	2013
Actual Discharge to Community Rate		
My Centers	59.1%	65.5%
My Peers	54.7%	57.1%
Difference	4.4%	8.5%
Risk Adjusted Discharge to Community Rate		
My Centers	66.8%	72.8%
My Peers	57.6%	61.4%
Difference	9.2%	11.4%
Actual Medicare ALOS		
My Centers	32.52 days	
My Peers	38.02 days	
Difference	-5.5 days	

Source: CON application #01266, pages 43-44

The applicant declares that when these two data sets, plus the readmission reduction data the applicant discussed as part of its INTERACT program, are reviewed together, the conclusion reached is that Adventist Orlando facilities are returning a higher percentage of their residents to the community than their peers and reducing readmission rates, while at the same time incurring a lower ALOS in the care that supported the lower readmission and higher return to the community rates. Fountain Inn concludes that simply put, Adventist is doing better with less cost than the area peer facilities.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending November 19, 2014, had 14 substantiated complaints at five of six 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	10
Administration/Personnel	1
Dietary Services	1
Physical Environment	1
State Licensure	1

Source: Agency for Health Care Administration Complaint Records

Innovative Medical Management Solutions, LLC (CON #10267) states that it is a start-up company that has provided facility management and consultation to a number of facilities and provider clients in the Orlando area since 2012.

The applicant asserts that the principals, however, have a long history, three decades, of early adaptor innovations in health care. IMMS includes a detailed biography of each of its principals and their experiences in health care in Schedule B of CON application #10267.

IMMS indicates that it will implement a formal Quality Assurance (QA) Program and associated policies and procedures. The applicant declares that the QA Program will be designed to objectively and systematically monitor and evaluate the extent to which the care management, care coordination services and interventions provided by IMMS to patients are consistent with the established goals of the facility, in compliance with state and federal regulations and interpretive guidelines and are efficacious and cost-effective.

The applicant further notes that the operation of the QA Program will be guided by two standing internal committees--the QA Steering Committee and the Medical Standards Committee. IMMS describes the roles of each of the committees in Schedule B of CON application #10267.

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

Wesley Village SNF Operations, LLC (CON #10268) states that it is a newly formed company but is affiliated with TLC, an Indiana-based, family owned, health care management company in business for more than 25 years. The applicant asserts that TLC will manage Wesley Village and has lent its skill and expertise to the project to ensure that this proposed facility is well-designed, appropriately integrated into the planned community and the health care continuum of care in The Villages, Florida.

Wesley Village provides its mission statement, vision and values on pages 40 to 41 of CON application #10268.

The applicant states that TLC has an awards program in place to recognize and reward its family of facilities for their efforts to ensure the provision of high quality care. A discussion of these awards can be found on pages 41 to 42 of CON application #10268.

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Wesley Village indicates that 16 TLC facilities were named to the U.S. News and World Report’s Best Nursing Homes list. The applicant reports that over 37 percent of TLC’s facilities achieved a five-star rating by CMS, while about 22 percent of all nursing homes in Indiana earned an overall five-star rating, and only 10 percent nationwide earned a five-star rating.

Wesley Village asserts that its facility will use an online system called the Abaqis Prodigm that promotes conformity with the CMS quality of care guidelines. The applicant asserts that Abaqis goes beyond readiness and is the foundation for quality assurance, performance improvement, customer satisfaction, readmission monitoring and management and compliance.

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

- Consumer Satisfaction
- Providigm QAPI Accreditation Program
- Resident Rights
- Resident Council and Family Involvement
- Activities

The applicant notes that Astoria Health and Rehabilitation Center was named on the 2014 Best Nursing Homes list for Florida by U.S. News and World Report.

Agency licensure records indicate that the affiliated nursing home associated with the parent company, for the three-year period ending November 19, 2014, had 15 substantiated complaints for its one facility. A single complaint can encompass multiple complaint categories. The table below has these listed by complaint categories.

Substantiated Complaint Categories for the Past 36 Months	
Complaint Category	Number Substantiated
Quality of Care/Treatment	11
Administration/Personnel	3
Resident/Patient/Client Assessment	2
Resident/Patient/Client Rights	1
Dietary Services	1
Infection Control	1
Admission, Transfer and Discharge Rights	1

Source: Florida 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.**

CCRC-Freedom Pointe at the Villages, LLC (CON #10264):

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 below is an analysis of the audited financial statements of Brookdale Senior Living, Inc. and HCP, Inc., joint owners of the parent company CCRC OpCo Ventures, LLC, and where the two short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year. All dollar values are in thousands.

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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%

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HCP, Inc.		
	Current Year	Previous Year
Current Assets	\$328,050	\$281,823
Total Assets	\$20,075,870	\$19,915,555
Current Liabilities	\$318,427	\$293,994
Total Liabilities	\$9,144,736	\$9,161,778
Net Assets	\$10,931,134	\$10,753,777
Total Revenues	\$2,099,878	\$1,879,970
Excess of Revenues Over Expenses	\$985,006	\$846,842
Cash Flow from Operations	\$1,148,987	\$1,034,870
Short-Term Analysis		
Current Ratio (CA/CL)	1.0	1.0
Cash Flow to Current Liabilities (CFO/CL)	360.83%	352.00%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	80.7%	82.5%
Total Margin (ER/TR)	46.91%	45.05%
Measure of Available Funding		
Working Capital	\$9,623	(\$12,171)

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 \$893,256 for capital projects including the application currently under review. For this project, there are no capital costs. The applicant is converting 72 existing sheltered beds. Therefore, minimal costs are projected for this CON. The only cost associated with this CON is project development costs of \$76,482.50. Funding for this project will be provided by operating cash flows in proportion to the ownership of the parent company (51 percent for Brookdale Senior Living, Inc. and 49 percent for HCP, Inc.). Both parents have significant positive operating cash flows as shown in the above tables (amounts in thousands).

Conclusion:

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

CON App Sumter, LLC (CON #10265):

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 \$27,675,600 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266):

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

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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 Adventist Health Systems, 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.

Adventist Health Systems		
	Current Year	Previous Year
Current Assets	\$5,711,434	\$5,066,359
Total Assets	\$11,708,294	\$10,645,095
Current Liabilities	\$1,424,876	\$1,277,318
Total Liabilities	\$5,387,886	\$4,889,118
Net Assets	\$6,320,408	\$5,755,977
Total Revenues	\$7,597,799	\$7,346,597
Excess of Revenues Over Expenses	\$578,241	\$507,786
Cash Flow from Operations	\$1,153,648	\$978,176
Short-Term Analysis		
Current Ratio (CA/CL)	4.0	4.0
Cash Flow to Current Liabilities (CFO/CL)	80.96%	76.58%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	62.7%	62.7%
Total Margin (ER/TR)	7.61%	6.91%
Measure of Available Funding		
Working Capital	\$4,286,558	\$3,789,041

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 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 \$26,086,000. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by Adventist Health System. The applicant's parent company currently has four CON applications under review including this one totaling \$114,750,000. The applicant provided a letter from Adventist Health System committing to funding this project. Adventist submitted their Audited Financial Schedules as proof of available funding. As indicated above, Adventist Health System has 4.3 billion dollars in working capital.

Conclusion:

Funding for this project should be available as needed.

Innovative Medical Management Solutions, LLC (CON #10267):

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 limited operations to date. The below is an analysis of the audited financial statements of Innovative Medical Management Solutions, Inc., where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

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Innovative Medical Management Solutions, Inc.		
	Current Year	Previous Year
Current Assets	\$4,893	\$3,205
Total Assets	\$4,893	\$3,205
Current Liabilities	\$19,320	\$8,800
Total Liabilities	\$19,320	\$8,800
Net Assets	(\$14,427)	(\$5,595)
Total Revenues	\$33,576	\$0
Excess of Revenues Over Expenses	(\$8,832)	(\$5,595)
Cash Flow from Operations	(\$11,832)	(\$5,595)
Short-Term Analysis		
Current Ratio (CA/CL)	0.3	0.4
Cash Flow to Current Liabilities (CFO/CL)	-61.24%	-63.58%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	0.0%	0.0%
Total Margin (ER/TR)	-26.30%	N/A
Measure of Available Funding		
Working Capital	(\$14,427)	(\$5,595)

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 indicates on Schedule 2 capital projects totaling \$15,818,305 which consists solely of this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$198,000), non-related company financing (\$12,654,644) and equity provided by principals (\$2,965,661). The applicant provided a letter of interest by Old Florida Bank which stated a history of providing large loans to one of the principals of the applicant. The audited financial statements do not show the applicant has the available cash on hand. Additionally, no documentation showing that the principals have the ability to provide funding was provided.

Conclusion:

Funding for this project is in question.

Wesley Village SNF Operations, LLC (CON #10268):

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 \$19,607,250 which consists solely of this CON currently under review. The applicant intends to fund this project 75 percent with debt financing and 25 percent from equity contributions from its members. A letter of interest was provided by Regions Healthcare Banking showing interest to provide the required debt funding for this project. A letter of interest is not considered a firm commitment to lend. The applicant also provided a letter from Regions Healthcare Banking confirming that the principle parties have over \$10 million on deposit to cover the equity portion of the proposed loan. Although the applicant does not have a firm commitment to lend and may have an additional capital project related to this CON, the funding available from the principles for the equity portion of this loan makes execution of the debt financing likely.

Conclusion:

Funding for this project appears likely but not guaranteed.

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

CCRC-Freedom Pointe at the Villages, LLC (CON #10264):

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

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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	11,793,642	470	1,798	493	272
Total Expenses	9,988,683	398	1,721	468	323
Operating Income	1,804,959	72	176	26	-173
Operating Margin	15.30%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	25,105	96%	97.64%	91.30%	33.72%
Medicaid/MDCD HMO	0	0%	29.81%	20.69%	2.05%
Medicare	19,985	80%	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 applicant nursing home is part of a CCRC. A CCRC is made up of residential units, an assisted living facility, and a nursing home and is regulated as a type of insurance arrangement. The idea is that CCRC residents buy into the community and transition through life from residential, to assisted living and finally to skilled nursing. Skilled nursing is also available for rehabilitation to residents. The business model for a CCRC in general shows the skilled nursing component as a loss with the residential living and assisted living generating enough profit to cover the loss. In this case, the applicant projected an overall profit both with and without the net earnings of the rest of the CCRC.

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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. CCRCs are regulated by the Florida Office of Insurance Regulation (OIR). OIR requires CCRCs to maintain a minimum liquid reserve and file financial statements on a regular basis. The existence of a Certificate of Authority issued by OIR and maintenance of a minimum liquid reserve indicates stability of the CCRC. The applicant CCRC has both. Therefore, the overall profitability appears achievable.

Conclusion:

This project appears to be financially feasible.

CON App Sumter, LLC (CON #10265):

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.

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	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	19,168,500	330	464	360	280
Total Expenses	18,326,700	315	461	353	293
Operating Income	841,800	14	29	10	-29
Operating Margin	4.39%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	58,137	88%	99.48%	88.96%	62.35%
Medicaid/MDCD HMO	23,255	40%	50.03%	45.97%	30.87%
Medicare	23,255	40%	58.06%	36.42%	17.01%

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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266):

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).

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NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. The applicant did not indicate on the schedules the year end dates. The Agency based the review using the initiation of service date from Schedule 10. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	12,494,622	304	508	342	256
Total Expenses	11,786,636	287	415	333	230
Operating Income	707,986	17	112	8	-64
Operating Margin	5.67%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	41,044	93.71%	99.58%	92.40%	68.34%
Medicaid/MDCD HMO	21,969	53.53%	59.95%	52.34%	40.10%
Medicare	15,425	37.58%	47.76%	26.65%	2.63%

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.

NRPD, CPD and operating margin are all within the range and appear reasonable.

Conclusion:

This project appears to be financially feasible.

Innovative Medical Management Solutions, LLC (CON #10267):

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

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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	7,874,034	430	1,914	525	289
Total Expenses	7,008,403	382	1,832	499	343
Operating Income	865,631	47	176	26	-173
Operating Margin	10.99%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	18,326	83.68%	97.64%	91.30%	33.72%
Medicaid	2,749	15.00%	29.81%	20.69%	2.05%
Medicare	10,079	55.00%	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. Based on the information provided in Schedule 6, the applicant’s projected nursing staffing meets this requirement.

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 based on the projections provided by the applicant.

Wesley Village SNF Operations, LLC (CON #10268):

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.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	11,838,915	396	1,904	522	288
Total Expenses	11,223,884	375	1,822	496	342
Operating Income	615,031	21	176	26	-173
Operating Margin	5.19%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	29,900	82%	97.64%	91.30%	33.72%
Medicaid	6,487	22%	29.81%	20.69%	2.05%
Medicare	21,588	72%	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. Based on the information provided in Schedule 6, the applicant’s projected staffing meets this requirement.

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.

- 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.**

CCRC-Freedom Pointe at the Villages, LLC (CON #10264): The Office of Plans and Construction notes that the codes and standards regulating the design and construction of skilled nursing facilities are the same for beds licensed as sheltered beds and community beds.

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It is the position of the Office of Plans and Construction that a review of the architectural submissions for this project is unnecessary since the existing nursing beds have already been reviewed and approved by the Agency for use as skilled nursing beds in accordance with Florida Statutes 400.232 and Florida Administrative Code 59A-4.133.

The reviewer notes that any modifications or alterations of the physical plant due to a conversion would need to be reviewed by the Office of Plans and Construction.

CON App Sumter, LLC (CON #10265): 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266): 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.

Innovative Medical Management Solutions, LLC (CON #10267): 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.

However, construction type V-B as indicated in the architectural narrative is not permitted 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.

Wesley Village SNF Operations, LLC (CON #10268): 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.

**Medicaid Patient Days and Medicaid Occupancy
Subdistrict 3-7, District 3 and Florida**

Medicaid Patient Days					
Facility/Area	2009	2010	2011	2012	2013
Subdistrict 3-7	286,977	290,790	305,589	309,524	314,518
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
Subdistrict 3-7	52.61%	53.89%	55.64%	56.91%	57.75%
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

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) states that it was created to serve residents of the community on their short-term rehabilitation following a hospital stay and skilled long-term and memory care in Subdistrict 3-7. The applicant insists that it provides high-quality skilled nursing care to the market from which its patients are located. Freedom Pointe asserts that historically, it has been overwhelmed with short-term rehabilitation patients--who are typically Medicare and private-pay patients.

The applicant notes that however, Brookdale is related to over 150 senior living communities in Florida (11 of which are SNFs, including the applicant) and that these facilities provide skilled nursing care to their respective and distinct market demands. Freedom Pointe maintains that no market is the same and Brookdale’s facilities serve what the market demands--certain subdistricts have larger Medicaid patient base, while others do not.

Freedom Pointe discusses its affiliated SNF in Subdistrict 3-7--Lake Harris Health Center--which serves Medicaid patients. The applicant indicates that for the most recent annual period ending June 30, 2014, Lake Harris, Subdistrict 3-7 and the state overall reported Medicaid occupancies of 36.8 percent, 54.4 percent, and 62.1 percent,

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respectively. Freedom Pointe declares that Subdistrict 3-7 has 15 SNFs that provide care to Medicaid patients and that Medicaid patients in this subdistrict will not be unaccounted for

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.

**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

Freedom Pointe provides the following payer forecast for the first two years of operation of the proposed facility.

**Forecasted Admissions and Patient Days
CCRC-Freedom Pointe**

Payer	Year 1		Year 2	
	Patient Days	Percent	Patient Days	Percent
Medicare	19,985	79.6%	19,985	79.6%
Private Pay	2,504	10.0%	2,504	10.0%
Commercial	2,616	10.4%	2,616	10.4%
Total	25,105	100.0%	25,105	100.0%

Source: CON application #10264, page 9-3

The applicant 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. Freedom Pointe declares that implementation of the proposed project will ensure continued access to skilled nursing care for members of the community.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 0.0 percent and 10.0 percent, respectively, of year one and year two annual total patient days.

CON App Sumter, LLC (CON #10265) 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 Statewide Medicaid Managed Care (SMMC) plans. In this discussion, CON App Marion includes information on the available plans and services in Region 3.

CON App Sumter 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 Sumter indicates that Medicare Advantage Plans are also growing in enrollments. The applicant provided the following payer forecast for the first two years of operation.

CON App Sumter, Projected Utilization

Payer	Year One: Resident Days	Year 2: Resident Days	Percent of Days	ADC Year One	ADC Year Two
Medicare	7,320	14,534	25.0%	20	40
Medicare Managed Care	4,392	8,721	15.0%	12	24
Medicaid Managed Care	11,711	23,255	40.0%	32	64
Private Pay	5,856	11,627	20.0%	16	32
Total	29,279	58,137	100.0%	80	159
Occupancy	44.5%	88.4%			

Source: CON application #10265, page 9-4

CON App Sumter states that in addition to the above payer mix, uncollected billings and charity care have been estimated at 357 patient days in the first year and 709 days in the second year, representing 1.22 percent of total days for the first and second years.

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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266) states that while the applicant for this project is a new entity without any history, Adventist does have a strong history of providing care to Medicaid patients and the medically indigent. The applicant provides the following table, indicating that Adventist facilities provided 54 percent to 68 percent of total resident days to Medicaid patients during the six months ending June 2014. Fountain Inn declares that this strong level of care to the Medicaid population shows Adventist's commitment to provide needed services to patients with limited financial resources.

**Adventist Care Centers Florida, Percentage of Medicaid Days
Six Months Ending June 2014**

Facility	City	Beds	%Medicaid Days
Sunbelt Health and Rehab Center	Apopka	120	54.7%
East Orlando Health and Rehab	Orlando	120	59.2%
Adventist Care Center-Courtland	Orlando	120	53.6%
Florida Living Nursing Center	Apopka	202	66.3%
Zephyr Haven Health and Rehab Center	Zephyrhills	120	67.9%
Zephyrhills Health and Rehab Center	Zephyrhills	103	53.7%

Source: CON application #10266, page 51

The applicant asserts that additionally, during CY 2013 Adventist Care Centers in Florida combined provided \$2.7 million of care to charity/indigent patients requiring nursing home care. Fountain Inn insists that further review of charity/indigent utilization data at Adventist’s four Orlando/Apopka facilities show that Adventist facilities provide care to a large number and proportion of these patients. The applicant states that the ADC of charity patients in these four facilities is large and growing. See the table below.

**Adventist Care Centers Orlando Facilities
ADC of Charity/Indigent Patients**

	2011	2012	2013	Jan-Sept 2014
Charity/Indigent ADC	21	23	28	26
ADC	545	542	539	541
Charity/Indigent as % of ADC	3.9%	4.2%	5.2%	4.8%

Applicant’s note: Includes ADC for Adventist Care Centers Courtland, East Orlando Health and Rehab Center, Sunbelt Health and Rehab Center and Florida Living Center

Source: CON application #10266, page 52, based on Adventist Care Centers records, 2014

Fountain Inn indicates that the charity/indigent care provided by Adventist consists largely of patients that are homeless, undocumented, and/or are considered Medicaid-pending for long periods of time. The applicant explains that for patients such as these, it can take six months or more for them to become enrolled in Medicaid, while Medicaid reimbursement is only paid retroactively for up to 90 days.

The applicant declares that this commitment to provide needed nursing home services to the medically indigent documents Adventist’s strong mission-based focus on meeting the needs of the local community--even when there are no financial resources available to support the care.

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

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

Facility	Medicaid Days	Total Days	Medicaid Occupancy
Sunbelt Health and Rehab Center	23,432	42,193	55.54%
East Orlando Health and Rehab	24,798	42,283	58.65%
Adventist Care Center-Courtland	23,215	41,485	55.96%
Florida Living Nursing Center	70,387	47,269	67.16%
Zephyr Haven Health and Rehab Center	29,074	42,125	69.02%
Zephyrhills Health and Rehab Center	19,237	35,979	53.47%
Total	190,143	251,334	59.97%

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

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 46.2 percent and 14.5 percent, respectively, of year one and year two annual total patient days.

Innovative Medical Management Solutions, LLC (CON #10267) states that as a startup company, it does not have an operating history of providing health care services to Medicaid patients and the medically indigent. The applicant asserts that however, the principals have established many health care facilities and have allowed many of those in need to receive care regardless of their ability to pay.

IMMS maintains that health care facilities managed and owned by the principals of IMMS all take Medicare, Medicaid and treat indigent patients on a case by case basis.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 15.0 percent and 10.0 percent, respectively, of year one and year two annual total patient days.

Wesley Village SNF Operations, LLC (CON #10268) notes that during the 12-month period ending June 2014, Astoria Health reported 19,669 Medicaid patient days, equating to a Medicaid occupancy of 48.0 percent. The reviewer confirms that Astoria Health's Medicaid occupancy was 47.96 percent for this time frame in the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict* publication for the October 2014 Batching Cycle. The reviewer also notes that Astoria Health's Medicaid days and total patient days were 19,669 and 41,008, respectively, for this time frame.

The applicant declares that Wesley Village will serve all patients in need regardless of race, ethnicity, gender or ability to pay. Wesley Village states that by the second year of operation, the majority of patient days (72.2 percent) are projected to be Medicare (including Medicare HMO).

The applicant maintains that Medicaid HMO patient days are expected to represent nearly 22 percent of the overall volume and another six percent are expected to be self-pay (including the medically indigent).

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 8.7 percent and 13.9 percent, respectively, of year one and 21.7 percent and 6.1 percent, respectively, of year two annual total patient days.

F. SUMMARY

CCRC-Freedom Pointe at the Villages, LLC (CON #10264), an affiliate of Brookdale Senior Living, proposes to convert 72 sheltered nursing home beds to community nursing home beds in Subdistrict 3-7, Sumter County.

The applicant operates 11 SNFs in Florida.

The proposed project is a conversion of existing licensed beds and will involve no construction or renovation. The applicant states that the only project costs are those costs associated with building and project development costs. The applicant notes no construction costs on its Schedule 9, but does indicate a \$10,000 "plans and construction fee" on its Schedule 1.

Freedom Pointe is a 72-sheltered bed facility located in The Villages in Sumter County. It is located on the campus of continuing care retirement community (CCRC).

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

CON App Sumter, LLC (CON #10265) proposes to establish a new 180-bed community nursing home through the delicensure of 30 beds from an existing licensed nursing home within the same subdistrict, Arbor Village Nursing Center, and 150 beds from the fixed need pool for Subdistrict 3-7, Sumter County.

The applicant provides a notarized letter signed by Tzvi Bogomilsky, Managing Member of Arbor Village Nursing Center, agreeing to voluntarily relinquish 30 of its 180 beds should the Agency approve this CON application in Exhibit 1-1 of CON application #10265.

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CON App Sumter does not note that it is the current operator of The Villages Rehab and Nursing Center but the reviewer notes that Mr. Timothy F. Smith, Director of Operations for The Villages Rehab and Nursing Center states that the applicant is the operator of his community.

The project involves 112,191 GSF of new construction. The construction cost is \$19,250,000. Total project cost is \$27,675,600. 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266), a wholly owned subsidiary as Sunbelt Health Care Centers, Inc. d/b/a Adventist Care Centers, proposes to establish a new 120-bed community nursing home in Subdistrict 3-7, Lake County.

The applicant operates six SNFs in Florida.

The project involves 80,800 GSF of new construction. The construction cost is \$17,517,000. Total project cost is \$26,086,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes seven conditions on its Schedule C.

Innovative Medical Management Solutions, LLC (CON #10267) proposes to establish a new 60-bed community nursing home in Subdistrict 3-7, Lake County.

The project involves 44,874 GSF of new construction. The construction cost is \$8,822,250. Total project cost is \$15,818,305. 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.

Wesley Village SNF Operations, LLC (CON #10268), an affiliate of Tender Loving Care (TLC) Management, LLC proposes to establish a new 100-bed community nursing home in Subdistrict 3-7, Sumter County.

The applicant operates one SNF in Florida.

Additionally, the applicant has been approved through CON application #10346 to establish a 120-bed SNF in a deed-restricted retirement community, On Top of the World, Marion County, Florida (District 3/Subdistrict 3-4).

The project involves 70,000 GSF of new construction. The construction cost is \$10,969,000. Total project cost is \$19,607,250. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes two 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 205 beds was published for Subdistrict 3-2 for the July 2017 Planning Horizon.

As of November 19, 2014, Subdistrict 3-7 had 1,727 licensed and 120 approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 3-7 experienced 88.91 percent utilization at 15 existing facilities.

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) states that there is clearly need for additional SNFs in Subdistrict 3-7 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 means that the need for beds and services is overdue and the immediate availability of nursing home beds, such as the result from this project, is needed to keep pace with the demand

It is unclear from the data provided by the applicant how approval of the proposed conversion which includes all 72 of the applicant's sheltered beds would improve availability and accessibility to skilled nursing for residents of the CCRC.

The applicant provides the following table illustrating the projected admissions, patient days, ALOS and ADC for the first two years of operation.

**CCRC-Freedom Pointe
Projected Admissions, Patient Days, ALOS and ADC**

	Year One	Year Two
Admissions	1,342	1,342
Patient Days	25,105	25,105
ALOS	18.7	18.7
ADC	68.6	68.6

Source: CON application #10264, page 2-7

CON App Sumter, LLC (CON #10265) maintains that of the top three ZIP codes it has determined have the largest number of seniors 65+, ZIP code 34484 offers the best opportunity for developing a SNF, as there are fewer available nursing beds within it. The applicant provides a map showing a 10-mile radius around ZIP code 34484, stating that the color-coded ranges for population 65+ indicate that the area captured within the radius includes the greatest numbers of elderly residents within Sumter County. CON App Sumter expects the population 65+ within the 10-mile radius to grow by 19.0 percent from 2014 to 2019.

The applicant declares that its data show that a location proximate to ZIP codes 34484 and 32162 with access to the populations it describes will contribute to the area’s continuum of care. CON App Sumter states that the growth rates within these two ZIP codes for the elderly 65+ exceeds 25 percent. The applicant also notes that Arbor Village--the facility coordinating with the relocation of 30 beds to this project site--is within the 10-mile radius and is highly utilized.

The applicant indicates that it embraces the latest in innovative care by focusing on the Pioneer Network and other groups that foster culture change within the long-term care environment. CON App Sumter 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.

CON App Sumter indicates on its Schedule 7 that the ALOS will be 39.5 days for years one and two of operation.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266) asserts that in addition to the Agency’s fixed bed need pool, the need for this specific project is supported by the following facts:

- As a not-for-profit nursing home, Fountain Inn will focus on community needs rather than investor returns
- The proposed Medicaid condition and proposed conditions of defining support for internal and external activities substantiate the applicant’s intent to focus on the provision of needed community care versus maximizing profitability

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- With 100 percent private beds, each resident in the facility will have the individual space and privacy needed to support optimal resident care and resident recovery
- The 120-bed 100 percent private room facility will more than double the private room capacity in the subdistrict and will provide for a significant enhancement in resident care
- With the facility located on the Florida Hospital Waterman campus, the coordination/integration of care and the Hospital’s broad array of services and staff will provide enhanced efficiencies and outcomes not available elsewhere in the subdistrict
- The linkage of the proposed facility with additional community-based services (home health care, hospice, senior housing options) will ensure that a full continuum of care is available for Lake County residents requiring post-acute care support
- The application condition to invest at least \$10,000 per year for three years in support of community-based elderly service initiatives will provide even more integration of care
- Fountain Inn will be an active and creative participant in Florida’s long-term managed care initiatives
- Adventist has already contracted with three Medicaid Managed providers in Region 3—Adventist will only need to have an addendum executed to the existing contract to add the new facility
- The eastern portion of the subdistrict, where this proposed facility will be located, has had no new nursing home capacity added for at least 15 years

Fountain Inn indicates that the expected ALOS is bi-modal--as it will be dependent upon whether a patient is treated in the long-term care or the sub-acute care portion of the facility. The applicant explains that the financial forecasts assume a Medicaid and self-pay ALOS of approximately 600+ days while sub-acute patients are expected to have an ALOS of 20-30 days. Fountain Inn states that the financial forecasts show a Medicare patient with an ALOS of 28 days.

The reviewer created the following table from the applicant’s Schedule 7 for ALOS for each patient type.

Fountain Inn ALOS by Payer Type

Payer Type	Year One ALOS (in Days)	Year Two ALOS (in Days)
Self-Pay	248	365
Medicaid	151	732
Medicare	28	28
Medicare HMO	14	14

Source: CON application #10266, Schedule 7

Innovative Medical Management Solutions, LLC (CON #10267)

asserts that it is anticipated that the proposed facility will be constructed on approximately 4.5 acres of land adjacent to Superior Residence Assisted Living Facility on Hunt Trace Boulevard in Clermont, located in south Lake County. The applicant indicates that it proposes to construct the new 60-bed SNF in the city of Clermont to service the needs of the rapid population growth in the south Lake County area.

The applicant concludes that the importance of a resident-driven care plan will focus on quality improvements and continual support of CMS's Innovative Initiatives for Triple Aim. IMMS feels this can be accomplished through safely reducing hospital readmissions through collaboration with providers, increasing staffing stability, increasing customer satisfaction and reducing the off label use of antipsychotics.

IMMS indicates that the projected ALOS will reflect the short-term rehabilitation focus of the proposed project--which Medicare is usually the payer for with an ALOS of 21-40 days. The applicant's Schedule 7 indicates an ALOS of 26.5 days and 26.0 days in years one and two of operation, respectively.

Wesley Village SNF Operations, LLC (CON #10268) reports that official State of Florida population estimates from the Florida Office of Economic and Demographic Research show that between July 1, 2000 and July 1, 2010 Sumter County's population increased by 82.5 percent, second only to Flagler County (90.9 percent) among all Florida counties and nearly five times the state average of 17.6 percent. Wesley Village insists that the dramatic growth within Sumter County over the decade was attributable to The Villages, an integrated, master-planned retirement community encompassing portions of three counties.

Wesley Village provides a table illustrating that the elderly populations in Lake and Sumter Counties are projected to grow by 15.4 percent and 25.4 percent, respectively, from January 2014 to January 2018. The applicant points out that Sumter County's 65+ growth is greater than Lake County in terms of both absolute numbers and in percentage term.

The applicant expects the rehabilitation, long-term and overall ALOS to be 29 days, 61 days, and 45 days, respectively. The applicant's Schedule 7 indicates that the ALOS will be 30 days in the first two years of operation.

Quality of Care:

All five applicants described their ability to provide quality care.

CCRC-Freedom Pointe at the Villages, LLC (CON #10264): For the most recent rating period, the existing facility had four out of a possible five-star quality inspection rating.

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

CON App Sumter, LLC (CON #10265): Agency records indicate that the applicant is a new entity and does not have any operational history for quality of care.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266): The applicant's controlling interest had 14 substantiated complaints at five of its six Florida SNFs during November 19, 2011 to November 19, 2014.

Innovative Medical Management Solutions, LLC (CON #10267): Agency records indicate that the applicant is a new entity and does not have any operational history for quality of care.

Wesley Village SNF Operations, LLC (CON #10268): The applicant's controlling interest had 15 substantiated complaints at its one Florida SNF during November 19, 2011 to November 19, 2014.

Financial Feasibility/Availability of Funds:

CCRC-Freedom Pointe at the Villages, LLC (CON #10264): 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—although it unknown if it would meeting the requirement for year two as the Schedule was not provided. 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 Sumter, LLC (CON #10265) 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.

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

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266):

Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected nursing 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.

Innovative Medical Management Solutions, LLC (CON #10267):

Funding for this project is in question. Based on the information provided in Schedule 6, the applicant's projected nursing staffing meets the 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.

Wesley Village SNF Operations, LLC (CON #10268): 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.

Medicaid/Charity Care:

CCRC-Freedom Pointe at the Villages, LLC (CON #10264) 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 10.0 percent, respectively, of year one and year two annual total patient days.

CON App Sumter, LLC (CON #10265) 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266) proposes to condition at least 56 percent of total facility patient days to Medicaid, Medicaid Managed Care or indigent/charity patients. The applicant's Schedule 7 indicates that Medicaid and self-pay represent 46.2 percent and 14.5 percent, respectively, of year one and year two annual total patient days.

Innovative Medical Management Solutions, LLC (CON #10267) 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 15.0 percent and 10.0 percent, respectively, of year one and year two annual total patient days.

Wesley Village SNF Operations, LLC (CON #10268) 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 8.7 percent and 13.9 percent, respectively, of year one and 21.7 percent and 6.1 percent, respectively, of year two annual total patient days.

Architectural:

CCRC-Freedom Pointe at the Villages, LLC (CON #10264): The Office of Plans and Construction notes that the codes and standards regulating the design and construction of SNFs are the same for beds licensed as sheltered beds and community beds. Therefore, a review of the architectural submissions for this project is unnecessary since the existing nursing beds have already been reviewed and approved by the Agency for use as skilled nursing beds in accordance with Florida Statutes 400.232 and Florida Administrative Code 59A-4.133.

CON App Sumter, LLC (CON #10265): 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.

Fountain Inn Nursing and Rehabilitation Center, Inc. (CON #10266): 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.

Innovative Medical Management Solutions, LLC (CON #10267): 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.

Wesley Village SNF Operations, LLC (CON #10268): 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 10266 to Fountain Inn Nursing and Rehabilitation Center to establish a 120-bed community nursing home in District 3, Subdistrict 7, Lake County. The total project cost is \$26,086,000. The project involves 80,800 GSF of new construction and a construction cost of \$17,517,000.

CONDITIONS:

- The proposed facility will be located on the campus of Florida Hospital Waterman--located in Lake County, 1000 Waterman Way, Tavares Florida 32778
- Fountain Inn will provide at least 56 percent of total facility patient days to Medicaid, Medicaid Managed Care or indigent/charity patients
- In addition to providing a comprehensive array of orthopedic/neurological/pulmonary/cardiac rehabilitation therapy programs for its residents, Fountain Inn will also provide a hydrotherapy program in support of its therapy patients
- Fountain Inn will have 100 percent private rooms
- Fountain Inn will have access to and be integrated with Adventist Health System's and Adventist Care System's existing and operating health information and health information exchange system supported by the organization's HealthMEDX Vision health information platform

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- Fountain Inn will provide up to \$10,000 annually for at least three years to support staff education and/or certification activities in order to assist facility staff to upgrade skills, gain certifications or achieve educational advancement
- Fountain Inn will provide up to \$10,000 annually for least three years to support community health education and community wellness activities in support of the organization's goal to enhance the health of the entire community--not just residents served in the new facility

Approve CON #10267 to establish a 60-bed community nursing home in District 3, Subdistrict 7, Lake County. The total project cost is \$15,818,305. The project involves 44,874 GSF of new construction and a construction cost of \$8,822,250.

Deny CON #10264, CON #10265 and CON #10268.

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