

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Dade SNF, LLC/CON #10342

1447 West Bexley Park Drive
Delray Beach, Florida 33445

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

Florida Medical Systems, LLC/CON #10343

899 N. W. 4th Street
Miami, Florida 33128

Authorized Representative: Richard Stacey
(305) 326-1236

Mandarin Gardens Rehabilitation Center, LLC

d/b/a Mandarin Gardens Rehabilitation Center/CON #10344

5996 SW 70th Street, 5th Floor
South Miami, Florida 33143

Authorized Representative: Jack J. Michel, MD
(305) 284-7701

Palm Garden of Aventura, LLC/CON #10345

2033 Main Street, Suite 300
Sarasota, Florida 34237

Authorized Representative: Robert D. Greene
(941) 952-9411

2. Service District/Subdistrict

District 11/Subdistrict 11-1 (Miami-Dade County)

B. PUBLIC HEARING

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

Letters of Support

Dade SNF, LLC (CON #10342): The applicant included a letter regarding its participation in a study to evaluate the potential for a virtual physician service.

Florida Medical Systems (CON #10343): The Agency received many letters of support submitted in the application. The support letters were composed by area physicians, physician groups and related medical support, area colleges and universities, health plans, an attorney, residents and acute care hospitals, including Mr. Ben Rodriguez, CEO of Hialeah Hospital; Mr. Steven D. Donenreich, President and CEO of Mount Sinai Medical Center; and Ms. Ana Mederos, CEO of Palmetto General Hospital.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344): The Agency received several letters of support in the application. The support letters were composed by area physicians, a senior physician from the University of Miami Miller School of Medicine, executive staff from Community Health of South Florida, Inc. (a federally qualified health center), the Miami-Dade Area Health Education Center (AHEC), an elected official and members of the parent entity's senior executive staff.

Palm Garden of Aventura, LLC (CON #10345): The Agency received numerous letters of support submitted in the application. The letters were composed by physicians and medical practitioners, allied health professionals, medical supply providers, elected officials, rehabilitation center staff, chambers of commerce, a pastor, the applicant's staff and acute care hospitals, including Ms. Alisa Bert, CFO of Aventura Hospital and Medical Center.

C. PROJECT SUMMARY

Dade SNF, LLC (CON #10342) hereafter referred to as Dade SNF or the applicant, an affiliate of Consulate Healthcare (referred to as Consulate throughout this document), proposes to establish a new 120-bed community nursing home in Subdistrict 11-1, Miami-Dade County. The proposed project location has not been finalized but the stated goal is to select a location that is proximate to acute care hospitals in the area that are major sources of referrals and patient admissions. The applicant

CON Action Numbers: 10342 through 10345

also states that concomitantly, the site process will also be sensitive to the geographic accessibility needs of patients and families who prefer relatively short travel times to SNFs.

The applicant operates 76 SNFs in Florida:

- Bay Breeze Health and Rehabilitation Center
- Baya Pointe Nursing and Rehabilitation Center
- Bayonet Point, Consulate Health Care Of
- Beneva Lakes Healthcare and Rehabilitation Center
- Bradenton Health Care
- Brandon Health and Rehabilitation Center
- Brandon, Consulate Health Care Of
- Brentwood, Health Center at
- Central Park Healthcare & Rehabilitation Center
- Colonial Lakes Health Care
- Coral Bay Healthcare and Rehabilitation Center
- Coral Trace Health Care
- Countryside Rehab and Healthcare Center
- Destin Healthcare and Rehabilitation Center
- Deltona Health Care
- Dolphins View, The Health and Rehabilitation Center
- Emerald Shores Health and Rehabilitation
- Englewood Healthcare and Rehabilitation Center
- Evans Health Care
- Fletcher Health and Rehabilitation Center
- Fort Pierce Health Care
- Franco Nursing & Rehabilitation Center
- Governors Creek Health and Rehabilitation Center
- Grand Oaks Health and Rehabilitation Center
- Habana Health Care Center
- Harbor Beach Nursing and Rehabilitation Center
- Harts Harbor Health Care Center
- Heritage Healthcare and Rehabilitation Center
- Heritage Healthcare Center at Tallahassee
- Heritage Park Rehabilitation and Healthcare
- Heron Pointe Health and Rehabilitation
- Hillcrest Health Care and Rehabilitation Center
- Island Health and Rehabilitation Center
- Jacksonville, Consulate Health Care Of
- Keystone Rehabilitation and Health Center
- Kissimmee, Consulate Health Care Of
- Lake Mary Health and Rehabilitation Center
- Lake Parker, Consulate Health Care At

CON Action Numbers: 10342 through 10345

- Lakeland, Consulate Health Care Of
- Lakeside Oaks Care Center
- Largo Health and Rehabilitation Center
- Magnolia Health and Rehabilitation Center
- Marshall Health and Rehabilitation Center
- Melbourne, Consulate Health Care Of
- New Port Richey, Consulate Health Care Of
- North Florida Rehabilitation and Specialty Care
- North Fort Myers, Consulate Health Care Of
- Oakbridge Healthcare Center
- Oaktree Healthcare
- Orange Park, Consulate Health Care Of
- Osprey Point Nursing Center
- Palms Rehabilitation and Healthcare Center
- Parks Healthcare and Rehabilitation Center
- Pensacola, Consulate Health Care Of
- Plantation Bay Rehabilitation Center
- Port Charlotte, Consulate Health Care Of
- Renaissance Health and Rehabilitation
- Rio Pinar Health Care
- Rosewood Health and Rehabilitation Center
- Safety Harbor, Consulate Health Care Of
- San Jose Health and Rehabilitation Center
- Sarasota, Consulate Health Care Of
- Sea Breeze Health Care
- Seaview Nursing and Rehabilitation Center
- Shoal Creek Rehabilitation Center
- Spring Hill Health and Rehabilitation Center
- St. Petersburg, Consulate Health Care Of
- Tallahassee, Consulate Health Care Of
- University Hills Health and Rehabilitation
- Vero Beach, Consulate Health Care Of
- Vista Manor
- Wedge Healthcare Center
- West Altamonte, Consulate Health Care At
- West Palm Beach, Consulate Health Care Of
- Winter Haven, Consulate Health Care of
- Wood Lake Health and Rehabilitation Center

The project involves 79,407 gross square feet (GSF) of new construction. The construction cost is \$10,956,479. Total project cost is \$20,083,560. Project cost includes land, building, equipment, project development and financing costs.

CON Action Numbers: 10342 through 10345

The applicant proposes to condition the project as shown below:

- The facility will have space for conferences and classrooms in support of community and staff education and training goals
- An EMR system will be included in the new facility and in operation within three months of opening
 - The EMR system will meet Phase 1 of the meaningful use requirements within 24 months
- The applicant will provide all eligible employees the opportunity to complete educational courses that will support the care center's efforts of providing the highest level of quality care and achieve operational excellence and a tuition reimbursement award of up to \$1,500 annually per person will be available to eligible and approved care center employees
- The applicant care center will partner with Consulate and serve as a facility for health care professionals to obtain clinical rotations. The applicant care center will offer clinical rotations for the following: nurse practitioners, registered nurses, physical therapists, certified nursing assistants, licensed practical nurses, occupational therapists, speech therapists, dietitians, physicians and respiratory therapists
- A nurse navigator will be employed at the care center and will be responsible for overseeing the management of patients' medical needs upon admission to the facility and for up to 60 days following discharge
- Free community health screenings will be offered at least four times per calendar year (CY) to community members, employees, residents and families
- Education programs at Dementia Awareness to improve the independence and quality of life of persons with dementia and their caregivers will be provided at no cost in accordance with state and federal laws
- The applicant will provide a combination of least 33 percent the first year and 43 percent annually thereafter, of total patient days to patients who are reimbursed under traditional Medicaid, Managed Medicaid or Long-Term Medicaid or uncompensated care
- The applicant will provide space and staffing to support the community's need for Adult Day Care services
- The applicant will provide in-house hemodialysis services
- The applicant will have the capability to operate up to 20 ventilator-capable beds
- The applicant will construct the facility to include Telehealth capabilities in each patient room

CON Action Numbers: 10342 through 10345

Florida Medical Systems, LLC (CON #10343) hereafter referred to as Florida Medical Systems, FMS or the applicant, proposes to establish a new 168-bed community nursing home in Subdistrict 11-1, Miami-Dade County. The company's principal is Mr. Richard Stacey. The proposed project location is within ZIP code 33178, defined as Doral and also close to the Florida Turnpike to provide easy access.

The application indicates three SNF facilities that share common owners in Florida are:

- Riverside Care Center
- Victoria Nursing & Rehabilitation Center
- Riviera Health Resort

The project involves 132,905 GSF of new construction. The construction cost is \$21,250,000. Total project cost is \$30,276,183. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- Establishing a 12-bed ventilator unit

Mandarin Gardens Rehabilitation Center, LLC (CON #10344), hereafter referred to as Mandarin Gardens, MGRC or the applicant, a subsidiary of statutory teaching hospital Larkin Community Hospital, Inc. (LCH), the parent, proposes to establish a new 120-bed community nursing home in Subdistrict 11-1, Miami-Dade County. The parent is academically aligned with Jackson Memorial Hospital and the Holtz Children's Hospital. The proposed project location is 10 miles south of LCH's South Miami Campus which is also to house the Larkin Health Sciences Institute in the Naranja Lakes area.

The project involves 79,475 GSF of new construction. The construction cost is \$17,908,000. Total project cost is \$26,377,045. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- The facility will be constructed on land currently owned by the applicant's parent company and located on a 48-acre parcel at SW 280th Street and SW 145th Avenue in the Naranja Lakes area of Miami. In addition to the nursing home project, it is planned the site will also house the future development of the Larkin Health Sciences Institute, which will include a college of pharmacy, college of osteopathic medicine and nursing school

CON Action Numbers: 10342 through 10345

- The nursing facility will offer specialty programs, including an orthopedic skilled rehabilitation program short stay unit focused on sub-acute care and a neurological rehabilitation program for stroke patients
- The nursing facility will provide access for medical student training and rotation to skilled based rehabilitative care. The applicant's parent company, Larkin Community Hospital, is a statutory teaching hospital and will coordinate the proposed medical training

Palm Garden of Aventura, LLC (CON #10345) hereafter referred to as PGA or the applicant, owned by Florida Convalescent Centers, Inc. (FCC) and parented by Parkwood Properties, Inc. (Parkwood), proposes to add 48 beds to the existing 120-bed Palm Garden of Aventura at 2125 E. Dixie Highway, North Miami Beach, Florida 33180, in Subdistrict 11-1, Miami-Dade County. Palm Garden contracts with Palm Healthcare Management, LLC for the day-to-day operations of PGA.

The applicant's immediate operating entity, Palm Garden Healthcare Holdings, Inc., maintains 13 SNFs in Florida:

- Palm Garden of Clearwater, LLC
- Palm Garden of Gainesville, LLC
- Palm Garden of Jacksonville, LLC
- Palm Garden of Largo, LLC
- Palm Garden of Ocala, LLC
- Palm Garden of Orlando, LLC
- Palm Garden of Pinellas, LLC
- Palm Garden of Port St. Lucie
- Palm Garden of Sun City Center, LLC
- Palm Garden of Tampa, LLC
- Palm Garden of Vero Beach, LLC
- Palm Garden of West Palm Beach, LLC
- Palm Garden of Winter Haven

The project involves 28,050 GSF of new construction and 9,400 GSF of renovation (37,450 total GSF). The construction cost is \$5,038,173 and the renovation cost is \$163,420 (\$6,574,323 in total construction cost). Total project cost is \$9,768,389. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- The parcel or address is as follows: 2125 East Dixie Highway, North Miami Beach, Florida 33180
- A minimum of 32.51 percent of the 168-bed facility's total annual patient days shall be provide to Medicaid patients
- HUR Smart-zone trainers

CON Action Numbers: 10342 through 10345

- Alter-G Anti-Gravity Treadmill
- Neuro-Gym Sit to Stand Trainers
- Game Ready compression therapies
- Dynamic Stair Trainer
- DJO clinical program trainer
- A well-equipped ADL suite to simulate a home environment, including a fully appointed kitchen, laundry room and bedroom suite

Total GSF and Project Costs of Co-Batched Applicants

Applicant	CON #	Project	GSF	Costs \$	Cost Per Bed
Dade SNF LLC	10342	New 120-Bed Facility	79,407	\$20,083,560	\$106,219
Florida Medical Systems LLC	10343	New 168-Bed Facility	132,905	\$30,276,183	\$138,672
Mandarin Gardens Rehabilitation Center LLC	10344	New 120-Bed Facility	79,475	\$26,377,045	\$178,452
Palm Gardens of Aventura LLC	10345	Add 48 Beds to Existing 120-Bed Facility	37,450	\$9,768,389	\$162,618

Source; CON applications #10342-#10345, Schedule 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, Steve Love analyzed the application, with consultation from the financial analyst, Eric West of the Bureau of Central Services, 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 168 community nursing home beds was published for District 11, Subdistrict 1 (also referenced as Subdistrict 11-1) for the July 2017 Planning Horizon.

After publication of this fixed need pool, one existing Subdistrict 11-1 SNF (owned by Catholic Health Services, Inc.) submitted an exemption request (E140024) and was approved to transfer seven nursing home beds from St. Anne's Nursing Center to Villa Maria West Skilled Nursing Facility. For the same time frame, there were no expedited CON applications received to increase or add community nursing home beds.

As of November 19, 2014, Subdistrict 11-1 had 8,432 licensed and 24 approved community nursing homes beds (through CON application #10214). During the 12-month period ending June 30, 2014, Subdistrict 11-1 experienced 88.08 percent utilization (total occupancy) at 54 existing community nursing homes. Below is a table illustrating nursing home patient days and total occupancy within Subdistrict 11-1, for the referenced time frame.

CON Action Numbers: 10342 through 10345

**Miami-Dade County Nursing Home Patient Days and
Total Occupancy July 1, 2013-June 30, 2014**

County/Facility	Comm. Nursing Home Bed Inventory	Bed Days	Patient Days	Total Occupancy	Medicaid Occupancy
Miami-Dade					
Arch Plaza Nursing & Rehabilitation Center	98	35,770	32,670	91.33%	81.66%
Aventura Plaza Rehabilitation & Nursing Center	86	31,390	28,213	89.88%	73.73%
Berkshire Manor	245	89,425	39,938	44.66%	93.07%
Claridge House Nursing & Rehabilitation Center	240	87,600	81,755	93.33%	82.68%
Coral Gables Nursing and Rehabilitation Center	87	31,755	28,888	90.97%	70.89%
Coral Reef Nursing & Rehabilitation Center	180	65,700	62,771	95.54%	69.14%
Cross Gardens Care Center	120	43,800	34,158	77.99%	87.52%
East Ridge Retirement Village, Inc.	50	18,250	10,165	55.70%	39.03%
Fair Havens Center	269	98,185	97,493	99.30%	64.09%
Floridean Nursing Homes, Inc.	90	32,850	31,701	96.50%	36.92%
Fountainhead Care Center	146	53,290	42,696	80.12%	89.93%
Franco Nursing & Rehabilitation Center	120	43,800	41,198	94.06%	73.13%
Golden Glades Nursing and Rehabilitation Center	180	65,700	65,393	99.53%	71.80%
Hampton Court Nursing & Rehabilitation Center	120	43,800	40,834	93.23%	58.51%
Harmony Health Center	203	74,095	73,815	99.62%	60.93%
Heartland Health Care Center Kendall	120	43,800	41,333	94.37%	27.44%
Heartland Health Care Center Miami Lakes	120	43,800	41,627	95.04%	23.66%
Hebrew Home of South Beach (Inactive 10/22/13)	104	37,960	7,200	18.97%	72.47%
Hialeah Nursing and Rehabilitation Center	276	100,740	96,156	95.45%	83.07%
Hialeah Shores Nursing and Rehab Center	120	43,800	36,822	84.07%	71.47%
Homestead Manor A Place Community	64	23,360	22,821	97.70%	72.24%
Jackson Memorial Long Term Care Center	180	65,700	63,517	96.68%	62.51%
Jackson Memorial Perdue Medical Center	163	59,495	53,980	90.73%	62.94%
Jackson Plaza Nursing & Rehabilitation Center	120	43,800	40,341	92.10%	71.89%
Miami Jewish Health Systems (16 beds inactive 12/10/13)	438	159,870	141,930	88.78%	67.48%
Miami Shores Nursing and Rehab Center	99	36,135	34,698	96.02%	73.88%
North Beach Rehabilitation Center	99	36,135	33,099	91.60%	54.49%
Nursing Center at Mercy, The	120	43,800	40,686	92.89%	12.83%
Oceanside Extended Care Center	196	71,540	71,217	99.55%	70.81%
Palace at Kendall Nursing & Rehabilitation Center	180	65,700	63,462	96.59%	55.98%
Palm Garden of Aventura	120	43,800	40,555	92.59%	45.85%
Palmetto Rehabilitation and Health Center	90	32,850	31,272	95.20%	50.37%
Palmetto Sub Acute Care Center, Inc.	95	34,675	31,125	89.76%	36.65%
Pinecrest Rehabilitation Center	100	36,500	27,732	75.98%	76.78%
Pines Nursing Home	46	16,790	15,725	93.66%	92.52%
Ponce Plaza Nursing & Rehabilitation Center	147	53,655	50,503	94.13%	76.36%
Regents Park at Aventura	180	65,700	61,049	92.92%	55.38%
Riverside Care Center	120	43,800	43,233	98.71%	86.10%
Riviera Care Center	223	81,395	77,163	94.80%	40.45%
Signature Healthcare Center of Waterford	214	78,110	73,715	94.37%	74.17%
Signature Healthcare of Brookwood Gardens	180	65,700	48,471	73.78%	66.95%
Sinai Plaza Nursing & Rehab Center	150	54,750	45,280	82.70%	60.75%
South Dade Nursing and Rehabilitation Center	180	65,700	65,450	99.62%	66.56%
South Pointe Plaza Rehabilitation and Nursing Center	230	83,950	67,923	80.91%	86.15%
St Annes Nursing Center, St Annes Residence, Inc.	220	80,300	75,230	93.69%	57.79%
Susanna Wesley Health Center	120	43,800	39,056	89.17%	64.18%
Treasure Isle Health Center	176	64,240	59,291	92.30%	86.94%
Unity Health and Rehabilitation Center	294	107,310	97,534	90.89%	87.29%
University Plaza Rehab. & Nursing Center, Inc.*	148	54,020	17,217	31.87%	55.74%
Victoria Nursing & Rehabilitation Center, Inc.	264	96,360	93,724	97.26%	64.79%
Villa Maria Nursing Center	212	77,380	72,302	93.44%	66.11%
Villa Maria West Skilled Nursing Facility	20	7,300	6,419	87.93%	0.00%
Watercrest Care Center	150	54,750	29,886	54.59%	84.01%
West Gables Health Care Center	120	43,800	40,512	92.49%	33.48%
Total	8,432	3,077,680	2,710,946	88.08%	66.10%

* Licensed 5/2/2013

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

CON Action Numbers: 10342 through 10345

The reviewer notes the current and projected population within Miami-Dade County (the subdistrict), the district in total and Florida, for the planning horizon. The projected population growth, both numerically and by percent, is provided in the table below.

**Current and Projected Population Growth Rate
Miami-Dade County, Subdistrict 11-1, District 11 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
Miami-Dade	2,210,177	382,749	2,592,926	2,255,230	410,236	2,665,466
Subdistrict 11-1	2,210,177	382,749	2,592,926	2,255,230	410,236	2,665,466
District 11	2,268,575	397,054	2,665,629	2,311,470	425,866	2,737,336
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
Miami-Dade	45,053	27,487	72,540	2.04%	7.18%	2.80%
Subdistrict 11-1	45,053	27,487	72,540	2.04%	7.18%	2.80%
District 11	42,893	28,812	71,707	1.89%	7.26%	2.69%
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 and older cohort in the subdistrict are shown below.

Beds per 1,000 Residents Age 65 and Older

County/Area	Community Beds	2014 Pop. Aged 65+	2014	2017
			Beds per 1,000	Beds per 1,000
Miami-Dade	8,432	382,749	22	21
Subdistrict 11-1	8,432	382,749	22	21
District 11	8,672	397,054	22	20
Florida	80,050	3,548,756	23	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

Each co-batched applicant states its proposed project is being submitted in response to the Agency’s fixed need pool publication dated October 3, 2014.

Dade SNF, LLC (CON #10342) provides a detailed analysis of Miami-Dade County resident discharges to SNFs by age cohort, by case mix index (CMI), by payer and as a percent of total discharges for the years 2011-2013 on pages 36 to 40 of CON application #10342.

CON Action Numbers: 10342 through 10345

Dade SNF reports that resident discharges to SNFs have been relatively stable over the last three years, despite a decline of 1.2 percent in total hospital discharges. The applicant believes that there has been growth in the elderly population in the Subdistrict and the constraints of the supply of nursing home beds are likely to be responsible for this trend. See the table below.

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

Year and Data Element	Discharges	Average CMI
Discharges to SNF		
2011	24,561	1.7757
2012	24,916	1.7828
2013	24,551	1.8315
Total Resident Discharges		
2011	346,357	1.2635
2012	342,735	1.2790
2013	342,290	1.3074
Discharges to SNFs as a percent of total discharges		
2011	7.1%	140.5%
2012	7.3%	139.4%
2013	7.2%	140.1%
Percent Change in Discharges to SNF		
2011-2012	1.4%	0.4%
2012-2013	-1.5%	2.7%
Annual Average 2011-2013	0.0%	1.6%

Source: CON application #10342, page 40

Applicant's Note: Total facility discharges includes acute care, hospitals, psychiatric hospitals, rehabilitation hospitals, long-term acute care hospitals and children's hospitals

The applicant indicates that there are three significant factors underlying the fixed need pool projection:

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

Florida Medical Systems, LLC (CON #10343) believes its proposed project offers the most benefit to the planning area by:

- Creating a facility sized to achieve economies of scale
- Hands-on owner/manager, local to the area enables the facility to
 - quickly address issues that arise for continuous quality improvement
 - maintain relationships with physicians, discharge planners and other health service providers
 - have knowledge of the service area to adapt to changing needs
- Provider quality-affiliate facilities all have five-star ratings
- Existing relationships with discharge planners and area providers
- Will provide high intensity services such as respiratory ventilator care, tracheotomy care and rehabilitation services
- Location to improve access
 - Located in a high growth area
 - Large concentration of seniors
 - Fewer nursing home beds in proportion to the elderly population
- Creates jobs
 - The facility will be a training site to area colleges and universities for physicians, nurses and therapists

The reviewer notes that the United States Postal Service ZIP Code lookup website at <https://tools.usps.com/go/ZipLookupAction!input.action> indicates that, for ZIP code 33178, the preferred city is Miami, Florida but other acceptable cities for this ZIP code are Doral, Florida and Medley, Florida. The applicant indicates that the proposed location, ZIP code 33178, has no SNFs and that the population of Doral has the third fastest growth rate (15.7 percent since the 2010 census) of all municipalities within Miami-Dade County.

FMS states that the proposed facility has conditioned approval of the propose project on establishing a 12-bed ventilator unit that will be modeled after an affiliated facility's program. The reviewer notes that the applicant provides 4.3 FTEs in year one and 5.2 FTEs in year two for respiratory therapists as well as allocating \$29.67 per patient day (\$933,700) in respiratory therapy costs in year one and \$18.51 per patient day (\$1,015,600) in year two.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) points out that its parent entity, LCH is Agency licensed, accredited by The Joint Commission and is the only hospital in Miami-Dade County with an Area of Critical Need designation by the Florida Board of Medicine. Further, the planned project location (Naranja Lakes) has been a Target Employment Area (TEA) by the Florida Department of Economic Opportunity.

The applicant indicates that as part of its relationship with LCH, the proposed facility will serve as a medical education teaching site. The applicant notes that it can be a challenge to find an appropriate setting to educate aspiring medical professionals about geriatric medicine—having hands-on experience with the patient population will expose students to the full continuum of care. MGRC asserts that the following

LCH Residency Programs in particular are poised to benefit by MRGC:

- Orthopedic Surgery
- Physical Medicine and Rehabilitation
- Neurology
- Dermatology

MGRC notes the following quantitative and qualitative factors that provide competitive advantage for approval of the proposed facility:

- MGRC's relationship with LCH
- MGRC's relationship with LCH's medical education programs
- MGRC's location is part of a broader medical campus
- MGRC's specialized high acuity sub-acute programs
- The project will enhance the economy
- The proposed site location improves bed access and availability
- Proposed service area elderly population growth supports site location

Palm Garden of Aventura, LLC (CON #10345) indicates that the application should be approved for the following reasons:

- PGA is located in Aventura—an area that has a large population of persons age 65+ compared to surrounding communities and Miami-Dade County as a whole thereby more likely to need the services of a SNF
- Aventura is more densely populated than surrounding communities or Miami-Dad County as a whole, indicating a need for higher concentration of community nursing beds

CON Action Numbers: 10342 through 10345

- PGA is located only four-tenths of a mile from Aventura Hospital which discharges a high volume of patients requiring SNF services—far more patients than PGA can currently accept. The proposed addition would enable the existing facility to accept more patients and enable those patients and their families to remain in their home community.
- PGA is committed to adding private rooms and making the required additional investment to construct them—improving patient satisfaction and clinical outcomes
- PGA is committed to investing in state-of-the-art therapy facilities, equipment, staffing and clinical programs to address the needs of patients for short-term rehabilitation services will enable them to return home
- PGA’s proposed addition has strong physician, hospital system and community support
- PGA is committed to providing life enrichment programs for its residents to address their social and spiritual needs
- PGA has sufficient land available on its current site for the proposed addition
- PGA has a demonstrated commitment to quality clinical services, as evidence by its nursing staffing levels and its history of providing quality care
- The Agency can approve PGA’s applications for a 48-bed addition while also approving another applicant for 120 beds in Miami-Dade County
- PGA is committed to its Mission, vision and statement of Core Values

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:

- *Population demographics and dynamics*
- *Availability, utilization and quality of like services in the district, subdistrict, or both.*
- *Medical treatment trends.*
- *Market conditions.*

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 co-batched 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.**

Dade SNF, LLC (CON #10342) states that the proposed facility will participate in both the Medicare and Medicaid programs to promote access to all patients.

CON Action Numbers: 10342 through 10345

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

- Neurological and stroke care
- Orthopedic care
- Post cardiac care
- Pulmonary care
- Wound care
- Medically complex
- Physical therapy
- Occupational therapy
- Speech therapy
- Respiratory therapy

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

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

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

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

The reviewer notes that of the identified Consulate 13 facilities (tab 5 of CON application 10342), only Franco Nursing and Rehabilitation lists “ventilator dependent” as a special program and service on FloridaHealthFinder.gov. In addition, the reviewer notes that there is no mention of ventilator-capable beds in the architectural narrative except to say that oxygen and medical gases will be plumbed into approximately 10 to 20 rooms (to be determined later).

CON Action Numbers: 10342 through 10345

The reviewer notes that Schedule 6 denotes that therapy FTEs will be outsourced to a third-party and will be reflected in the appropriate department on Schedule 8, “respiratory and other ancillaries” are listed for \$331,380 for year one (approximately \$15 per patient day) but not specifically denoted at all for year two.

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

Dade SNF, ALOS by Payer

Payer	ALOS in Days
Medicare	32.3
Managed Care: Commercial, Managed Medicare and Managed Medicaid	20
Private	49
Medicaid	284

Source: CON application #10342, page 27

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

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

Schedule 6 illustrates that FTEs for year one (ending 2017) total 82.5 and total 97.50 for year two (ending 2018). The proposed project’s year one and year two FTEs are shown in the table below. The applicant notes that therapy, dietary, housekeeping and laundry are outsourced to a third party and not included in the facility FTE count.

CON Action Numbers: 10342 through 10345

Dade SNF, LLC (CON application #10342) 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	1.00	1.00
Secretary	1.50	1.50
Medical Records Clerk	1.00	1.00
Other: Central Supply	1.00	1.00
Physicians		
Other: Nurse Practitioner	1.00	1.00
Nursing		
RNs	3.00	8.00
LPNs	9.00	9.00
Nurses' Aides	33.00	43.00
Other: Nursing Administration	13.00	13.00
Social Services		
Social Service Director	2.00	2.00
Activity Director	2.00	2.00
Activities Assistant	4.00	4.00
Other Admissions Coord/Case Management	3.00	3.00
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	3.00	3.00
Security	1.00	1.00
Total	82.50	97.50

Source: CON application #10342, Schedule 6

Florida Medical Systems, LLC (CON #10343) states that the proposed facility will participate in both Medicare and Medicaid. FMS indicates that nursing services will include sub-acute medical services, post-hospital care, short-term rehabilitation services and extensive restorative services. In addition, FMS states plans to serve a variety of patients with complex medical needs, including those requiring dialysis, ventilator support and tracheotomy care.

FMS asserts plans to model its ventilator program after its affiliate SNF Victoria Nursing and Rehabilitation Center, with that facility having a successful ventilator program with a high success rate of rehabbing patients to wean them off ventilator support and return home. The applicant notes that the current unit is the longest running unit in Miami and focusing on critical respiratory cases. FMS indicates that the current “Weaning Team” at Victoria has a 98 percent decannulation¹ rate. The applicant supplies the

¹ The process whereby a tracheostomy tube is removed once a patient no longer needs it.

CON Action Numbers: 10342 through 10345

resumes of the three health care professionals that will ensure development of the ventilator unit in Exhibit 2-1 of CON application #10343.

FMS indicates the following post-acute care and rehabilitation services:

- 24-hour nursing
- Cardiac recovery
- Computerized balance testing
- Fall prevention
- Groshong catheter care
- IV therapy
- Life vest
- Neuro-rehabilitation: stroke, dementia, Parkinson's Disease and others
- Nutritional services and dietary programs
- Occupational therapy
- Patient education and community integration
- Respiratory therapy
- Speech therapy
- Total perenteral nutrition
- Wound care
- BiPAP and CPAP
- Comprehensive musculoskeletal assessment
- Dialysis care (outpatient)
- HIV/AIDS care
- Isolation
- Monitoring health needs
- Neuropsychology with cognitive therapy
- Pain management
- Physical therapy
- Post-operative care
- Recreational therapy
- Social services
- Supervision of medications
- Ventilator and tracheostomy care

CON Action Numbers: 10342 through 10345

FMS also indicates outpatient services that will be offered at the proposed facility. Those not already indicated in the above list include:

- Audiology
- Community integration program
- Functional assessment
- Family training
- Home assessment
- Osteoporosis programs
- Back and Spine programs
- Exercise physiologist and geriatric specialist
- Patient education
- Post-operative care
- Vestibular rehabilitation

FMS provides a detailed analysis of the services to be provided on pages 2-8 through 2-18 of CON application #10343. 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. FMS 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.

The applicant indicates that admission is a coordinated process that assures the individual and his or her family that the facility has the required staff and services to appropriately and effectively meet the medical and nursing needs. FMS explains that upon admission and detailed assessment to provide a plan of care, effort is directed toward discharge.

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

The applicant's Schedule 7 indicates that the ALOS will be 29.92 in year one and 29.96 in year two. Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 146.9 and total 238.0 for year two (ending June 30, 2019). The proposed project's year one and year two FTEs are shown in the table below.

CON Action Numbers: 10342 through 10345

Florida Medical Systems, LLC (CON application #10343) Projected Year One and Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions	3.1	3.9
Bookkeeper	1.0	1.0
Medical Records Clerk	1.7	2.1
Other: Nursing Admin	4.1	7.1
Physicians		
Medical Director	1.0	1.0
Nursing		
RNs	10.0	17.5
LPNs	12.7	22.3
Nurses' Aides	46.3	81.1
Other: Nurse Practitioner	1.0	1.0
Ancillary		
Physical Therapist	6.9	11.4
Speech Therapist	2.1	2.9
Occupational Therapist	5.6	9.5
Respiratory Therapist	12.8	15.6
Dietary		
Dietary Supervisor	1.0	1.0
Cooks	6.0	10.4
Dietary Aides (including servers)	6.0	10.4
Social Services		
Social Service Director	3.2	4.9
Activity Director	1.0	1.0
Activities Assistant	1.6	2.8
Housekeeping		
Housekeeping Supervision	1.0	1.0
Housekeepers	10.5	18.5
Laundry		
Laundry Aides	2.1	2.9
Plant Maintenance		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	3.2	5.7
Total	146.9	238.0

Source: CON application #10343, Schedule 6

Mandarin Gardens Rehabilitation Center (CON #10344) states that the proposed facility will be a provider of both Medicare and Medicaid. MGRC asserts that the proposed project will offer specialty programs such as orthopedic skilled rehabilitation program, a 20-bed short-stay unit focused on sub-acute care

CON Action Numbers: 10342 through 10345

equipped with medical gas and a neurological rehabilitation program for stroke patients. The applicant notes that other patient services will include, but are not limited to:

- Physical, occupational and speech therapies
- IV therapy
- Customized pressure support systems
- Outpatient rehabilitation
- Neurological/stroke rehabilitation
- Pain management
- Restorative nursing program
- Wound care program
- Infectious disease treatment
- Psychological services
- Registered dietician services
- Individual meal planning

MGRC states that other ancillary services and amenities that provide comfort, support and security include:

- Structured activities seven days a week
- Television and telephone
- Wireless internet access
- Electric beds
- Security system
- Beauty/barber shop
- Multilingual staff
- Daily transportation
- Care planning

MGRC asserts that within 24 hours of admission, a preliminary plan of care will be developed to meet the resident's immediate needs and then, the Interdisciplinary Team will develop a comprehensive plan, with measurable objectives and timetables, with this plan continually re-assessed throughout the resident's stay and adjusted as needed depending on the resident's progress. The applicant states that the plan will be designed to meet both the physical and psychological needs of the resident, with the ultimate goal of helping the resident achieve the highest possible level of independence. Additionally, the applicant discusses discharge and post-discharge planning, and successful transitions from the facility to home.

CON Action Numbers: 10342 through 10345

MGRC estimates based on PEPPEP data for 2013 that an ALOS of around 20.1 days is expected. The reviewer notes that the applicant's Schedule 7 shows an ALOS of 36.17 days for year one and 36.13 for year two of operations. Schedule 6 illustrates that FTEs for year one total 83.7 and total 143.8 for year two. The proposed project's year one and year two FTEs are shown in the table below. The reviewer notes that the applicant did not provide a timeframe for year one and year two of operations on the schedules.

Mandarin Gardens Rehabilitation Center, LLC (CON application #10344) Projected Year One and Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.0	1.0
Bookkeeper	1.0	1.0
Secretary	1.0	1.0
Medical Records Clerk	1.0	1.0
Other: AP, AR, HR, clerks	4.0	6.0
Physicians		
Medical Director	0.5	0.5
Nursing		
RNs	4.2	5.6
LPNs	10.8	23.4
Nurses' Aides (CNAs)	27.0	52.5
Other: Unit Secs	1.5	5.0
Ancillary		
Physical Therapist	2.0	4.0
Occupational Therapist	1.0	1.0
Other: Respiratory	4.2	4.2
Dietary		
Dietary Supervisor	2.4	2.4
Cooks	2.6	6.0
Social Services		
Social Service Director	1.4	2.8
Activity Director	1.0	1.0
Activities Assistant	1.0	1.0
Housekeeping		
Housekeeping Supervisor	1.0	1.4
Housekeepers	3.9	6.9
Laundry		
Laundry Supervisor	1.0	1.4
Laundry Aides	3.9	6.9
Plant Maintenance		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	0.5	2.0
Security	2.8	2.8
Total	83.7	143.8

Source: CON application #10344, Schedule 6

CON Action Numbers: 10342 through 10345

Notes to the schedule indicate that the applicant anticipates a higher level of rehabilitation than a standard SNF and therefore, additional resources for physical therapists and other rehab related FTEs were allocated (as compared to traditional or standard SNF staffing), according to MGRC.

Palm Garden of Aventura, LLC (CON #10345) states that its existing SNF provides numerous skilled clinical services, in addition to specialized rehabilitative specialized therapy services, including:

- Skilled nursing
- IV therapy of many types, such as a peripheral site to a central line site
- Respiratory services, including care of residents who need a tracheostomy for appropriate breathing ability, and oxygen and respiratory treatments for breathing disorders and lung function issues
- Wound care, including advanced wound care by a dedicated wound care nurse on staff
- Medication management and stabilization, including lab monitoring for dose adjustments
- Renal Peritoneal dialysis and hemodialysis for residents who have poor or no kidney function
- Pain management both for acute and chronic pain
- Diagnosis education
- Different type of pump management for diabetes and pain control, etc.
- Colostomy care and education
- Feeding types of all types
- Palliative care to address end of life needs
- Physical, occupational and speech therapies and
- Enteral/parenteral therapy

Palm Garden states that it will continue to offer all of these services following completion of the proposed project and renovations. Palm Garden asserts that the renovated facility will provide the next generation of transitional, short-term care while offering round-the-clock clinical support complete with a comprehensive rehabilitation program utilizing a new therapy suite. Further, Palm Garden maintains that it will provide care aimed at complete recovery, beginning the moment a patient is released from the hospital and designed to return the patient home at the earliest possible time while reducing the risk or re-hospitalization. Orthopedic care is discussed along with the applicant's anticipation of developing special clinical programs for

CON Action Numbers: 10342 through 10345

other high-acuity patients requiring short-term rehabilitation services, including patients suffering from heart failure, stroke and pulmonary disorders.

The applicant reiterates the inclusion of items stated in its conditions:

- HUR Smart-zone trainers
- Alter-G Anti-Gravity Treadmill
- Neuro-Gym Sit to Stand Trainers
- Game Ready compression therapies
- Dynamic Stair Trainer
- DJO clinical program trainer
- A well-equipped ADL suite to simulate a home environment, including a fully appointed kitchen, laundry room and bedroom suite

PGA indicates the planned implementation of culinary and life enrichment programs including meals provided by a professional chef, restaurant-style. Also, the applicant states that a chapel will be available with services for people of various faiths. In addition to worship and spiritual services, PGA indicates musical programs, ice cream socials at the internet café, movies, games and other life enrichment activities will be provided at the proposed facility.

PGA discusses patient characteristics (CON application #10345, page 65, Table 13). The applicant indicates 30 patient characteristics with a separate ALOS for each. The applicant indicates a shortest ALOS of three days (BKA-Amputation) to a longest ALOS of 77 days (Dysphagia). PGA notes that cardiac is the single most common patient type (17.27 percent) and has an ALOS of 29 days.

The applicant maintains that it will have several ancillary services available to assist residents as the goal of the facility it to appropriately address the physical, emotional, psychosocial, spiritual and psychological needs for each resident.

According to PGA, the admission assessment enables the physician and Interdisciplinary Team to provide services that meet the needs of each resident. Per PGA, on a quarterly basis or with a significant change in condition, whichever occurs first, various assessments are performed. Other topics discussed are admission and discharge policies. PGA maintains that the discharge planning process begins on admission with the goal to have all residents, whether long-term or short-term, obtain and maintain their

CON Action Numbers: 10342 through 10345

highest practicable level of function and independence. The applicant also provides a discussion on discharge policies whereby it notes that discharge planning begins at admission.

The reviewer notes that the applicant’s Schedule 7 shows an ALOS of 59.87 days for year one and 57.54 for year two of operations for the entire 168-bed facility. Schedule 7 shows 12,007 incremental patient days and 285 incremental admissions for year one and 17,127 incremental patient days and 410 incremental admissions for year two. Schedule 6 illustrates that FTEs for year one total 31.53 for year one (ending March 31, 2018) and total 45.66 for year two (ending March 31, 2019). Below are the FTEs to be added to the existing 120-bed SNF, to account for the proposed 48-bed addition.

Palm Garden of Aventura, LLC/CON application #10345 Projected Year One and Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrative Assistant	1.00	1.00
Nursing Administration		
Medical Records	1.00	1.00
Nursing		
Unit Manager	2.40	2.40
RNs	0.41	1.91
LPNs	5.77	8.32
Aides	14.88	22.83
Transportation		
Driver-Weekday	0.60	0.60
Driver-Weekend	0.40	0.40
Dietary		
Cooks-Weekend	--	1.87
Server-Weekday	2.42	5.00
Server-Weekend	0.57	2.80
Social Services		
Social Service Director	1.00	1.00
Housekeeping		
Staff	1.08	2.00
Laundry		
Other	--	4.00
Total	31.53	45.66

Source: CON application #10345, 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.**

Dade SNF, LLC (CON #10342) states that Consulate has not had any facility license denied, revoked or suspended.

Florida Medical Systems, LLC (CON #10343) states that as a newly formed entity, this does not apply but that its affiliates through common ownership are five-star rated on the Medicare.gov website.

Mandarin Gardens Rehabilitation Center (CON #10344) states that MGRC is a new entity and has not had a nursing facility license denied, revoked or suspended.

Palm Garden of Aventura, LLC (CON #10345) states no to this Agency Rule preference.

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?**

Dade SNF, LLC (CON #10342) states that Consulate has not had a nursing home placed into receivership.

Florida Medical Systems, LLC (CON #10343) states that as a newly formed entity, this does not apply.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) states that MGRC is a new entity and has not had any nursing facility placed into receivership.

Palm Garden of Aventura, LLC (CON #10345) states no to this Agency Rule preference.

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.**

Dade SNF, LLC (CON #10342) indicates that this provision is not applicable.

Florida Medical Systems, LLC (CON #10343) states that as a newly formed entity, this does not apply.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) states that as a new entity, this does not apply.

Palm Garden of Aventura, LLC (CON #10345) states 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.**

Dade SNF, LLC (CON #10342) indicates that this provision is not applicable.

Florida Medical Systems, LLC (CON #10343) states that as a newly formed entity, this does not apply.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) states that as a new entity, this does not apply.

Palm Garden of Aventura, LLC (CON #10345) states 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.**

CON Action Numbers: 10342 through 10345

Dade SNF, LLC (CON #10342) indicates that the proposed project is a newly formed entity and there have been no violations.

Florida Medical Systems, LLC (CON #10343) states that as a newly formed entity, this does not apply.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) states that as a new entity, this does not apply.

Palm Garden of Aventura, LLC (CON #10345) does not respond to this provision but the reviewer notes that it is not applicable.

- 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.**

Dade SNF, LLC (CON #10342) agrees to submit the required utilization reports.

Florida Medical Systems, LLC (CON #10343) states that it will provide the required data.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) states that it will comply with this provision.

Palm Garden of Aventura, LLC (CON #10345) does not respond to this provision. The reviewer notes that the applicant currently provides the required data to the applicable local health council.

3. Statutory Review Criteria

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

There are 56 licensed community nursing homes with a total of 8,672 community nursing home beds in District 11. Subdistrict 11-1 is

CON Action Numbers: 10342 through 10345

composed of Miami-Dade County and has 54 licensed community nursing homes with a total of 8,432 community nursing home beds (with an additional 24 like beds approved through CON application #10214). The subdistrict averaged 88.08 percent total occupancy for the 12-month period ending June 30, 2014.

Dade SNF, LLC (CON #10342) indicates that the proposed project location has not been finalized but the stated goal is to select a location that is proximate to acute care hospitals in the area that are major sources of referrals and patient admissions. The applicant also states that the site process will also be sensitive to the geographic accessibility needs of patients and families who prefer relatively short travel times to SNFs.

Dade SNF indicates that the service area for the proposed project is Miami-Dade County. The applicant states that Miami-Dade County's ratio of 21.8 beds per 1,000 population 65+ is slightly lower than the statewide average of 22.3 beds per 1,000 65+. Dade SNF provides a comparative analysis of historical and projected growth for the age population cohorts of 65-75, 75-84 and 85+, indicating the following major observations:

- Miami-Dade County's population of elderly in the age cohorts 65-75, 75-84, and 85+ increased at the same rate as District 11 and slightly greater than Florida for the 2010 to 2014 time frame
- Miami-Dade County's population of elderly in the age cohorts 65-75, 75-84 and 85+ is also projected to increase at about the same rate as District 11 and Florida for the 2014-2019 time frame with the exception of the 75-84 cohort which is projected "at a slightly growth rate"

The applicant notes that utilization data for community nursing home beds in the subdistrict, district and Florida is presented in Exhibit 3 (page 36) of CON application #10342, indicating the following major observations:

- Licensed beds in the subdistrict and district have been about the same for the last three years
- Patient days increased slightly in the subdistrict and district by 0.9 and 1.2 percent, respectively, per year over the three-year period
- Patient days increased slightly in the subdistrict by 1.1 percent from FY 2013-2014
- The subdistrict's occupancy rate has been steady at 88 percent over the past three years
- The subdistrict's occupancy rate is slightly higher than the district and the state's rate

CON Action Numbers: 10342 through 10345

- Medicaid occupancy in the subdistrict has been steady at about 65 percent over the past three years
- The subdistrict's Medicaid occupancy rate is about the same as the rate for the district and slightly higher than the state

The applicant further notes that discharges from hospitals in Florida to Medicare and Medicaid SNFs for Miami-Dade County residents by age cohort (2011-2013) is presented in Exhibit 4 (page 38) of CON application #10342, indicating the following major observations:

- The 65+ age cohort represents 86 percent of the total patients discharged to a SNF
- The 75+ age cohort accounts for 63 percent of the total patients discharged to a SNF
- The 85+ age cohort comprises 30 percent of total patients discharged to a SNF

Dade SNF contends that for the same three year period, the case mix index (CMI) values for Miami-Dade County patients discharged from a hospital to a SNF were 140 percent higher than the CMI from all patients discharged from a hospital, documenting the higher severity levels of SNF patients relative to total patients (CON application #10342, page 40, Exhibit 5).

Dade SNF emphasizes that 13 of Consulate's Florida SNFs have experienced a higher patient acuity in terms of increased:

- Number of ventilator dependent patients
- Number of patients on dialysis
- Hours per patient day for nursing and therapy (e.g. PT, OT, Respiratory and Speech)
- Patient Age (i.e. older)
- Number of patients with chronic illnesses that are clinically complex

The applicant maintains that the Consulate Florida 13 have taken the lead in responding to these recent trends and already have some elements of the resources required to care for the higher acuity patients. The applicant indicates that as such, their utilization experience is valuable in assessing the need for new skilled nursing beds in this area as well. Dade SNF indicates that total occupancy rates at the Consulate Florida 13 SNFs range from 90 to 95 percent.

The applicant states that ALOS for Medicare patients at the Consulate Florida 13 is slightly lower than the overall average for all SNFs in the respective "home county." The applicant contends that although such patients generally have a higher acuity level upon admission to a SNF

CON Action Numbers: 10342 through 10345

compared to all patients, the Florida Consulate 13 are able to discharge such patients 13 to 14 percent sooner than other nursing homes. See the table below.

ALOS for Medicare Patients at the Consulate Florida 13 SNFs: CY 2012

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

Applicant's Note: "Home County" refers to the county in which the Consulate Florida 13 facility is located
 Source: CON application #10342, page 46, Exhibit 10

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

The applicant provides a comparative analysis of key demographic and resident hospital utilization metrics for Subdistrict 11-1. Dade SNF contends that the proposed project meets the Agency's published need and that the data demonstrates:

- Existing SNFs in the subdistrict are well utilized at 88 percent during the most recent six months of data reported by the Agency
- The 75+ and 85+ age cohorts of population are projected to increase at faster rates of growth than the total population or younger age cohorts
- The 75+ and 85+ age cohorts of population are responsible for approximately 60 percent of all patients discharged from hospitals to SNFs
- CMI values of patients admitted to SNFs from hospitals are higher than all patients discharged from hospitals

CON Action Numbers: 10342 through 10345

- Medicare and Medicare Managed Care account for approximately 90 percent of all admissions to SNFs from hospitals
- The need for a higher skill mix of SNF beds and services is supported by the data analysis submitted
- The proposed project is responsive to the needs for the service area

Florida Medical Systems, LLC (CON #10343) indicates that the proposed project location is defined as Doral, close to the Florida Turnpike to provide easy access. FMS contends that the proposed project will increase accessibility and access of skilled nursing beds within the City of Doral, ZIP code 33178, where currently there are no nursing homes. The reviewer confirms that, per the Agency’s FloridaHealthFinder.gov website, there is no licensed SNF in ZIP code 33178. FMS also contends that within a five-mile radius of Doral, the average nursing home occupancy rate is 94.55 percent.

In the following two tables, the applicant provides the 2014 age 65+, 75+ and 85+ population cohorts among six ZIP codes compared to a five-mile radius of ZIP code 33178 and then Miami-Dade County overall, followed by the estimated growth of these same population cohorts by 2019. The applicant contends that these age cohorts have the highest estimated population growth percentage within the five-mile radius by 2019 of any of the ZIP codes in the subdistrict. See the tables below.

Population by ZIP Code within a 5-Mile Radius of ZIP Code 33178 Centroid

ZIP Code	2014				2018			
	65+	75+	85+	Total	65+	75+	85+	Total
33166	3,328	1,646	592	23,387	3,851	1,744	623	24,460
33172	6,239	2,844	836	39,914	7,281	3,192	936	42,569
33174	6,678	3,349	1,092	33,563	7,518	3,645	1,195	35,102
33178	3,322	1,168	225	49,857	4,576	1,593	310	57,275
33182	2,046	909	270	14,414	2,415	1,033	291	15,193
33199	0	0	0	0	0	0	0	0
Total 5-Mile Radius	21,613	9,916	3,015	161,135	25,641	11,207	3,355	174,599
Miami-Dade Total	391,683	181,281	53,651	2,641,049	457,520	202,037	59,069	2,822,040

NOTE: Microsoft MapPoint software was used to map the latitude and longitude of ZIP Code 33178 and extract the population estimates obtained by the Nielsen Company, US, 2014 update
Source: CON application #10343, page 1-13, Table 1-2

Population by ZIP Code within a 5-Mile Radius of ZIP Code 33178 Centroid

ZIP Code	2014				2018			
	65+	75+	85+	Total	65+	75+	85+	Total
33166	523	98	31	1,073	15.7%	6.0%	5.2%	4.6%
33172	1,042	348	100	2,655	16.7%	12.2%	12.0%	6.7%
33174	840	296	103	1,539	12.6%	8.8%	9.4%	4.6%
33178	1,254	425	85	7,418	37.7%	36.4%	37.8%	14.9%
33182	369	124	21	779	18.0%	13.6%	7.8%	5.4%
33199	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Total 5-Mile Radius	4,028	1,291	340	13,464	18.6%	13.0%	11.3%	8.4%
Miami-Dade Total	65,837	20,756	5,418	180,991	16.8%	11.4%	10.1%	6.9%

NOTE: Microsoft MapPoint software was used to map the latitude and longitude of ZIP Code 33178 and extract the population estimates obtained by the Nielsen Company, US, 2014 update
Source: CON application #10343, page 1-13, Table 1-3

CON Action Numbers: 10342 through 10345

In the following table, the applicant indicates a 94.55 percent nursing home utilization for the 12-month period ending June 30, 2014, for the nursing homes within a five-mile radius of the City of Doral and that this is higher than the subdistrict and district overall for the same period. See the tables below.

**Nursing Home Utilization for July 1, 2013 to June 30, 2014
Within a 5-Mile Radius of the City of Doral**

Names	Licensed Beds	Bed Days	Patient Days	Occupancy
Coral Gables Nursing and Rehab. Center	87	31,755	28,888	90.97
Fair Havens Center	269	98,185	97,493	99.30
Hialeah Nursing and Rehabilitation Center	276	100,740	96,156	95.45
Palmetto Rehabilitation and Health Center	90	32,850	31,272	95.20
Palmetto Sub Acute Care Center, Inc.	95	34,675	31,125	89.76
Signature Healthcare Center of Waterford	214	78,110	73,715	94.37
Susanna Wesley Health Center	120	43,800	39,056	89.17
Villa Maria West Skilled Nursing Facility	20	7,300	6,419	87.93
5-Mile Radius (Doral)	1,171	427,415	404,124	94.55
Subdistrict 11-1 Total	8,432	3,077,680	2,710,946	88.08
District 11 Total	8,672	3,165,280	2,761,609	87.25

NOTE: AHCA Florida Nursing Home Need Projections by District and Subdistrict
Source: CON application #10343, page 1-15, Table 1-5

FMS contends that the proposed project will “look and feel” more like a hotel than a nursing home, taking “culture change” to the next level. FMS asserts that staff will receive “Ritz-Carlton training” for true resident centered care. The applicant notes that the proposed facility is designed to be comfortable and inviting to encourage family to visit often and stay a while.

FMS asserts that there are six hospitals within a 20-minute drive of the proposed project location:

- Kendall Regional Medical Center
- Westchester General Hospital
- Miami International Medical Center
- Palm Springs General Hospital
- Palmetto General Hospital and
- Hialeah Hospital

The applicant notes that with respect to financial accessibility, the proposed SNF will be both Medicare and Medicaid-certified. In addition, the applicant indicates that FMS affiliates have a long-standing relationship with several Medicare and Medicaid managed care providers

CON Action Numbers: 10342 through 10345

that have expressed a willingness to contract for care at the proposed facility. FMS provides a list of Medicaid managed care long-term care plans it will work with:

- American Eldercare, Inc.
- Amerigroup Florida, Inc.
- Coventry Health Plan
- Humana Medical Plan, Inc.
- Molina Healthcare of Florida, Inc.
- Sunshine State Health Plan
- United Healthcare of Florida, Inc.

Using data from the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict publication, issued October 3, 2014, FMS provides a table to indicate its affiliate nursing homes in the area, their occupancy rates (total occupancy averaging 96.6 percent) and their Medicaid occupancy (total averaging 60.3 percent) for the 12-month period ending June 30, 2014. FMS maintains that access to Medicaid is assured with the proposed project. See the table below.

Miami-Dade County Facilities	Beds	Bed Days	Resident Days	Facility Occup.	M’caid Days	M’caid Occup.
Riverside Care Center	120	43,800	43,233	98.7%	37,225	86.1%
Riverside Health Resort	223	81,395	77,163	94.8%	31,210	40.4%
Victoria Nursing & Rehab Center	264	96,360	93,724	97.3%	60,724	64.8%
TOTAL	607	221,555	214,120	96.6%	129,159	60.3%

Source: CON application #10343, page 3-10, Table 3-3

The applicant presents forecasted utilization for the proposed facility based on recent start-ups of nursing homes throughout the state including affiliated Riviera Health Resort. See the table below.

**Projected Utilization for CON #10343
168-Bed Facility
First Two Years of Operation**

Payer	Year 1 6/30/2018 Patient Days	Year 2 6/30/2019 Patient Days	Percent of Days
Medicare	6,924	12,135	22.0%
Medicare Managed Care	10,386	18,202	33.0%
Medicaid Managed Care	7,868	13,789	25.0%
Private Pay	6,295	11,031	20.0%
Total	31,473	55,157	100.0%
Percent Occupancy	51.33%	89.95%	

Source: CON application #10343, page 1-18

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) proposes a project location 10 miles south of LCH’s South Miami Campus on the campus of Larkin Health Sciences Institute in the Naranja Lakes area. MGRC contends that most individuals in need of nursing home beds do not travel great distances from their place of

CON Action Numbers: 10342 through 10345

residence and as such the applicant estimates that the majority of residents will originate from ZIP codes within a 20-mile radius of the proposed nursing home location. The applicant identifies those ZIP Codes below.

Proposed ZIP Code Service Area

ZIP Code	City	ZIP Code	City
33030	Homestead	33172	Doral
33031	Homestead	33173	Sunset
33032	Homestead	33174	University Park
33033	Homestead	33175	Tamiami
33035	Homestead	33176	Kendall
33039	Homestead	33177	South Miami Heights
33133	Miami	33182	Tamiami
33134	Coral Gables	33183	Kendall Lakes
33143	South Miami	33184	Tamiami
33144	Miami	33185	Kendall West
33146	Coral Gables	33186	Miami
33155	Coral Terrace	33187	Richmond West
33156	Pine Crest	33189	Cutler Bay
33157	Palmetto Bay	33190	Cutler Bay
33158	Palmetto Bay	33193	Kendall West
33165	Miami	33194	Miami
33170	Goulds		

Source: CON application #10344, page 22, Figure 3

In the following figure, the applicant indicates that there are 14 nursing homes within the proposed service area. MRGC offers a table to account for nursing home facilities, the corresponding city and ZIP Code, beds and occupancy rates within planned service area from 2011 through 2013:

**Nursing Homes within the ZIP Code Service Area
Occupancy Rates 2011-2013**

Nursing Home	City	ZIP Code	2013 Beds	Occupancy		
				2011	2012	2013
Signature Healthcare of Brookwood Gardens	Homestead	33035	180	81.8%	76.2%	74.2%
Homestead Manor A Palace Community	Homestead	33030	64	93.7%	94.7%	96.2%
St Annes Nursing Center	Miami	33177	220	96.0%	96.1%	95.0%
East Ridge Retirement Village	Miami	33157	60	91.6%	89.0%	73.3%
Jackson Memorial Perdue Medical Center	Cutler Ridge	33157	163	75.5%	86.7%	89.8%
South Dade Nursing and Rehabilitation Center	Miami	33157	180	93.5%	96.5%	99.1%
Coral Reef Nursing & Rehabilitation Center	Miami	33157	180	97.9%	97.1%	96.8%
Heartland Health Care Center Kendall	Kendall	33186	120	95.9%	94.9%	94.2%
Palace at Kendall Nursing and Rehabilitation Center	Miami	33173	180	95.9%	95.0%	95.6%
Harmony Health Center	Miami	33176	203	99.4%	94.9%	99.4%
Riviera Health Resort (Licensed 4/24/12)	Coral Gables	33146	223	0.0%	33.6%	87.5%
West Gables Health Care Center	Miami	33155	120	95.9%	93.6%	92.9%
Palmetto Sub Acute Care Center	Miami	33144	95	95.9%	92.9%	89.2%
Coral Gables Nursing and Rehabilitation Center	Miami	33144	87	92.8%	97.1%	88.4%
Total Facilities Within 20 Miles of Site			2,075	92.7%	88.3%	91.8%
All Miami-Dade County Facilities			8,501	95.1%	88.1%	87.9%

Source: CON application #10344, page 34, Figure 9

CON Action Numbers: 10342 through 10345

Using Claritas data, MGRC estimates that there will be almost 28,000 additional 65+ aged residents by 2019 in the planned service area, a 17.5 percent increase for this age cohort for that time. MGRC provides a 2013 nursing home bed-to-population ratio table that indicates the proposed service area has 14.9 beds-per-1,000 residents (age 65+) and that this is a lower ratio than either Subdistrict 11-1 or 11-2, District 11 overall and the State overall. See the table below.

Comparison of Nursing Home Bed to Population Ratios - 2013

Area	2013 Beds	65+ Population	Beds Per Thousand 65+ Population
Service Area	2,075	139,383	14.9
Miami-Dade County (Subdistrict 1)	8,501	379,077	22.4
Monroe County (Subdistrict 2)	240	14,078	17.0
District 11	8,746	393,155	22.2
State	83,419	3,504,564	23.8

Source: CON application #10344, page 34, Figure 10

MGRC explains that in 2013, area hospitals (including the parent, Larkin Community Hospital) discharged 9,027 patients to nursing homes and of those, 6,445 were to nursing homes within the applicant’s proposed service area radius nursing homes. According to the applicant, these discharges occurred from the following area hospitals:

- Homestead Hospital
- Jackson South Hospital
- HealthSouth Rehabilitation Hospital of Miami
- Baptist Hospital of Miami
- Doctor’s Hospital
- Kindred Hospital-Coral Gables
- South Miami Hospital
- Westchester General Hospital
- Larkin Community Hospital
- Coral Gables Hospital
- Kindred Regional Medical Center
- West Gables Rehabilitation Hospital
- Miami Children’s Hospital
- West Kendall Baptist Hospital

MGRC offers projected utilization for patient days, average daily census and occupancy in year one and year two of the proposed project. See the figure below.

CON Action Numbers: 10342 through 10345

Projected Utilization

	Year One	Year Two
Beds	120	120
Patient Days	20,075	40,296
Average Daily Census	55.0	110.4
Occupancy	45.8%	92.0%

Source: CON application #10344, page 40, Figure 15

The applicant concludes that that the proposed facility is an excellent proposal and it will be a welcome addition to the community as expressed in various letters of support. MGRC offers numerous excerpts of these letters on pages 39 through 40 of CON application #10344.

Palm Garden of Aventura, LLC (CON #10345) presents the occupancy rate of the community nursing homes located in Miami-Dade County in the same ZIP code as PGA or otherwise within five miles of Palm Garden. The applicant also lists the number of private rooms at each of these facilities. PGA asserts that the occupancy rate at Watercrest Care Center is an anomaly and not generally representative of the area. The applicant emphasizes that there are only 30 private rooms in the applicant’s service area. The reviewer notes that the applicant did not supply a time frame for the data, but the reviewer confirms is it for the July 1, 2013 through June 30, 2014 time period. See the table below.

Occupancy Rates for Skilled Nursing Facilities by ZIP Code Proposed Service Area			
Facility	ZIP Code	Occupancy Rate	Private Rooms
Palm Garden of Aventura	33180	92.6%	4
Regents Park of Aventura	33180	92.9%	8
Watercrest Care Center	33160	54.6%	0
North Beach Rehabilitation Center	33160	91.6%	5
Aventura Plaza Rehabilitation & Nursing Center	33162	89.9%	1
Golden Glades Nursing and Rehabilitation Center	31379	99.5%	12

Source: CON application #10345, page 25, Table 2 and replicated on page 52, Table 10

PGA provides a 2013 table with the percentage of persons age 65+ and the persons per square mile (and other socio-economic factors), compared to Miami-Dade County, Broward County and Florida. The reviewer notes that persons per square mile and socio-economic factors such as per capita income, median household income and persons below the poverty line, are not factors in the Agency’s published need criteria. The reviewer also notes that population statistics outside District 11 were not a factor in this same Agency calculation. See the table below.

CON Action Numbers: 10342 through 10345

Statistics	Aventura	Miami-Dade County	Broward County	Florida
Total Population (2013 estimate)	37,199	2,617,176	1,838,844	19,552,860
Percent change (April 1, 2010 To July 1, 2013 (estimate))	4.0%	4.8%	5.2%	4.0%
Percentage of persons 65 and over	26.6% (2010)	14.9% (2013)	15.0% (2013)	17.3% (2010) 18.7% (2013)
Persons per square mile (2010)	13,484	1,315.5	1,444.9	350.6
Per capita annual income	\$46,681	\$23,304	\$28,547	\$26,451
Median Household Income	\$57,782	\$43,464	\$51,603	\$47,309
Persons below poverty line (%)	12.2%	19.1%	13.5%	15.6%

Source: CON application #10345, page 27, Table 3

PGA maintains that the data in the above table support the need to add 48 beds at Palm Garden of Aventura.

The applicant also uses the same source and the same corresponding population and socio-economic characteristics for the cities of Miami, North Miami and Hallandale Beach, Hollywood and Fort Lauderdale -the last three cities being in Broward County, Florida – (CON application #10345, page 28, Table 4).

PGA maintains that the following conclusions are evident based on these statistics:

- The entire Miami-Dade area is experiencing significant population growth. Aventura is experiencing population growth that is comparable to the State of Florida as a whole and to nearby cities.
- The population of persons age 65 and older in Aventura is significantly greater than that of the state, Miami-Dade County and Broward County (each as a whole) and all of the neighboring cities.
- The population density of Aventura is significantly greater than that of the state, Miami-Dade County and Broward County (each as a whole) and all of the neighboring cities (except that the population density of nearby Hollandale Beach is only slightly less than that of Aventura).

The reviewer created the following chart from applicant’s Schedule 7 regarding the proposed facility, including the proposed 48-bed addition.

Palm Garden of Aventura, LLC Forecasted Utilization

	Year One	Year Two
Total Admissions	890	1,015
Total Patient Days	53,280	58,400
Occupancy	86.9%	95.2%

Source: CON application #10345, Schedule 7

- 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.**

Of the co-batched applicants, **CON #10345** Palm Garden of Aventura (PGA) is currently an existing SNF. PGA is not a Gold Seal Program nor is it on the Agency's Nursing Home Watch List, according to the www.FloridaHealthFinder.gov website, as of November 19, 2014.

Dade SNF, LLC (CON #10342) states that it is a newly created entity developed for the purpose of submitting this CON application and does not hold a license for a nursing facility. The applicant indicates its response is submitted in regard to its ultimate management company Consulate.

The applicant maintains that at the core of all its policies, procedures and programs are Quality Assurance and Quality Improvement (QAPI) structures as well as Root Cause Analysis (RCA). Dade SNF maintains that Consulate's efforts to continuously improve quality of care and patient outcomes have been incorporated into nine best practice programs. The applicant provides Exhibit 12: Best Practices At-A-Glance on pages 51 to 52 of CON application #10342.

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

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

- Consulate is organized to focus on quality of care
- Policies and procedures affecting quality of care
- The use of quality of care data at Consulate
- Quality of care for patients
- Quality initiatives in programs and services
- Awards and recognition of Consulate's care centers
- Quality of Consulate's staff

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

CON Action Numbers: 10342 through 10345

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

Source: Florida Agency for Health Care Administration Complaint Records

Florida Medical Systems, LLC (CON #10343) states that the principal of FMS, Richard Stacy, has a reputation of providing a high level of quality care in his SNFs and is a market leader among his peers. FMS references its three area SNFs – Riverside Care Center, Riviera Health Resort and Victoria Nursing & Rehabilitation Center, Inc. Exhibit 4-1 of CON application #10343 provides documentation to confirm that these three facilities each have overall ratings of “Much Above Average” on their respective nursing home profiles, according to Medicare.gov – Nursing Home Compare. The same exhibit also provides documentation that according to the FloridaHealthFinder.gov website and the Agency’s Nursing Home Inspection Rating, two of the three facilities had an overall inspection rating of five of five stars (one facility, Riviera Health Report, had an overall rating of four of five stars) for the rating period of April 2012 – September 2014. The Agency inspection ratings were last updated November 2014 and the reviewer confirmed that the facilities retained the above ratings.

The applicant further states and the reviewer confirms through the website at <http://health.usnews.com/best-nursing-homes/area/miami-forest-lauderdale-fl?sort=rating&page=3>, US News & World Report’s 2014 Best Nursing Homes has recognized these same three SNFs with overall five of five star ratings each.

The applicant offers Ten Most Frequently Cited Deficiencies (CON application #10343, Exhibit 4-3) and indicates that it has the protocols in place to prevent and correct (deficiencies) should any incident occur.

CON Action Numbers: 10342 through 10345

FMS offers the CMS 12-step Quality Assurance Performance Improvement (QAPI) at a Glance guide and indicates that it is already being utilized at its affiliates' facilities, the proposed project will employ an on-line system that promotes conformity with the CMS quality of care guidelines – Abaqis Prodigm. Within the Abaqis Prodigm, the applicant discusses topics such as:

- Readmission
- Consumer Satisfaction
- Providigm QAPI Accreditation Program
- Electronic Medical Records
- Trazer (an automated, computer controlled program that evaluates the client's capacity for real-world movement and aides in decreasing the falls incidence in the facilities and ultimately decreasing the use of psychotropic medications)

FMS further states being dedicated to meeting needs and exceeding expectations. FMS introduces a six-step implementation plan for Continuous Quality Improvement (CQI), which the applicant asserts is a comprehensive, ongoing review involving all departments and key facility practices and includes the monitoring, evaluation and application and appropriate follow-up action to continuously provide excellence in service. According to FMS, CQI includes the following critical steps:

- Decide the problem
- Describe the problem
- Identify the possible causes
- Agree on the basic cause or causes of the problem
- Develop the solution and plan
- Implement the solution and monitor

In CON application #10343, Table 4-1, FMS offers CQI tools and their applications including planning stages, activities and tools applied. In addition, FMS discusses residents' rights and residents' activities.

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

CON Action Numbers: 10342 through 10345

Nursing Homes affiliated with Stacey Health Care Centers, Inc.	
Complaint Category	Number Substantiated
Quality of Care/Treatment	2
Physical Environment	1

Source: Florida Agency for Healthcare Administration Complaint Records

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) asserts that the parent, LCH, has a history of providing quality care and continually improves its performance of key functions of patient care that promote:

- Elimination of unnecessary risks and hazards to assure safety at all levels of care
- Appropriate utilization of resources
- Provision of the same standard of care for like populations across the integrated delivery system
- Improvement in operational efficiencies
- Promotion of “best practices”
- Improvement in customer service

MGRC offers a five-page Larkin Community Hospital Performance Improvement & Patient Safety 2014 Annual Plan (CON application #10344, Exhibit I). MGRC indicates that the parent is accredited by The Joint Commission and continues to receive an “A” grade from the Leapfrog Group. MGRC contends that as a new entity and a subsidiary of LCH, MGRC will adhere to LCH’s trend of providing the highest quality of care and seek accreditation by The Joint Commission and be licensed by the State of Florida. MGRC asserts that the integration of the proposed SNF into LCH’s continuum of care and existing and existing portfolio of expertise ensures improved coordination of care, reduced re-hospitalization admissions and cost-effective care. The applicant further discusses the benefits of LCH’s electronic health records (EHR) system and states that LCH has been completely electronic (100 percent paperless) since 2013. The applicant states that MGRC will be integrated into the EHR system and that this will enable the facility to:

- Decrease expenditures through cost avoidance
- Improve facility oversight through more complete and uniform care documentation, which will be immediately available in real time and available remotely
- Identify and monitor best practices throughout the operation
- Immediate access to the residents’ records
- Improved administrative oversight through more efficient monitoring of residents’ changing condition and a proactive response to residents’ problems
- Improved quality, consistency and accuracy of documentation
- Reduced costs for medications through waste avoidance

CON Action Numbers: 10342 through 10345

- Improved staff satisfaction and retention
- Easier work processes such as completing physicians’ orders and preparing records for resident transfers outside the facility and
- Ability to track and trend quality data and complete quality audits in a timely manner

MGRC also discusses implementation of the proposed project into CMS value-based purchasing programs. The applicant asserts that it is committed to The Quality Initiative which is an effort jointly launched in 2013 by the American Health Care Association (AHCA) and the National Center for Assisted Living (NCAL), provided in Exhibit K of the application. According to the applicant, the following goals:

- Safely reduce hospital re-admissions
- Increase staff stability
- Increase customer satisfaction
- Safely reduce the off-label of antipsychotics

MGRC states that it intends to support efforts of organizations such as CMS, AHCA/NCAL to improve the overall quality of health care. Agency records indicate that the applicant is a new entity and does not have any operational history for SNF quality of care.

Palm Garden of Aventura, LLC (CON #10345) states having formed in 2013 and becoming the licensed operator of the facility on November 1, 2013. The applicant contends that the administrator and most of the staff at PGA have long tenures there, both before and after the current licensure. The applicant contends that its total nursing staff level exceeds the national and state averages. See the table below.

Nurse Staffing Levels U.S., Florida and the Existing Facility					
Facility	Total Nursing (in Minutes)	RNs (in Minutes)	LPNs (in Minutes)	CNAs (in Minutes)	PT Staff (in Minutes)
State of Florida	269	43	57	168	8
US	247	49	50	148	6
Palm Garden of Aventura	291	52	1	179	11

Source: CON application #10345, page 69, Table 14

PGA notes its participation in the INTERACT™ Program, a stated quality improvement program to help nurse aides and other direct-care staff at long-term care facilities to identify, evaluate and manage acute changes in residents’ medical conditions. According to the applicant, the program’s goal is to safely manage clinical situations on site whenever possible, and thus avoid the substantial health risks and costs associated with preventable hospital admissions.

CON Action Numbers: 10342 through 10345

PGA indicates that the ability to provide quality of care is further evidenced and ensured by its quality of care programs, including:

- Manager on Duty Program
- Customer Care Program
- Standards of Care Process
- Seventy-Two Hour Meeting
- Grievance Process
- Residents and Family Councils
- Quality Assurance Process

PGA is not a Gold Seal Program nor is it on the Nursing Home Watch List. The most recent Agency inspection indicates that Palm Garden of Aventura received an overall two star rating out of a possible five stars. The Agency's Nursing Home Guide was last updated November 2014. PGA had one substantiated complaint during November 19, 2011 to November 19, 2014 in the complaint category of administration/personnel.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending November 19, 2014, had 39 substantiated complaints at 13 of 14 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Nursing Homes affiliated with Palm Garden Group	
Complaint Category	Number Substantiated
Quality of Care/Treatment	12
Administration/Personnel	9
Resident/Patient/Client Rights	6
Physical Environment	5
Resident/Patient/Client Assessment	4
Resident/Patient/Client Abuse	4
Infection Control	2
Unqualified Personnel	2
Nursing Services	2
Admission, Transfer & Discharge Rights	2
Physician Services	1
Falsification of Records/Reports	1
Billing/Refunds	1

Source: Florida Agency for Healthcare 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.**

Dade SNF, LLC (CON #10342):

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 \$20,083,560 which consists solely of this CON currently under review. The applicant's parent company currently has six CON applications under review including this one. The applicant provided a letter from Mainstreet Investments indicating a commitment to fund this project. The applicant provided audited financial statements of Mainstreet affiliates (Mainstreet Asset Management, Inc. and Mainstreet Property Group, LLC). The letter was specific to this project and in general mentioned funding 50 projects in 2015. Mainstreet is cited as a funding source for several CONs in this batching cycle. Mainstreet is not a traditional bank or lender but rather is in the business of funding and acquiring funding from various investors, lenders, and various Real Estate Investment Trusts (REITs) to build facilities and lease and or sell them to operators of healthcare facilities. To that point, a letter of interest was provided by PNC Real Estate to provide funding for upcoming Mainstreet projects (it should be noted that a letter of interest is not considered a firm commitment to lend).

The structure and nature of these types of entities makes it difficult to determine ability to fund any given project due to both the complexity and variety of funding options and the turnover of projects. However, this is not an uncommon method of funding skilled nursing facility construction and operation. We reviewed the Mainstreet affiliated audits and the primary entity appears to be sound and has been in existence for over 10 years. While the letter of interest from PNC cannot be relied on as a commitment, the letter did acknowledge a preexisting lending

relationship that supports the business conducted by Mainstreet as described in its commitment letter and audits. Based on that analysis, it is likely that Mainstreet would be able to fund this project.

Conclusion:

Funding for this project is not guaranteed but appears likely.

Florida Medical Systems, LLC (CON #10343):

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 \$30,276,183 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 cash on hand and financing from a third-party. A letter of interest from Midcap Financial, LLC was included for providing financing for \$33 million. The audited financials for the development stage company shows \$250,084 cash on hand.

A letter of interest is not considered a firm commitment to lend. In the absence of a firm commitment to lend, we would look at the financial position of the applicant and assess the likelihood it could acquire debt financing based on its financial strength. The applicant is a development stage company with no operations and minimal assets. The letter of interest indicated that the lender was familiar with one of the applicant's principal members and their projects but did not comment on a previous lending history or knowledge of financial position of the applicant or its members. Given that this project will be financed almost entirely by debt, the only support for the financing is a letter of interest, and the applicant is a start-up company with minimal capital.

Conclusion:

Funding for this project is in question.

Mandarin Gardens Rehabilitation Center LLC (CON #10344):

Analysis:

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

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The applicant is a development stage company with no operations to date.

The below is an analysis of the audited financial statements of Larkin Community Hospital, Inc., the parent company, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year. The applicant only included one year of data for the parent company.

CON Action Numbers: 10342 through 10345

Larkin Community Hospital, Inc. and Subsidiaries		
	Current Year	Previous Year
Current Assets	\$24,176,622	\$0
Total Assets	\$72,439,148	\$0
Current Liabilities	\$15,796,164	\$0
Total Liabilities	\$62,427,159	\$0
Net Assets	\$10,011,989	\$0
Total Revenues	\$83,320,096	\$0
Excess of Revenues Over Expenses	\$4,508,729	\$0
Cash Flow from Operations	\$5,490,354	\$0
Short-Term Analysis		
Current Ratio (CA/CL)	1.5	N/A
Cash Flow to Current Liabilities (CFO/CL)	34.76%	N/A
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	465.8%	N/A
Total Margin (ER/TR)	5.41%	N/A
Measure of Available Funding		
Working Capital	\$8,380,458	N/A

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

Capital Requirements and Funding:

The applicant lists total capital projects in the amount of \$26,377,045 which consists solely of the CON currently under review. Schedule 3 indicates that the project will be funded by the parent and third-party financing. The applicant provided a proposal of terms from Ocean Bank. The term sheet indicated an interest in lending but not a firm commitment to lend. Although the parent is highly leveraged and has a moderately weak financial position (see above table), it has \$5.49 million in cash flow from operations and \$8.38 million in working capital. Cash flows represent about 20 percent of the project cost and working capital approximately a third of the project cost. Despite the current debt position of the applicant, the cash flow and working capital to project ratios make the debt financing of this project more likely to occur.

Conclusion:

Funding for this project is likely, but not guaranteed.

Palm Garden of Aventura, LLC (CON #10345):

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.

Below is an analysis of the audited financial statements for Parkwood Properties, Inc. and subsidiaries, its parent company and the entity that is funding the project, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON Action Numbers: 10342 through 10345

Parkwood Properties, Inc. and Subsidiaries		
	Current Year	Previous Year
Current Assets	\$23,286,646	\$39,185,719
Total Assets	\$98,611,295	\$85,927,327
Current Liabilities	\$2,678,722	\$1,578,109
Total Liabilities	\$93,390,787	\$76,125,239
Net Assets	\$5,220,508	\$9,802,088
Total Revenues	\$19,225,037	\$18,796,895
Excess of Revenues Over Expenses	\$6,935,004	\$11,189,032
Cash Flow from Operations	\$8,912,593	\$14,642,113
Short-Term Analysis		
Current Ratio (CA/CL)	8.7	24.8
Cash Flow to Current Liabilities (CFO/CL)	332.72%	927.83%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	1737.6%	760.5%
Total Margin (ER/TR)	36.07%	59.53%
Measure of Available Funding		
Working Capital	\$20,607,924	\$37,607,610

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 \$12,278,408 for capital projects which includes renovations, capital budgets for 2014, 2015 through 2016, as well as the CON currently under review (\$9,768,389). The applicant provided a letter from UBS Financial Services, Inc. showing \$6.8 million available from a revolving credit line. Additionally, the applicant provided letters of interest from Regions Bank, Community & Southern Bank and BBVA Compass to provide financing for the project (all but BBVA have existing or prior lending relationship with the parent). Although not a firm commitment to lend, these letters of interest document a history of lending to the parent organization. Based on the table above, the applicant also has sufficient working capital and operating cash flow to fund the entire capital budget.

The parent has letters of financial commitment to fund or acquire funding on three CONs in this batching cycle (10296, 10332 and 10345). The combined capital projects for these three CONs totals \$35 million. Although leveraged, the parent has strong operating ratios making debt repayment more likely. Funding for all three CONs is likely but not guaranteed.

Conclusion:

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

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

Dade SNF, LLC (CON #10342):

Analysis:

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

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

CON Action Numbers: 10342 through 10345

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	14,990,032	374	594	376	260
Total Expenses	14,952,175	373	575	368	273
Operating Income	37,857	1	112	9	-64
Operating Margin	0.25%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	40,070	91%	99.58%	92.71%	75.37%
Medicaid/MDCD HMO	17,530	44%	50.02%	41.97%	29.95%
Medicare	20,350	51%	61.01%	35.64%	3.48%

Staffing:

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

The projected NRPD, CPD and profitability all fall within the group range and are therefore considered reasonable. The profitability projected is small and it may take longer to achieve profitability if the projected cost do not include adequate nurse staffing.

Conclusion:

This project appears to be financially feasible.

Florida Medical Systems, LLC (CON #10343):

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

CON Action Numbers: 10342 through 10345

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	22,854,821	414	487	423	231
Total Expenses	21,563,600	391	483	419	316
Operating Income	1,291,221	23	28	-29	-106
Operating Margin	5.65%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	55,157	89.95%	89.36%	80.65%	68.68%
Medicaid/MDCD HMO	13,789	25.00%	35.93%	30.87%	11.87%
Medicare	30,337	55.00%	58.06%	40.45%	12.36%

Staffing:

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

Mandarin Gardens Rehabilitation Center LLC (CON #10344):

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

CON Action Numbers: 10342 through 10345

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. 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	13,128,043	326	612	387	268
Total Expenses	12,499,636	310	593	379	282
Operating Income	628,407	16	112	9	-64
Operating Margin	4.79%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	40,297	92.00%	99.58%	92.71%	75.37%
Medicaid/MDCD HMO	16,119	40.00%	50.02%	41.97%	29.95%
Medicare	16,118	40.00%	61.01%	35.64%	3.48%

Staffing:

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

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

Conclusion:

This project appears to be financially feasible.

Palm Garden of Aventura, LLC (CON #10345):

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	23,185,143	397	492	382	296
Total Expenses	20,289,527	347	488	373	310
Operating Income	2,895,616	50	29	10	-29
Operating Margin	12.49%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	58,400	95%	99.48%	88.96%	62.35%
Medicaid/MDCD HMO	25,550	44%	50.03%	45.97%	30.87%
Medicare	26,280	45%	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 meets this requirement.

The projections for NRPD and CPD are within the range and appear reasonable. The margin per patient is well above the highest value. Given that both revenue and cost are within a reasonable range in the

group, profitability is considered achievable but likely at a lower rate than projected. It should be noted that there appears to be a mathematical error of about \$50,000 on the revenue schedule. The error is not material to the above analysis and we elected to use the applicant's numbers from Schedule 8 and not Schedule 7.

Conclusion:

The project appears reasonably profitable.

- 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.**

Dade SNF, LLC (CON #10342): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of

CON Action Numbers: 10342 through 10345

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.

Florida Medical Systems, LLC (CON #10343): 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.

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

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

Mandarin Gardens Rehabilitation Center LLC (CON #10344): 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

CON Action Numbers: 10342 through 10345

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.

Palm Garden of Aventura, LLC (CON #10345) states that it 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.

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

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

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

CON Action Numbers: 10342 through 10345

**Historical Provision of Medicaid by Subdistrict, District and State
Three Years Ending June 30, 2014
Medicaid Patient Days and Occupancy Rates**

	Medicaid Patient Days		
	7/11 - 6/12	7/12 - 6/13	7/13 - 6/14
Subdistrict 11-1	1,694,268	1,731,756	1,792,054
District 11	1,709,272	1,756,892	1,824,185
Florida	15,726,251	15,676,855	15,837,261
	Medicaid Occupancy		
	7/11 - 6/12	7/12 - 6/13	7/13 - 6/14
Subdistrict 11-1	64.24%	64.61%	66.10%
District 11	64.05%	64.49%	66.06%
Florida	61.96%	61.58%	62.05%

Source: Florida Nursing Home Utilization by District and Subdistrict, October 2014 Batching Cycle

Dade SNF, LLC (CON #10342) asserts that it is a newly created entity and does not hold a license for a nursing facility.

Dade SNF states that utilization data from the Agency’s FNP back-up reports for the aforementioned Consulate Florida 13 are presented as Attachment 5 and a summary of the data regarding occupancy rates for total patients and Medicaid patients is shown as Exhibit 8 of CON application #10342. The reviewer confirms this data in the Agency’s *Florida Nursing Home Bed Need Projections by District and Subdistrict* publications for the October 2012, 2013 and 2014 Batching Cycles. However, the applicant includes annual change columns that cannot be confirmed by the reviewer.

The applicant summarizes the major observations of these data:

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

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

CON Action Numbers: 10342 through 10345

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

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

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

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

Below, Dade SNF provides Schedule 7A to account for patient days and percentages, by payer, for the first two years of proposed operation. The reviewer notes that the percentage provided for the applicant for year two actually totals 99.9 percent.

**Forecasted Patient Days
First Two Years
CON application #10342**

Payer	Year One: Ending 12/31/2017			Year Two: Ending 12/31/2018		
	Admits	Patient Days	Percent of Total Days	Admits	Patient Days	Percent of Total Days
Medicare	*	7,534	34.1%	*	12,320	30.7%
Medicare HMO	*	6,253	28.3%	*	8,030	20.0%
Medicaid HMO	*	7,360	33.3%	*	17,530	43.7%
Self-Pay	*	945	4.3%	*	2,190	5.5%
Total	*	22,092	100.0%	*	40,070	100.0%*

Source: CON application #10342, Schedule 7A

Note: * Not Provided.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 33.3 and 4.3 percent, respectively, of year one and 43.7 percent and 5.5 percent, respectively, of year two annual total patient days.

Florida Medical Systems, LLC (CON #10343) provides an overview of changes to long-term care including the advent of Statewide Medicaid Managed Care (SMMC) plans. In this discussion, FMS includes information on the available plans and services in Region 11.

CON Action Numbers: 10342 through 10345

The applicant provides a table to account for FY 2012-2013 total occupancy, Medicaid days and Medicaid occupancy for the applicant's three affiliate SNFs – Riverside Care Center, Riviera Health Resort and Victoria Nursing & Rehabilitation Center. The reviewer confirms that the stated totals and percentages are consistent with the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict* publications for the October 2013 and October 2014 Batching Cycles. See the table below.

Miami-Dade County Facilities	Beds	Bed Days	Resident Days	Facility Occup.	M'caid Days	M'caid Occup.
Riverside Care Center	120	43,800	43,233	98.7%	37,225	86.1%
Riverside Health Resort	223	81,395	77,163	94.8%	31,210	40.4%
Victoria Nursing & Rehab Center	264	96,360	93,724	97.3%	60,724	64.8%
TOTAL	607	221,555	214,120	96.6%	129,159	60.3%

Source: CON application #10343, page 3-10, Table 3-3

FMS states that all 168 beds at the proposed facility will be Medicare and Medicaid certified. The reviewer compiled the following table for admissions, patient days and percentages, by payer, for the first two years of proposed operation.

**Forecasted Patient Days
First Two Years
CON application #10343**

Payer	Year One: Ending 6/30/2018			Year Two: Ending 6/30/2019		
	Admits	Patient Days	Percent of Total Days	Admits	Patient Days	Percent of Total Days
Medicare	347	6,924	22.0%	607	12,135	22.0%
Medicare HMO	578	10,386	33.0%	1,012	18,202	33.0%
Medicaid Managed Care	22	7,868	25.0%	38	13,789	25.0%
Self-Pay	105	6,295	20.0%	184	11,031	20.0%
Total	1,052	31,473	100.0%	1,841	55,157	100.0%

Source: CON application #10343, Schedule 7A

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 25.0 and 20.0 percent, respectively, of year one and year two annual total patient days.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) indicates that it is a new provider without operating history. The reviewer compiled the following table from Schedule 7 to account for admits, patient days and percentages, by payer, for the first two years of proposed operation.

CON Action Numbers: 10342 through 10345

**Forecasted Patient Days
First Two Years
CON application #10344**

Payer	Year One			Year Two		
	Admits	Patient Days	Percent of Total Days	Admits	Patient Days	Percent of Total Days
Medicare	238.99	5,019	25.0%	479.71	10,074	25.0%
Medicare HMO	143.39	3,011	15.0%	287.83	6,044	15.0%
Medicaid	22.31	2,008	10.0%	44.77	4,030	10.0%
Medicaid HMO	66.92	6,023	30.0%	134.32	12,098	30.0%
Commercial Insurance	60.19	2,008	10.0%	100.74	4,030	10.0%
Self-Pay	33.46	2,008	10.0%	67.16	4,030	10.0%
Total	555	20,075	100.0%	1,115	40,296	100.0%

Source: CON application #10344, Schedule 7A

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 40.0 and 10.0 percent, respectively, of year one and year two annual total patient days.

Palm Garden of Aventura, LLC (CON #10345) states it has a history of providing health services to Medicaid patients and proposes to continue doing so. The applicant states that on average, approximately 46 percent of the (existing) facility's residents on a given day are Medicaid patients (stating higher if Medicaid pending or Medicaid hospice patients are included). The applicant reiterates its proposed condition to serve a minimum of 32.51 percent of the proposed 168-bed facility (120 existing beds and adding 48 beds through the proposed project) total annual patient days to Medicaid patients.

The reviewer compiled the following table from Schedule 7 to account for admits, patient days and percentages, by payer, for the first two years of proposed operation for the total facility, 168 beds. The reviewer notes that the percentage provided by the applicant totals 100.1 percent for year two.

**Forecasted Patient Days
First Two Years (Total Facility Beds of 168)
CON application #10345**

Payer	Year One: Ending 3/31/2018			Year Two: Ending 3/31/2019		
	Admits	Patient Days	Percent of Total Days	Admits	Patient Days	Percent of Total Days
Medicare	672	22,440	42.1%	787	26,280	45.0
Medicaid	105	24,697	46.4%	108	25,550	43.8
Managed Care	96	2,768	5.2%	102	2,920	5.0
Self-Pay	17	3,375	6.3%	18	3,650	6.3
Total	890	53,280	100.0%	1,015	58,400	100.0

Source: CON application #10345, Schedule 7A

CON Action Numbers: 10342 through 10345

The reviewer notes that Palm Garden of Aventura currently holds CON application #2599, which is conditioned to a minimum of 32.51 percent of total annual patient days to Medicaid for the existing 120-bed facility-- from CY 2004 through 2013, PGA has met its Medicaid condition.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 46.4 percent and 6.3 percent, respectively, of year one and 43.8 percent and 6.3 percent of year two annual total patient days.

F. SUMMARY

Dade SNF, LLC (CON #10342), an affiliate of Consulate Healthcare, proposes to establish a new 120-bed community nursing home in Subdistrict 11-1, Miami-Dade County.

Consulate Healthcare operates 76 SNFs in Florida.

The project involves 79,407 GSF of new construction. The construction cost is \$10,956,479. Total project cost is \$20,083,560. Project cost includes land, building, equipment, project development and financing costs.

The applicant includes 12 conditions on its Schedule C

Florida Medical Systems, LLC (CON #10343), with Richard Stacey as the principal, proposes to establish a new 168-bed community nursing home in Subdistrict 11-1, Miami-Dade County.

The application indicates three SNFs in Florida that share common ownership with the principal.

The project involves 132,905 GSF of new construction. The construction cost is \$21,250,000. Total project cost is \$30,276,183. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes one condition on its Schedule C.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344), a subsidiary of statutory teaching hospital LCH, the parent, proposes to establish a new 120-bed community nursing home in Subdistrict 11-1, Miami-Dade County. The proposed project location is 10 miles south of LCH's South Miami Campus which is also to house the Larkin Health Sciences Institute in the Naranja Lakes area.

CON Action Numbers: 10342 through 10345

The project involves 79,475 GSF of new construction. The construction cost is \$17,908,000. Total project cost is \$26,377,045. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes three conditions on its Schedule C.

Palm Garden of Aventura, LLC (CON #10345), owned by FCC and parented by Parkwood, proposes to add 48 beds to the existing 120-bed Palm Garden of Aventura at 2125 E Dixie Highway, North Miami Beach, Florida 33180, in Subdistrict 11-1, Miami-Dade County.

The applicant's immediate operating entity, Palm Garden Healthcare Holdings, Inc., maintains 13 SNFs in Florida.

The project involves 28,050 GSF of new construction and 9,400 GSF of renovation (37,450 total GSF of project). The construction cost is \$5,038,173 and the renovation cost is \$163,42 (\$6,574,323 in total construction cost). Total project cost is \$9,768,389. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes nine 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 168 community nursing home beds was published for Subdistrict 11-1 for the July 2017 Planning Horizon.

As of November 19, 2014, Subdistrict 11-1 had 8,432 licensed and 24 approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 11-1 experienced 88.08 percent utilization (total occupancy) at 54 existing community nursing homes.

Dade SNF, LLC (CON #10342) indicates that the proposed project location has not been finalized but that the stated goal is to select a location that is proximate to acute care hospitals in the area that are major sources of referrals and patient admissions. The applicant also states that concomitantly, the site process will also be sensitive to the geographic accessibility needs of patients and families who prefer relatively short travel times to SNFs.

CON Action Numbers: 10342 through 10345

Dade SNF, LLC indicates there are three significant factors underlying the fixed need pool projection:

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

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

Dade SNF, ALOS by Payer

Payer	ALOS in Days
Medicare	32.3
Managed Care: Commercial, Managed Medicare and Managed Medicaid	20
Private	49
Medicaid	284

Source: CON application #10342, page 27

Florida Medical Systems, LLC (CON #10343) believes its proposed project offers the most benefit to the planning area by:

- Creating a facility sized to achieve economies of scale
- Hands-on owner/manager, local to the area enables the facility to
 - quickly address issues that arise for continuous quality improvement
 - maintain relationships with physicians, discharge planners and other health service providers
 - have knowledge of the service area to adapt to changing needs
- Provider quality-affiliate facilities all have 5-star ratings
- Existing relationships with discharge planners and area providers
- Will provide high intensity services such as respiratory ventilator care, tracheotomy care and rehabilitation services

CON Action Numbers: 10342 through 10345

- Location to improve access
 - Located in a high growth area
 - Large concentration of seniors
 - Fewer nursing home beds in proportion to the elderly population
- Creates jobs
 - The facility will be a training site to area colleges and universities for physicians, nurses and therapists

The applicant indicates that the proposed location, ZIP code 33178, has no skilled nursing homes and that the population of Doral has the third fastest growth rate (15.7 percent since the 2010 census) of all municipalities within Miami-Dade County.

FMS states that the proposed facility has conditioned approval of the propose project on establishing a 12-bed ventilator unit that will be modeled after an affiliated facility's program. The reviewer notes that the applicant provides 4.3 FTEs in year one and 5.2 FTEs in year two for respiratory therapists as well as allocating \$29.67 per patient day (\$933,700) in respiratory therapy costs in year one and \$18.51 per patient day (\$1,015,600) in year two.

The applicant's Schedule 7 indicates that the ALOS will be 29.92 in year one and 29.96 in year two.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) points out that its parent entity, LCH is Agency licensed, accredited by The Joint Commission and is the only hospital in Miami-Dade County with an Area of Critical Need designation by the Florida Board of Medicine. Further, the planned project location (Naranja Lakes) has been a Target Employment Area (TEA) by the Florida Department of Economic Opportunity.

The applicant indicates that as part of its relationship with LCH, the proposed facility will serve as a medical education teaching site. The applicant notes that it can be a challenge to find an appropriate setting to educate aspiring medical professionals about geriatric medicine—having a hand-on experience with the patient population will expose students to the full continuum of care. MGRC asserts that the following LCH Residency Programs in particular are poised to benefit by MRGC:

- Orthopedic Surgery
- Physical Medicine and Rehabilitation
- Neurology
- Dermatology

CON Action Numbers: 10342 through 10345

MGRC notes the following quantitative and qualitative factors that provide competitive advantage for approval of the proposed facility:

- MGRC's relationship with LCH
- MGRC's relationship with LCH's medical education programs
- MGRC's location is part of a broader medical campus
- MGRC's specialized high acuity sub-acute programs
- The project will enhance the economy
- The proposed site location improves bed access and availability
- Proposed service area elderly population growth supports site location

The applicant estimates based on PEPPER data for 2013 that an ALOS of around 20.1 days is expected. The reviewer notes that the applicant's Schedule 7 shows an ALOS of 36.17 days for year one and 36.13 for year two of operations.

Palm Garden of Aventura, LLC (CON #10345) proposes to add 48 beds to the existing facility at 2125 E. Dixie Highway, North Miami Beach, Florida 33180.

The applicant indicates that the application should be approved for the following reasons:

- PGA is located in Aventura—an area that has a large population of persons age 65+ compared to surrounding communities and Miami-Dade County as a whole thereby more likely to need the services of a SNF
- Aventura is more densely populated than surrounding communities or Miami-Dade County as a whole, indicating a need for higher concentration of community nursing beds
- PGA is located only four-tenths of a mile from Aventura Hospital which discharges a high volume of patients requiring SNF services—far more patients than PGA can currently accept. The proposed addition would enable the existing facility to accept more patients and enable those patients and their families to remain in their home community.
- PGA is committed to adding private rooms and making the required additional investment to construct them—improving patient satisfaction and clinical outcomes
- PGA is committed to investing in state-of-the-art therapy facilities, equipment, staffing and clinical programs to address the needs of patients for short-term rehabilitation services will enable them to return home
- PGA's proposed addition has strong physician, hospital system and community support

CON Action Numbers: 10342 through 10345

- PGA is committed to providing life enrichment programs for its residents to address their social and spiritual needs
- PGA has sufficient land available on its current site for the proposed addition
- PGA has a demonstrated commitment to quality clinical services, as evidence by its nursing staffing levels and its history of providing quality care
- The Agency can approve PGA's applications for a 48-bed addition while also approving another applicant for 120 beds in Miami-Dade County
- PGA is committed to its Mission, vision and statement of Core Values

The applicant indicates 30 patient characteristics with a separate ALOS for each. The applicant indicates a shortest ALOS of three days (BKA-Amputation) to a longest ALOS of 77 days (Dysphagia). PGA notes that cardiac is the single most common patient type (17.27 percent) and has an ALOS of 29 days. The reviewer notes that the applicant's Schedule 7 shows an ALOS of 59.87 days for year one and 57.54 for year two of operations for the entire 168-bed facility.

Quality of Care:

Each of the four applicants described their ability to provide quality care.

Dade SNF, LLC (CON #10342): The applicant's controlling interest had 411 substantiated complaints at its 76 Florida SNFs during November 19, 2011 to November 19, 2014.

Florida Medical Systems, LLC (CON #10343): The applicant's controlling interest had three substantiated complaints at its three Florida SNFs during November 19, 2011 to November 19, 2014.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344): Agency records indicate that the applicant is a new entity and does not have any operational history for SNF quality of care.

Palm Garden of Aventura, LLC (CON #10345): The most recent Agency inspection indicates that Palm Garden of Aventura received an overall two star rating out of a possible five stars.

PGA had one substantiated complaint during November 19, 2011 to November 19, 2014.

CON Action Numbers: 10342 through 10345

The applicant's controlling interest had 39 substantiated complaints at 13 of its 14 Florida SNFs during November 19, 2011 to November 19, 2014.

Financial Feasibility/Availability of Funds:

Dade SNF, LLC (CON #10342): Funding for this project is not guaranteed but appears likely. Based on the information provided in Schedule 6, the applicant's projected staffing meets this requirement in the first year but is insufficient in the second year licensed nursing staff. 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.

Florida Medical Systems, LLC (CON #10343): Funding for this project is in question. Based on the information provided in Schedule 6, the applicant's projected staffing meets this 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.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344): Funding for this project is likely, but not guaranteed. Based on the information provided in Schedule 6, the applicant's projected staffing meets this 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.

Palm Garden of Aventura, LLC (CON #10345): Funding for this project and the applicant's entire capital budget should be available as needed. Based on the information provided in Schedule 6, the applicant meets this requirement. The project appears reasonably profitable.

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

Medicaid/Charity Care:

Dade SNF, LLC (CON #10342) proposes to condition project approval to maintain a combination of least 33 percent the first year and 43 percent annually thereafter, of total patient days to patients who are reimbursed under traditional Medicaid, Managed Medicaid or Long-Term Medicaid or uncompensated care for the 120-bed proposed project.

CON Action Numbers: 10342 through 10345

The applicant's Schedule 7 indicates that Medicaid HMO and self-pay represent 33.3 and 4.3 percent, respectively, of year one and 43.7 percent and 5.5 percent, respectively, of year two annual total patient days.

Florida Medical Systems, LLC (CON #10343) 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 25.0 and 20.0 percent, respectively, of year one and year two annual total patient days.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid/Medicaid HMO and self-pay represent 40.0 percent and 10.0 percent, respectively, of year one and year two (each) for annual total patient days.

Palm Garden of Aventura, LLC (CON #10345) proposes to condition project approval to maintain a minimum of 32.51 percent of the 168-bed facility's total annual patient days shall be provide to Medicaid patients. Palm Garden of Aventura currently holds CON application #2599, which is conditioned to a minimum of 32.51 percent of total annual patient days to Medicaid for the existing 120-bed facility. The reviewer notes that the entity has met its Medicaid condition.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 46.4 and 6.3 percent, respectively, of year one and 43.8 percent and 6.3 percent, respectively, of year two annual total patient days.

Architectural:

Dade SNF, LLC (CON #10342): The cost estimate for the proposed project and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

CON Action Numbers: 10342 through 10345

Florida Medical Systems, LLC (CON #10343): The cost estimate for the proposed project 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.

Mandarin Gardens Rehabilitation Center, LLC (CON #10344): The cost estimate for the proposed project 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.

Palm Garden of Aventura, LLC (CON #10345): The cost estimate for the proposed project 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 #10343 to establish a 168-bed community nursing home in District 11, Subdistrict 1, Miami-Dade County. The total project cost is \$30,276,183. The project involves 132,905 GSF of new construction and a construction cost of \$21,250,000.

CONDITION:

- Establishing a 12-bed ventilator unit

Deny CON #10342, CON #10344 and CON #10345.

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