

STATE AGENCY ACTION REPORT

CON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number:

East Florida-DMC, Inc./CON #10394

450 East Las Olas Blvd., Suite 1100
Fort Lauderdale, Florida 33301

Authorized Representative: Mr. Russell Young
Chief Financial Officer
(954) 767-5758

**The Public Health Trust of Miami-Dade County, Florida d/b/a
Jackson Hospital West/CON #10395**

1611 NW 12th Avenue
Miami, Florida 33136

Authorized Representative Mr. Carlos A. Migoya
President and Chief Financial Officer
(305) 585-1111

2. Service District/Subdistrict

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

B. PUBLIC HEARING

A public hearing was not held or requested on the co-batched applicants' proposed projects.

Letters of Support

East Florida-DMC, Inc. (CON application #10394) submitted over 1,000 unduplicated letters of support. The majority of the letters received were form letters endorsing the proposed project. The letters were composed by community members, local healthcare staff and faculty as well as Miami-Dade County school board members. Numerous physicians, nurses and specialists expressed their support for the

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proposed project. Letters of support were signed by community members and local business owners. Several support letters were drafted by elected local and state officials. The letters received from local and state officials and other advocates included:

- Susie V. Castillo, School Board Member, District 5
- Lawrence S. Feldman Ph.D., Vice Chair, School Board of Miami-Dade
- Jose Felix Diaz, State Representative, District 116
- Jonah Wolfson, Commissioner, Miami-Dade County
- Kathye Sunsnjer, Executive Director, Key Biscayne Chamber of Commerce
- Juan C. Zapata, Commissioner, District 11
- Anitere Flores, State Senator, District 37
- Carlos Trujillo, Representative, District 105
- Chris Paterson, President/CEO, Sunshine Health
- Juan Carlos Bermudez, Former Mayor, City of Doral

The main points expressed in these letters of support are as follows:

- In recent years the city of Doral has become one of the fastest growing municipalities in the United States. Doral will greatly benefit from an acute care community hospital with an Emergency Department and inpatient services.
- HCA will not burden the tax payers of Doral, but serve as a source of employment and tax revenue for the residents of the area.
- East Florida-DMC, Inc. is the best applicant to meet the needs of Doral residents.
- HCA's proposed hospital location in the midst of the residential hub of Doral, within a couple of blocks of the Ronald Reagan Turnpike, will serve as a central location for all of Doral residents.
- Having the experience in expanding and building hospitals that have provided tax dollars to the community, HCA is the right choice to build a hospital in our community.
- Given Doral's current population, projected growth, isolation from the rest of the county and lack of local healthcare options—the area needs its own community hospital and East Florida-DMC is the best applicant to meet the needs of the community.
- East Florida-DMC, Inc.'s, proposed project addresses the needs of Doral residents.
- HCA has extensive experience in developing new community hospitals from the ground up and it makes them the right choice to build one in this community as well.
- The addition of a facility of this kind will create employment opportunities for the community while benefiting the patients that live in that area.

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Supporters of the proposed project also included associates for:

- Molina Healthcare
- Miami International Cardiology
- Mercy Hospital
- Florida Heart and Vascular Care
- Kendal Surgical/Orthopedic Specialist
- Miami OB-GYN, LLC
- United Homecare
- Aventura Hematology and Oncology

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) submitted over 600 unduplicated letters of support, many were form letters of support. The proposed project received numerous letters from state and local officials, including State Senators, State Representatives, County Commissioners and Mayors. The letters received from local and state officials included:

- Miguel Diaz de la Portilla, State Senator, District 40
- Barbara J. Jordan, Commissioner, District 1
- Eduardo Muhina, Mayor, City of West Miami
- Edward A. Rojas, Doral City Manager
- Pete Cabrera, Councilman, City of Doral
- Esteban Bovo Jr., Commissioner, District 13
- Orlando Lopez, City of Sweetwater Mayor
- Jose “Pepe” Diaz, Commissioner, District 12
- Audrey M. Edmonson, Commissioner, District 3
- Rebeca Sosa, Commissioner, District 6
- Gwen Margolis, State Senator, 35th District
- Dennis C. Moss, Commissioner, District 9
- Xavier L. Suarez, Commissioner, District 7

The main points expressed in letters are as follows:

- West Miami-Dade is amongst the fastest growing portions of the county and as identified by Jackson Health System an area where easily accessible healthcare is lacking.
- The approval of a 100-bed hospital would complement Jackson Hospital West’s construction of a freestanding emergency department (ED), ambulatory surgical center, medical office and diagnostic services building within the community and complete the campus.
- Doral’s lack of medical providers and physician’s offices creates a challenge due to traffic conditions.
- Jackson Health System, combined with University of Miami (UM) Physicians and specialists, provide a highly sought level of service that will be of significant benefit.
- Jackson Health System embraces the needs of the entire community.

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- The multi-purpose medical facility will be centrally located near major transportation corridors, mixed-use developments and a regional employment center hosting an estimated 150,000 people daily.
- The proposed medical facility, which includes pediatric and other medical services, is an essential facility that the city does not have within its geographical boundaries.
- The proposed facility would bring desperately needed quality healthcare to working families.
- Residents need and deserve a modest, inpatient treatment facility where they can access Jackson Memorial's exceptional healthcare.
- The availability of more affordable housing in western Miami-Dade County has attracted young families and an elderly population who require more extensive medical care. Limited accessibility to transportation often isolates those elderly residents from the quality medical services and current standards of excellence offered by Jackson Health System at its other locations.

Jackson Health System also received numerous letters of support from physicians, community residents, local business owners and employers as well as community organizations and Jackson Health System employees.

C. PROJECT SUMMARY

East Florida-DMC, Inc. (CON application #10394), which will be referred to as DMC or the applicant, proposes to establish an 80-bed acute care hospital in Miami-Dade County, Florida, District 11/Subdistrict 11-1. The proposed hospital will be located in the southwestern region of Doral, which the applicant states will be accessible to the City of Doral and suburban areas of the county, including Sweetwater, Fontainebleau, Miami Springs, and others.

The applicant indicates that the proposed hospital will be located in ZIP Code 33126 and will serve the growing population of Doral, along with residential areas to the north and south of Doral. The reviewer notes that the applicant states on page 45 of CON application #10394 that the facility will be located in ZIP Code 33178. The applicant states that the proposed project will be located on NW 14th Street between NW 109th Avenue to the east and NW 112 Avenue to the west in the heart of Doral. The applicant provides an aerial map of the proposed location on page six of CON application #10394.

DMC states that the new facility will have a complement of 80 licensed acute care beds including 72 medical/surgical and eight obstetrics (OB) beds. The applicant notes that the proposed acute care hospital will be

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privately owned by DMC (a division of HCA East Florida) and will be fully accredited by The Joint Commission as well as licensed by the State of Florida. The applicant asserts that no public funds will be utilized in construction of the hospital. DMC indicates that it will offer a full range of non-tertiary services, including emergency, imaging, surgery intensive care, cardiac catheterization, women's services (including an obstetrics unit) and pediatric care.

The applicant proposed two conditions to CON approval on the application's Schedule C:

- East Florida-DMC, Inc.'s new hospital will be located in the City of Doral on NW 41st Street between NW109th Avenue to the east and NW 112th Avenue to the West
- East Florida-DMC, Inc., commits to provide a minimum of 4.0 percent of its patient days to patients covered by Medicaid/Medicaid managed care or who meet the criteria for charity care, combined, to be measured by total inpatient-patient days reported annually to AHCA

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) also referenced to as Jackson West, JHW or the applicant, an affiliate of Jackson Health Systems (JHS), proposes to establish a 100-bed acute care hospital in Miami-Dade County, Florida, District 11/ Subdistrict 11-1. The proposed hospital will be established on the Jackson West Campus--an ambulatory campus that is currently under development in the Doral area of western Miami-Dade County. The proposed 100-bed community hospital will include a mix of general medical/surgical beds, intensive care and general obstetrics.

The applicant indicates that 100 acute care beds will be transferred from Jackson Memorial Hospital, the 1,498-bed flagship hospital of JHS. Upon approval of this project, Jackson Memorial Hospital will transfer 100 beds to JHW, resulting in no change in the inventory of licensed beds within JHS or in Miami-Dade County. JHW indicates that the proposed project will result in increased efficiency of operation of existing Miami-Dade bed capacities as well as increase access to community hospital services for residents of western Miami. The applicant states the proposed project service area will include Doral, Tamiami and University Park communities.

The applicant proposed five conditions to CON approval on the applicant's Schedule C:

- The applicant will build the proposed 100-bed hospital at the site specified in the application. The site address is:
7800 NW 29th Street
Miami, Florida 33122

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- The applicant will transfer 100 beds from Jackson Memorial Hospital to Jackson Hospital West. The total licensed beds in the Jackson Health System and the market will remain the same.
- The applicant will build the Jackson West campus including outpatient lab and radiology, and ambulatory surgery.
- Jackson Health System, including Jackson Hospital West, will provide high level of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically, the applicant will:
 - Provide care to patients classified as Non-pay in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges.
 - Provide care to patients classified as Medicaid in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 22 percent of discharges.
- The applicant will participate in and develop numerous programs/ activities aimed at improving the overall health and wellness of the West Miami-Dade community. The outreach activities will include education workshops, health screenings, sponsorship of community wellness activities, and other programs to be determined as dictated by community needs. Specifically:
 - To ensure improved access, the applicant will provide an additional point of access to the Jackson Prime program. The purpose of Jackson Prime is to identify and improve access to underserved and uninsured populations.
 - The applicant will partner with local service area employers to conduct free/discounted health screenings on a quarterly basis.
 - The applicant will sponsor quarterly healthy activities including fun-runs, races and memory walks that occur in the community and will provide specific education related to health and wellness including diabetes, heart disease, weight loss and fitness at the event.
 - The applicant will offer monthly healthy lifestyle workshops and educational seminars on the facility campus (nutrition/cooking classes, smoking cessation, classes for expectant mothers, new parents/siblings, etc.).

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in sections 408.035 and 408.037, 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 (subdistrict), 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; however, two exceptions exist regarding receipt of information concerning general hospital applications. Pursuant to Section 408.039(3)(c), Florida Statutes, an existing hospital may submit a written statement of opposition within 21 days after the general hospital application is deemed complete and is available to the public. Pursuant to Section 408.039(3)(d), in those cases where a written statement of opposition has been timely filed regarding a certificate of need application for a general hospital, the applicant for the general hospital may submit a written response to the Agency within 10 days of the written statement due date.

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, Dwight Aldridge analyzed the application in its entirety.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

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1. Statutory Review Criteria

For a general hospital, the Agency shall consider only the criteria specified in ss. 408.035 (1)(a), (1)(b), except for quality of care, and (1)(e), (g), and (i) Florida Statutes. ss. 408.035(2), Florida Statutes.

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

The existence of unmet need is not determined solely on the absence of a health service, healthcare facility or beds in the district, subdistrict, region or proposed service area. The reviewer composed the following table to show the utilization of existing facilities in the subdistrict for calendar year (CY) 2014. See the table below.

| Acute Care Hospital Utilization District 11/Subdistrict 1 CY 2014 | | | | |
|--|---------------|-------------------|---------------------|--------------------|
| Hospital/County | Beds | Bed Days | Patient Days | Utilization |
| Anne Bates Leach Eye Hospital | 100 | 36,500 | 267 | 0.73% |
| Aventura Hospital & Medical Center | 351 | 128,115 | 101,129 | 78.94% |
| Baptist Hospital of Miami | 669 | 231,081 | 167,543 | 72.50% |
| Coral Gables Hospital | 245 | 89,425 | 33,163 | 37.08% |
| Doctors Hospital | 281 | 102,565 | 30,552 | 29.79% |
| Douglas Gardens Hospital | 32 | 11,680 | 2,287 | 19.58% |
| Hialeah Hospital | 368 | 134,320 | 50,568 | 37.65% |
| Homestead Hospital | 142 | 51,830 | 32,011 | 61.76% |
| Jackson Memorial Hospital | 325 | 384,345 | 219,325 | 57.06% |
| Jackson North Medical Center | 198 | 118,625 | 46,590 | 39.28% |
| Jackson South Community Hospital | 381 | 72,270 | 24,441 | 33.82% |
| Kendall Regional Medical Center | 100 | 138,303 | 97,548 | 70.53% |
| Larkin Community Hospital | 100 | 36,500 | 18,553 | 50.83% |
| Mercy Hospital A Campus of Plantation General Hospital | 420 | 152,880 | 66,798 | 43.69% |
| Metropolitan Hospital of Miami | 146 | 53,290 | 0 | 0.00% |
| Mount Sinai Medical Center | 502 | 183,230 | 102,292 | 55.83% |
| Nicklaus Children's Hospital | 218 | 79,570 | 43,632 | 54.83% |
| North Shore Medical Center | 299 | 109,135 | 55,146 | 50.53% |
| Palm Springs General Hospital | 247 | 90,155 | 28,826 | 31.97% |
| Palmetto General Hospital | 297 | 108,405 | 84,790 | 78.22% |
| South Miami Hospital | 403 | 146,692 | 64,363 | 43.88% |
| University of Miami Hospital | 456 | 166,440 | 102,583 | 61.63% |
| University of Miami Hospital & Clinics | 40 | 14,600 | 11,704 | 80.27% |
| West Kendall Baptist Hospital | 133 | 48,545 | 29,259 | 60.27% |
| Westchester General Hospital | 98 | 35,770 | 17,370 | 48.56% |
| Subdistrict 1 Total | 7,504 | 2,724,271 | 1,430,740 | 52.52% |
| District 11 Total | 7,661 | 2,781,576 | 1,449,375 | 52.11% |
| Statewide | 50,946 | 18,574,725 | 10,467,204 | 56.35% |

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As of July 17, 2015, District 11/Subdistrict 11-1 had a total of 7,487 licensed acute care beds. District 11/Subdistrict 11-1's acute care beds averaged 52.52 percent occupancy during calendar year (CY) 2014.

East Florida-DMC, Inc. (CON application #10394) is an affiliate of Hospital Corporation of America (HCA). The applicant asserts that HCA is the largest provider of acute care hospital services in the world, operating three acute care hospitals in Miami-Dade County—Aventura Hospital and Medical Center, Kendall Regional Medical Center and Mercy Hospital. The applicant notes that HCA has 46 affiliated hospitals, 31 affiliated ambulatory surgery centers and employs over 45,000 employees including 300 physicians at its Florida facilities.

DMC maintains that HCA currently operates multiple hospitals in Florida and has ample experience in developing new facilities—both in Florida and nationally. The applicant states that HCA is committed to the care and improvement to human life and strives to deliver high quality and cost-effective healthcare in the communities it serves. The applicant indicates that at HCA, patients are put first with a commitment to constantly improve the care it gives them by implementing measures that support caregivers, help ensure patient safety and provide the highest possible quality. DMC notes that Nashville-based HCA was one of the nation's first hospital companies and at present is the nation's leading provider of healthcare services. The applicant states that HCA is a company comprised of locally managed facilities including: 166 hospitals, 113 freestanding surgery centers and employing approximately 225,000 people. DMC states that HCA provides approximately four to five percent of all inpatient care delivered in the country today in HCA facilities.

The applicant states that the proposed hospital will operate as part of HCA's East Florida Division (EFD) and will address the needs of the proposed service area by placing an acute care hospital in the City of Doral. DMC notes that EFD is comprised of 14 hospitals, 12 surgery centers, six diagnostic imaging centers and a regional laboratory--along with other related services.

The applicant notes that in 2014 EFD treated 1,236,336 patients with 207,250 hospital admissions and 716,694 emergency room visits. The applicant indicates that EFD provided \$291,643,000 in charity and uncompensated care, serving 268,139 Medicaid patients and 163,240 uninsured patients during the same time period. DMC states that EFD has 16,528 employees and has over 6,350 physicians on staff—having a significant economic impact on the areas it serves with a total economic impact of \$2,248,378 (including taxes, salaries, and payments to local vendors) in CY 2014. A description of programs, awards and initiatives

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can be found on pages 36-39 of CON application #10394. Below the applicant notes awards and certifications from its Miami-Dade County acute care hospitals:

Kendall Regional Medical Center

- Eight-time winner of the Truven Health Analytic 100 Top Hospitals National Benchmark Award
- Gold Seal of Approval from The Joint Commission
- Get With The Guidelines-Stroke Gold-Plus Quality Achievement Award by the American Heart Association/American Stroke Association
- Primary Stroke Center certified by The Joint Commission
- Accredited Chest Pain Center (CPC) with Percutaneous Coronary Intervention (PCI) by the Society of Chest Pain Centers
- Designated an Aetna Institutes of Quality Orthopedic Care Facility for total joint replacement surgery

Mercy Hospital

- Recipient of the American Nurses Credentialing Center's (ANCC) prestigious Magnet performer on key quality measures by The Joint Commission
- Comprehensive Stroke Center by the State Agency for Health Care Administration
- Accredited by the American College of Surgeons' Commission on Cancer
- Accredited by the American College of Radiology in the following modalities: MRI, mammography, PET/CTCAT scan, ultrasound, nuclear medicine

Aventura Hospital & Medical Center

- Primary Stroke Center certified by The Joint Commission
- Comprehensive Stroke Center by the State Agency for Health Care Administration, making it one of only three centers in Miami-Dade County
- Awarded accreditation by the American College of Surgeons Commission on Cancer as an approved "Community Hospital Comprehensive Cancer Program
- Accredited CPC with PC) by the Society of Chest Pain Centers
- American Diabetes Association recognized our program educational services as meeting the National Standards for Diabetes Self-Management

DMC indicates that in 2014, EFD's Miami-Dade facilities served 340,033 patients with 65,895 hospital admissions and 205,024 emergency room visits--providing \$85,602,000 in charity and uncompensated care. DMC indicates that the proposed project will have its own management team

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although it will initially receive development, training and operational assistance from EFD. The applicant notes that the following will be provided by EFD:

- Ongoing management assistance
- A variety of services including group purchasing
- Managed care support and negotiation
- Patient accounting/billing services
- Quality assurance
- IT support
- Aid in employee recruitment and retention

DMC indicates that the new facility will have a bed complement of 80 licensed acute care beds including 72 medical/surgical and eight OB beds. The applicant asserts that the proposed provision of these services on a system-wide basis will enhance efficiency and cost-effectiveness of the proposed hospital. DMC indicates that EFD's experience and expertise, as well as its relationships in the community, will play a critical role in the development of the proposed Doral hospital.

The applicant indicates that HCA has identified a parcel in southwestern Doral for the proposed new 80-bed hospital. DMC maintains that the proposed hospital will focus on serving the growing population of Doral, the applicant does expect that the proposed facility will also serve residents living in ZIP Codes to the south of Doral and living to the north of Doral.

DMC asserts that there is need for the proposed project because of the tremendous growth and increased popularity of the City of Doral in the past 20 years coupled with the City of Doral's geographic isolation from the rest of Miami-Dade County. The applicant maintains that the area is surrounded by warehouses, mineral processing plants, landfills, salvage yards, railroad lines and retention ponds—obstructing and hindering residents from accessing healthcare services available to the north and east of Doral. DMC also notes that there is no hospital to the west of Doral and the Ronald Reagan Turnpike. The applicant states that the principal means of accessing healthcare for these western Miami-Dade County residents is to travel south to hospitals located in population-dense residential areas with high traffic volumes with limited number of roadways available to access outside of the City of Doral.

DMC indicates that Doral continues to experience exponential growth. The applicant maintains that according to the 2013 U.S. Census, the City of Doral had 54,166 residents—approximately 3,611 residents per square mile. DMC notes that Midtown Doral is a four-phase development in which once complete will include a residential tower, charter school, three-acre park, restaurants, retail and office space—estimated completion of phase one will be November 2016.

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The applicant asserts that Doral citizens do not have adequate access to healthcare facilities since their only real choice for hospital acute care and other healthcare services is to drive into more populated areas with crowded traffic conditions to utilize a highly occupied Kendall Regional Medical Center (an HCA affiliate), travel south to Baptist Hospital or east to Westchester General Hospital. DMC contends that residents of Doral have to negotiate the concrete plant, the canal, the industrial complexes, the airport, the railyard and encounter difficult travel and traffic to obtain medical care from these existing facilities. DMC maintains that given the expected growth in the area--a community hospital focused on the residents of Doral and surrounding areas is appropriate and a needed resource.

DMC notes that in 2014, there were 10,678 discharges from the primary service area (PSA) and 45,721 in the secondary service area (SSA) for a total of 56,399 total discharges. The applicant indicates that average length of stay (ALOS) for the PSA was 4.5 and 4.9 for the SSA—or 4.8 for the total service area. DMC states that there were 47,831 patient days in the PSA, 222,146 in the SSA for a total of 269,977 for the service area. The applicant also provided the total average daily census (ADC) for the PSA of 131.0 and 608.6 in the SSA, for a service area total ADC of 739.7. Assuming 75 percent occupancy, the applicant calculates that there is a need for 986 beds based on the 2014 utilization from the service area. DMC provided the chart below to illustrate the ADC for non-tertiary services for the service area for CY 2014.

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**2014 Non-Tertiary Average Daily Census and
Acute Care Beds Required
Proposed Service Area**

| ZIP Code | Discharges | ALOS | Patient Days | ADC |
|----------------------------------|-------------------|-------------|---------------------|--------------|
| 33172 | 2,930 | 4.6 | 13,533 | 37.1 |
| 33178 | 1,726 | 4.2 | 7,186 | 19.7 |
| 33182 | 1,071 | 4.3 | 4,552 | 12.5 |
| 33174 | 3,007 | 4.7 | 14,253 | 39.0 |
| 33184 | 1,944 | 4.3 | 8,307 | 22.8 |
| PSA Subtotal | 10,678 | 4.5 | 47,831 | 131.0 |
| 33194 | 370 | 4.0 | 1,465 | 4.0 |
| 33126 | 4,640 | 4.9 | 22,862 | 62.6 |
| 33144 | 2,981 | 5.1 | 15,111 | 41.4 |
| 33185 | 1,732 | 4.6 | 7,990 | 21.9 |
| 33010 | 6,980 | 5.4 | 37,779 | 103.5 |
| 33012 | 8,495 | 4.9 | 41,658 | 114.1 |
| 33016 | 3,916 | 4.7 | 18,219 | 49.9 |
| 33018 | 3,501 | 4.6 | 16,000 | 43.8 |
| 33165 | 5,809 | 4.6 | 26,861 | 73.6 |
| 33166 | 2,179 | 5.2 | 11,288 | 30.9 |
| 33175 | 5,118 | 4.5 | 22,913 | 62.8 |
| SSA Subtotal | 45,721 | 4.9 | 222,146 | 608.6 |
| Total | 56,399 | 4.8 | 269,977 | 739.7 |
| Bed Need at 75% Occupancy | | | | 986 |

Source: CON application #10394, page 19

DMC presents 2014 OB discharges, ALOS, patient days, and ADC for patients from the proposed service area--1,873 discharges from the PSA and 5,130 in the SSA for a total of 7,003, a 2.7 day ALOS for the entire service area, with 5,114 patient days in the PSA and 13,868 in the SSA for a total of 18,982 patient days and an ADC for the PSA of 14.0 and 38.0 in the SSA totaling 52.0 ADC for the total service area. Assuming 75 percent occupancy, the applicant maintains that there is a need for 69 OB beds based on the 2014 utilization from the service area. See chart below.

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**2014 OB Average Daily Census & Acute Care Beds Required
Proposed Service Area**

| ZIP Code | Discharges | ALOS | Patient Days | ADC |
|----------------------------------|-------------------|-------------|---------------------|-------------|
| 33172 | 511 | 2.8 | 1,435 | 3.9 |
| 33178 | 707 | 2.7 | 1,902 | 5.2 |
| 33182 | 113 | 2.7 | 309 | 0.8 |
| 33174 | 304 | 2.6 | 792 | 2.2 |
| 33184 | 238 | 2.8 | 676 | 1.9 |
| PSA Subtotal | 1,873 | 2.7 | 5,114 | 14.0 |
| 33194 | 81 | 2.9 | 231 | 0.6 |
| 33126 | 621 | 2.8 | 1,735 | 4.8 |
| 33144 | 274 | 2.8 | 762 | 2.1 |
| 33185 | 304 | 2.6 | 804 | 2.2 |
| 33010 | 553 | 2.6 | 1,459 | 1.0 |
| 33012 | 817 | 2.7 | 2,174 | 6.0 |
| 33016 | 524 | 2.5 | 1,330 | 3.6 |
| 33018 | 466 | 2.5 | 1,165 | 3.2 |
| 33165 | 591 | 2.8 | 1,649 | 4.5 |
| 33166 | 303 | 2.7 | 808 | 2.2 |
| 33175 | 596 | 2.9 | 1,751 | 4.8 |
| SSA Subtotal | 5,130 | 2.7 | 13,868 | 38.0 |
| Total | 7,003 | 2.7 | 18,982 | 52.0 |
| Bed Need at 75% Occupancy | | | | 69 |

Source: CON application #10394, page 20

The applicant contends that the JHW proposed facility will be located only seven miles away from Jackson Memorial’s main campus and it is not clear how the proposed facility will improve access to healthcare to the citizens living in Doral. DMC asserts that the proposed site for JHW is a very industrial/commercial area of southeastern Doral and more distant from the largest residential area in Doral than DMC’s proposed site.

DMC identifies a PSA comprised of ZIP Codes expected to provide 75 percent of its projected patients and a SSA comprised of ZIP Codes equating to 20 percent of patients with five percent of discharges comprised from other parts of Florida and the country--in recognition of Miami-Dade’s role as a tourist destination. The applicant provides a chart illustrating the ZIP Codes representing the anticipated market share capture with market shares expected to be highest in Zone 1 ZIP Codes and decrease in each subsequent zone. The applicant indicates that it has grouped ZIP Codes into four different “zones” to recognize that the proposed hospital will achieve different levels of market penetration based on factors such as population density, geographic barriers to care and locations of existing hospitals. A color coded version of the chart below can be found on page 45 of CON application #10394.

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**Doral Medical Center
Projected Service Area ZIP Codes and Market Share Zones**

| MS Zone | ZIP Code | Service Area Designation |
|----------------|-----------------|---------------------------------|
| 1 | 33172 | PSA |
| | 33178 | PSA |
| | 33182 | PSA |
| 2 | 33174 | PSA |
| | 33184 | PSA |
| | 33194 | PSA |
| 3 | 33126 | SSA |
| | 33144 | SSA |
| | 33185 | SSA |
| 4 | 33010 | SSA |
| | 33012 | SSA |
| | 33016 | SSA |
| | 33018 | SSA |
| | 33165 | SSA |
| | 33166 | SSA |
| 33175 | SSA | |

Source: CON application #10394, page 45

DMC discusses the demographics and projected population growth by indicating the 45-64 and 65+ age cohorts are projected to experience the largest percentage growth of the service area age groups. The applicant states that the number of service area residents in this age group (45-64 and 65+) is projected to grow from 177,304 in 2015 to 197,259 in 2020 (11.25 percent). DMC notes that residents age 65+ are projected to grow by an even faster rate increasing—from 110,906 in 2015 to 125,818 in 2020 (13.45 percent). The applicant indicates that the growth in the older age cohort is significant because older individuals utilize healthcare resources, including hospital services, at a higher rate than other age groups. The applicant provides a population chart on page 46 and page 47 of CON application #10394 illustrating the 2015 and 2020 projected PSA and SSA populations—noting that the PSA is projected to increase by 13,293 while the SSA is projected to increase by 26,574.

The applicant states that the proposed project will include an OB unit with eight beds with a target population of females in the service area between the ages of 15 and 44. DMC indicates that the service area female population in this age cohort is expected to increase from 141,649 in 2015 to 143,076 in 2020 (one percent). The applicant highlights that the PSA is expected to increase by 2.0 percent during this time period with the female population increasing by 5.6 percent in the ZIP Code where the proposed hospital is to be located, 33178. DMC maintains that while the service area growth is not significant, the absolute number of female resident ages 15-44 is more than sufficient to support the proposed OB unit. The table below shows the projected service area female population ages 15-44 between 2015 and 2020:

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2015 Service Area Female Population, Ages 15-44

| ZIP Code | 2015 | 2020 | Percent Change |
|---------------------|----------------|----------------|-----------------------|
| 33172 | 7,588 | 7,517 | -0.9% |
| 33178 | 10,451 | 11,041 | 5.6% |
| 33182 | 2,627 | 2,675 | 1.8% |
| 33174 | 6,434 | 6,420 | -0.2% |
| 33184 | 3,708 | 3,761 | 1.4% |
| PSA Subtotal | 30,808 | 31,414 | 2.0% |
| 33194 | 1,519 | 1,561 | 2.8% |
| 33126 | 8,555 | 8,431 | -1.4% |
| 33144 | 4,245 | 4,172 | -1.7% |
| 33185 | 5,750 | 6,053 | 5.3% |
| 33010 | 7,758 | 7,681 | -1.0% |
| 33012 | 11,740 | 11,502 | -2.0% |
| 33016 | 8,945 | 9,193 | 2.8% |
| 33018 | 9,155 | 9,379 | 2.4% |
| 33165 | 8,867 | 8,757 | 1.2% |
| 33166 | 4,101 | 4,039 | -1.5% |
| 33175 | 9,398 | 9,480 | 0.9% |
| SSA Subtotal | 80,033 | 80,248 | 0.3% |
| Total | 141,649 | 143,076 | 1.0% |

Source: CON application #10394, page 49

DMC also provides a table on page 50 of CON application #10394 illustrating population growth by race in the proposed service area. The applicant notes that the population of Doral is predominately Hispanic. DMC maintains that EFD facilities have significant experience in serving the Hispanic community and will make use of this experience by developing services and outreach programs that reflect the unique needs of this population.

The applicant asserts that its proposed project is superior to the competing application filed by Jackson Memorial (CON application #10395) noting that the JHW’s proposed site is in the heart of the Doral commercial district, close to one end of the Miami International Airport. DMC provides a map on page 11 of CON application #10394 noting JHW’s proposed location in a “sparsely” populated area of the Doral area and appears to be rather inaccessible from adjacent State Road 826. DMC contends that there are few routes to travel to reach the Jackson Memorial site—given that it is in the “armpit” of two major roadways east of the Doral residential section.

DMC provides utilization projections for the first three years of operation of the proposed hospital based on population growth by ZIP Code, age and use rates by age using data from the Agency’s Florida Inpatient Database. The applicant indicates that it has grouped ZIP Codes into four different “zones” to recognize that the proposed hospital will achieve different levels of market penetration based on factors such as population density, geographic barriers to care and locations of existing hospitals.

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The applicant indicates that EFD hospitals have increased utilization between 2012-2014 in Miami-Dade County. EFD's facilities went from a cumulative occupancy rate of 62.8 percent to 63.1 percent during this period. DMC states, during the same time period, the occupancy rates for the county's hospitals as a whole have declined from 54.1 percent to 50.5 percent—illustrating a patient preference toward EFD facilities. The applicant contends that of the health systems operating in Miami-Dade County, EFD's hospitals have the highest combined occupancy rate. DMC notes that the proposed facility will be able to rely on HCA's experience developing new hospitals along with Kendall Regional Medical Center's (KRMC) high market share in the area and physicians in the service area to gain referrals and quickly ramp up utilization.

DMC notes that the non-tertiary service use rate for the Doral area has declined over the past several years from 95.3 discharges per 1,000 population in 2012 to 90.0 in 2014. However, the applicant maintains that this use rate is still significantly above the use rate for Miami-Dade County as a whole which was 84.95 in 2014. DMC's utilization projections assume a continued decline in non-tertiary use rates despite the enhanced accessibility that the DMC project will bring. The applicant provides the following table in which DMC projects 2,517 service area discharges in year one (2018), 3,295 in year two (2019), and 3,941 in year three (2020). DMC projects its non-tertiary bed need at 75 percent occupancy to be 46 beds in year one, 61 beds in year two, and 73 beds in year three.

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Projected DMC Non-Tertiary Discharges

| ZIP Code | 2018 | 2019 | 2020 |
|--------------------------------|--------------|--------------|--------------|
| 33172 | 773 | 940 | 1,081 |
| 33178 | 485 | 600 | 701 |
| 33182 | 280 | 340 | 389 |
| 33174** | 232 | 390 | 534 |
| 33184 | 152 | 256 | 351 |
| PSA Subtotal | 1,921 | 2,525 | 3,056 |
| 33194 | 30 | 41 | 72 |
| 33126* | 96 | 112 | 127 |
| 33144 | 61 | 70 | 80 |
| 33185 | 38 | 59 | 68 |
| 33010 | 71 | 86 | 92 |
| 33012 | 86 | 103 | 111 |
| 33016 | 41 | 50 | 54 |
| 33018 | 37 | 46 | 50 |
| 33165 | 58 | 87 | 99 |
| 33166 | 23 | 34 | 39 |
| 33175 | 53 | 81 | 92 |
| SSA Subtotal | 596 | 770 | 885 |
| Service Area Discharges | 2,517 | 3,295 | 3,941 |
| In-Migration | 132 | 173 | 207 |
| Total DMC Discharges | 2,649 | 3,468 | 4,149 |
| Projected ALOS | 4.79 | 4.79 | 4.79 |
| Projected Days | 12,683 | 16,602 | 19,860 |
| Projected ADC | 34.75 | 45.48 | 54.41 |
| Bed Need at 75% | 46.33 | 60.65 | 72.55 |

Source: CON application #10394, page 89

*Note 33126 consists of 33126, unique ZIP Codes 33106 and 33206¹

**Note 33174 consists of 33174 and unique ZIP 33199²

The applicant indicates it used a similar methodology to project the utilization for its OB beds, based largely on the market share zone assumption made along with the use rate trend between the years 2012-2014. DMC assumed a 1.0 percent increase in the projected use rate for OB services in all of its service area ZIP Codes. The applicant utilized the same process to render utilization projections to get the total OB discharges, ALOS, ADC, and bed need at 75 percent occupancy. DMC projects 468 service area OB patients in year one (2018), 596 in year two (2019) and 701 in year three (2020) of operation. The applicant then assumes a five percent in-migration, equaling OB patients of 493 in year one, 627 in year two and 737 in year three. The applicant projects its OB bed need at 75 percent occupancy to be five beds in year one, seven beds in year two and eight beds in year three. See chart below:

¹ Unique ZIP Codes are used by addresses that get high volumes of mail like universities, agencies, businesses, etc. Unique ZIP Code 33106 is assigned to SKYPOSTAL a private mail and parcel delivery network headquartered at 4805 NW 15 Street Miami, Florida. Unique ZIP Code 33206 looks to be the AEROPOST ZIP Code although the reviewer could not officially confirm this.

² Unique ZIP Code 33199 is assigned to Florida International University.

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Projected DMC OB Discharges

| ZIP Code | 2018 | 2019 | 2020 |
|--------------------------------|-------------|-------------|-------------|
| 33172 | 132 | 160 | 182 |
| 33178 | 192 | 236 | 273 |
| 33182 | 30 | 36 | 42 |
| 33174** | 24 | 40 | 55 |
| 33184 | 19 | 32 | 44 |
| PSA TOTAL | 396 | 503 | 595 |
| 33194 | 6 | 9 | 11 |
| 33126* | 13 | 14 | 17 |
| 33144 | 6 | 6 | 7 |
| 33185 | 7 | 10 | 12 |
| 33010 | 6 | 7 | 7 |
| 33012 | 8 | 10 | 11 |
| 33016 | 6 | 7 | 7 |
| 33018 | 5 | 6 | 6 |
| 33165 | 6 | 9 | 11 |
| 33166 | 3 | 5 | 5 |
| 33175 | 6 | 9 | 11 |
| SSA Subtotal | 71 | 93 | 106 |
| Service Area Discharges | 468 | 596 | 701 |
| In-Migration | 25 | 31 | 37 |
| Total DMC Discharges | 493 | 627 | 737 |
| Projected ALOS | 2.71 | 2.71 | 2.71 |
| Projected Days | 1,335 | 1,700 | 1,998 |
| Projected ADC | 3.66 | 4.6 | 5.47 |
| Bed Need at 75% | 5.22 | 6.65 | 7.82 |

Source: CON application #10394, page 91

*Note 33126 consists of 33126, unique ZIP Codes 33106 and 33206

**Note 33174 consists of 33174 and unique ZIP 33199

DMC states based on the above projections, a new hospital can be adequately established at and sustained in the proposed service area. The applicant notes that the JHS has significant excess capacity at its existing locations, therefore there is no need for JHW to build a new hospital. The applicant provides the following utilization chart illustrating occupancy at EFD's hospitals compared to Jackson Health Systems hospitals for the years 2012-2014:

HCA East Florida Division and Jackson Occupancy Rates

| Facility | 2012 | 2013 | 2014 |
|--------------------------------------|--------------|--------------|--------------|
| Aventura Hospital and Medical Center | 79.3% | 77.0% | 78.9% |
| Kendall Regional Medical Center | 68.8% | 68.0% | 70.1% |
| Mercy Hospital | 43.4% | 43.0% | 43.6% |
| EFD System Total | 62.8% | 61.6% | 63.1% |
| Jackson Memorial Hospital | 64.7% | 57.9% | 57.1% |
| Jackson North Medical Center | 38.9% | 40.3% | 39.3% |
| Jackson South Community Hospital | 38.8% | 36.7% | 33.8% |
| Jackson System Total | 56.1% | 51.6% | 50.5% |

Source: CON application # 10394, page 25

The applicant again notes that there is no acute care inpatient option in the DMC proposed PSA and that the development of the proposed project will enhance the availability of healthcare services in the Doral area.

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DMC indicates it will offer service area residents convenient access to high quality healthcare services and eliminate the need for residents to leave their community to access these services. The applicant states that EFD, through its affiliated facility, KRMC, it has established a presence in the Doral area and DMC will provide important access to healthcare services for community residents through contracts with major HMO's and PPO's. DMC states the proposed project will allow the following:

- Expand the continuum of care to residents of the proposed service area by appropriately positioning services to maximize access
- Improve the distribution of health services in the area
- Provide the ability and capacity to accommodate the increasing demand and serve the residents in Doral that need access to such services

DMC affirms this project will improve the efficiency of acute care services in Miami-Dade County and throughout the proposed service area given HCA's long experience in operating community hospitals similar to the proposed acute care hospital. According to the applicant, the proposed project will also enhance the continuity of care for the residents of the service area and have the same state-of-the-art medical, pharmaceutical and information technologies available as other HCA-affiliated facilities. DMC maintains that the proposed project will be a community hospital with an emphasis on meeting local community need which will therefore enhance efficiency of the care provided.

In regards to utilization, the applicant states the service area is growing and aging, thus acute care service is growing as well. DMC notes that in 2014, there were 56,399 discharges from the service area for non-tertiary services and 7,003 for OB services. DMC states on average, these patients filled over 739.7 non-tertiary and 52.0 OB beds on a daily basis.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) JHS is a not-for-profit, public academic health system located in Miami-Dade County, owned and supported by the taxpayers of Miami-Dade County and is governed by The Public Health Trust of Miami-Dade County, Florida. JHS notes that in nearly 100 years, Miami City Hospital grew from a 13-bed hospital to a comprehensive health system with several hospitals and clinics. JHS asserts that it ensures that all residents of Miami-Dade County receive a single high standard of care regardless of their ability to pay. JHS indicates that it provided more than \$786 million in bad debt and charity care in the past two fiscal years (ending September 2013 and 2014).

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JHS states that its commitment to excellence in the provision of healthcare services to all residents of the Miami-Dade community is reflected in its Mission, Vision and Values which are as follows:

- Mission-to build the health of the community by providing a single, high standard of quality care for residents of Miami-Dade County
- Vision-our strategic vision is to be a nationally and internationally recognized, world-class academic medical system and to be the provider of choice for quality care
- Value-service excellence and quality, commitment, compassion, teamwork, and communication, respect, confidentiality, integrity and stewardship, inclusion

JHS indicates that it has become a renowned healthcare provider recognized for its highly-trained physicians and cutting-edge care. The applicant provides a historical timeline on page five of CON application #10395, illustrating JHS' evolution. The applicant maintains that JHS' services continue to be a vital part of the south Florida community, providing state-of-the-art compassionate care to people from all walks of life. The applicant provides a list of JHS' hospitals, specialty hospitals, community facilities and services:

- ❖ Jackson Memorial Hospital
- ❖ Jackson North Medical Center
- ❖ Jackson South Community Hospital
- ❖ Holtz Children's Hospital
- ❖ Jackson Rehabilitation Hospital
- ❖ Jackson Behavioral Health Hospital
- ❖ Jackson Memorial Long-Term Care Center
- ❖ Jackson Memorial Perdue Medical Center
- ❖ Corrections Health Services Clinics
- ❖ A network of Behavioral Health Services
- ❖ Multiple Primary Care and Specialty Centers

The applicant notes that JHS is a safety-net hospital system in Miami-Dade with a mission to provide care to all patients, regardless of payment status or source. The applicant provides data from the Florida Hospital Uniform Reporting System (FHURS) for the fiscal year ending September 30, 2014, indicating that JHS's three acute care hospitals admitted more than 56,000 patients, provided more than 388,000 patient days, handled more than 207,000 ED visits and performed more than 54,000 cardiac catheterization procedures, approximately 374,000 diagnostic imaging procedures and 25,000 radiation therapy procedures.

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The applicant attests that JHS provides high quality care to the residents of Miami-Dade County and received numerous awards, recognitions, and certifications for overall quality of care and for specific clinical areas/service lines. JHW provided several awards/accolades from CY 2015, please see below:

- Holtz Children's Hospital at the University of Miami/Jackson Memorial Medical Center, chosen as one of U.S. News & World Report's Best Children's Hospital.
- Jackson Memorial Hospital and Jackson North Medical Center were nationally recognized for achievement in the Target: Stroke campaign.
- Holtz Children's Hospital and Jackson Memorial Hospital won South Florida Parenting Magazine's Kids Crown Awards for best Pediatric Hospital and Best Maternity Hospital in Miami-Dade County.
- Ryder Trauma Center at Jackson Memorial Hospital was verified as a Level 1 trauma center by the American College of Surgeons (ACS). Ryder is the only Level 1 trauma center verified by the ACS Committee on Trauma in Miami-Dade County and one of just two in Florida.
- The American College of Radiology (ACR) recognizes breast imaging centers that achieve excellence by seeking and earning accreditation in all of the ACR's voluntary breast imaging accreditation programs and modules. The Mammography Accreditation Program provides the department with a certificate that identifies them as a Breast Imaging Center of Excellence. Jackson North Medical Center is fully accredited in Mammography by the ACR.
- Holtz Children's Hospital earned the coveted distinction of becoming an Accredited Pediatric Heart Failure Institute by the Healthcare Colloquium. Holtz Children's is the 8th in the nation and first in Florida to earn this accreditation.

JHW states that the proposed project has been developed in response to the ever-increasing need for a comprehensive continuum of medical services in the service area based on the large and growing population base.

The applicant asserts that need for the proposed 100-bed hospital on the JHW campus is justified for a number of reasons including:

- The hospitals unmet need for a large number of hospital beds in western Miami-Dade (as evidenced by two prior CON approvals based on population growth, one of which was never constructed).
- The large and growing population base in the proposed 12-ZIP Code service area.

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- The highly fragmented market of inpatient discharges—evidenced by the fact that residents seek care at more than 100 different providers.
- The fact that JHS currently serves a significant number of patients who reside in the area.
- The unique ability of JHS to meet the needs of the service area population along with JHS’ mission to serve all residents of the county.
- JHW’s campus provides additional opportunity for partnership with University of Miami’s Miller School of Medicine and further affiliation with Florida International University’s Herbert Wertheim College of Medicine.
- The overwhelming community support for the proposed hospital as evidenced by more than 600 letters of support from physicians, elected officials, community leaders, service area employers/employees, residents, Jackson employees, and other representatives of community organizations.
- The proposed project will serve a significant portion of patients who historically have healthcare access problems, including the indigent and Medicaid populations.
- The JHW Freestanding ED and ambulatory center development project is underway and provides unique development infrastructure for the proposed hospital.
 - This initiative located on the same campus as the proposed hospital will provide the necessary infrastructure, additional physician network and patient base to ensure the hospital’s success.
 - The development of the outpatient JHW campus provides a logical jumping off point for the addition of needed acute care beds.
 - Campus development will occur independent of a CON decision for inpatient beds.
 - The outpatient project along with the complementary inpatient hospital capacity will address unmet needs of the West Miami-Dade community.
- There is a strong physician and community support for the development of an integrated network of services in West-Miami Dade.
- The new hospital will add to the financial viability of JHS and its ability to continue to support its charitable mission.

JHW contends that the proposed project will ensure timely access to hospital care as needed for residents of the proposed service area and have no impact on existing providers who treat residents of the proposed service area. The applicant maintains that the development of the proposed JHW in the context of the full Jackson West campus creates a special framework of support services for the hospital that no other provider can offer. The applicant notes that JHS’ commitment to the

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Miami-Dade community is long-standing, ongoing, and undisputed. The applicant asserts that JHS has continually enhanced and developed its geographic presence and service mix in order to meet the ever-evolving needs of the community it serves. JHW contends that the proposed project is the next step in ensuring that all residents of Miami-Dade County have access the JHS world-class level of care close to home.

The applicant states that the service area for the proposed 100-bed community hospital is defined as a 12-ZIP Code area within a five-mile radius of the site, where the Jackson West campus is currently being developed to that include an ambulatory center and freestanding ED. The proposed ZIP Code for JHW is 33122, primarily an industrial and commercial area that will draw from the vast population in surrounding ZIP Codes totaling more than 400,000 residents. The applicant provides the following chart to illustrate the proposed 12-ZIP Code area in terms of primary versus secondary service area. See the table below.

| Jackson Hospital West Service Area Definition | |
|--|------------------|
| ZIP Code | City Name |
| Primary Service Area | |
| 33122 | Doral |
| 33126 | Miami |
| 33144 | Miami |
| 33166 | Miami Springs |
| 33172 | Doral |
| 33174 | University Park |
| 33178 | Doral |
| 33182 | Tamiami |
| Secondary Service Area | |
| 33155 | Coral Terrace |
| 33165 | University Park |
| 33175 | Tamiami |
| 33184 | Tamiami |

Source: CON application #10395, page 15

JHS provides a map on page 16 of CON application #10395 of the proposed primary service area. The applicant notes, for purposes of illustration of population base and because it is largely a commercial/industrial area, 33122 (the proposed location of Jackson West) will be combined with 33172, which is the Doral ZIP Code immediately to the west of the proposed location.

The applicant indicates that the proposed PSA is currently home to 240,272 residents and is projected to increase to 257,588 (7.2 percent) by 2020. The applicant states that the projected rate of total population growth in the PSA is expected to outpace both country and statewide growth during the five-year period. JHW notes that the four-ZIP Code SSA is home to 179,318 residents and is projected to grow to 186,473 residents by 2020. The applicant maintains that that combined, the 12-ZIP Code service area will be home to nearly 450,000 residents by 2020 and will account for approximately 15.6 percent of the total Miami-Dade

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County population by 2020. The applicant provides a chart on page 17 of CON application #10395 representing the population growth mentioned above.

JHW states that according to five-year estimates released by the United States Census Bureau in a 2006-2010 Community Survey, the daytime population of Doral is double the resident population, due to the significant influx of workers into the area on a daily basis. The applicant concludes that the identified large and growing population base in the service area will continue to drive demand for both inpatient and outpatient services.

The applicant notes that the proposed 12-ZIP Code service area is currently home to nearly 74,000 females ages 18-44. JHW maintains that this large population base of childbearing women in the service area generated nearly 2,700 normal newborns (without complications) in 2014, according to data reported in the AHCA Inpatient Database. JHS concludes that this data clearly identifies demand for obstetrics and other women’s services in the service area and that this demand will remain consistent as the total population continues to grow. The applicant provided the following chart illustrating the projected female population growth for the proposed service area. See the table below.

**Jackson Hospital West Service Area
2015-2020 Projected Female Population, Age 18-44**

| Area/ZIP Code | 2015 | 2020 |
|-----------------------------------|---------------|---------------|
| Primary Service Area | | |
| 33126 | 8,555 | 8,430 |
| 33144 | 4,245 | 4,172 |
| 33166 | 4,101 | 4,039 |
| 33172/33122 | 7,588 | 7,518 |
| 33174 | 6,433 | 6,419 |
| 33178 | 10,451 | 11,041 |
| 33182 | 2,627 | 2,675 |
| Subtotal, PSA | 44,000 | 44,294 |
| Secondary Service Area | | |
| 33155 | 7,495 | 7,334 |
| 33165 | 8,867 | 8,757 |
| 33175 | 9,398 | 9,480 |
| 33184 | 3,708 | 3,761 |
| Subtotal, SSA | 29,468 | 29,332 |
| Service Area Females 18-44 | 73,468 | 73,626 |

Source: CON application #10395 page 21

The applicant states that there are no operational hospitals located within the proposed eight-ZIP Code primary service area. The applicant points out that Metropolitan Hospital Miami, while located in 33126, is currently closed. JHW further notes that Metropolitan Hospital Miami was sold in 2014, closed for renovations and is set to re-open as an international hospital, which will focus on serving patients from outside

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the United States.³ The applicant also discusses the residential developments in the proposed PSA and SSA, noting the increase of 3,200 new residential units in 2014 and 4,000 additional units planned for 2015.

JHW discusses the median household income as well as provides a chart on page 22 of CON application #10395 which displays the current (2015) and projected (2020) median household income for the projected service area. The applicant states that the diverse socioeconomic status of the population in the proposed service area will be favorable for the proposed 100-bed hospital and will help ensure that the JHS can continue its charitable mission.

The applicant maintains that JHS currently serves residents of the defined service area and notes the following:

- The patient population of the PSA and SSA represents almost 2,100 non-tertiary discharges at JHS facilities or an ADC of 28 patients.
- The majority of these JHS discharges would likely choose to be treated at the new hospital offering greater patient convenience.
- Development of the proposed 100-bed hospital, even without assuming significant system-wide redirection, would have no effect on other providers.

JHW states that there were 48,321 acute care discharges of service area residents from Florida Hospitals in CY 2014. The applicant indicates that of those service area discharges, 21.6 were Medicaid, 4.2 percent were self-pay and 3.2 percent were non-payment during the period. JHW maintains that approval of the proposed application will enable it to reduce barriers to care by adding an acute care component to the outpatient imaging, clinic and emergency services currently under development at the Jackson West campus in Doral. The applicant states Jackson West will create a fully integrated network of services for residents of the proposed service area. JHW notes that the fully integrated network will aid in the development of a medical home model for the uninsured and underinsured patients who reside in the service area and are currently served by JHS in other locations.

The applicant projects that in the first year of operation (2020), it will treat 3,141 non-tertiary discharges from the proposed service area.

³ The reviewer notes that the applicant provided an article dated January 28th 2014 from the South Florida Business Journal which discusses Metropolitan Hospital plans to become a boutique surgical center. The reviewer also notes that pursuant to 395.003 (8) (b), Florida Statutes, a hospital may not be licensed if the hospital restricts its medical and surgical services to primarily or exclusively cardiac, orthopedic, surgical or oncology specialties.

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Using the actual 2014 ALOS for the proposed 12-ZIP Code service area, and assuming it will remain constant through the first two years of operations, JHW projects the proposed project will experience an occupancy rate of 36.9 percent in the first year of operation (2020), increasing to approximately 57.4 percent occupancy in year two (2021). The charts below detail the current and projected market share as well as the projected utilization of the proposed hospital during the first two years of operation.

**Current JHS and Projected Jackson Hospital West Market Share by ZIP Code
Years One and Two of Operations (2020 and 2021)**

| ZIP Code | PSA MARKET SHARE | | | | | | | |
|-------------------------------------|------------------|-------|-------|-------|-------|-------|-------|-------|
| | 33122 | 33126 | 33144 | 33166 | 33172 | 33174 | 33178 | 33182 |
| 2014 Actual JHS Share | 8.3% | 7.3% | 5.3% | 12.0% | 6.4% | 4.6% | 8.7% | 6.0% |
| YR One (2020) Jackson West share | 13.0% | 13.0% | 9.8% | 9.8% | 13.0% | 9.8% | 9.8% | 9.8% |
| YR Two (2021) Jackson West share | 20.0% | 20.0% | 15.0% | 15.0% | 20.0% | 15.0% | 15.0% | 15.0% |

| ZIP Code | SSA MARKET SHARE | | | | PSA and SSA Total |
|----------------------------------|------------------|-------|-------|-------|----------------------|
| | 33155 | 33165 | 33175 | 33184 | |
| 2014 Actual JHS Share | 4.0% | 4.2% | 3.6% | 3.9% | 5.6% |
| YR One (2020) Jackson West share | 4.2% | 4.2% | 4.2% | 4.2% | 8.0% |
| YR Two (2021) Jackson West share | 6.5% | 6.5% | 6.5% | 6.5% | 12.3% |

Source: CON application #10395 page 47, figure 34

**Projected Utilization, Years One and Two
Jackson Hospital West**

| | Year One (2020) | Year Two (2021) |
|------------------|-----------------|-----------------|
| Area Discharges | 39,286 | 39,665 |
| JHW Mkt Share | 8.0% | 12.3% |
| Discharges | 3,141 | 4,886 |
| ALOS | 4.29 | 4.29 |
| Patient Days | 13,477 | 20,966 |
| ADC | 36.9 | 57.4 |
| Beds | 100.0 | 100.0 |
| Occupancy | 36.9% | 57.4% |

Source: CON application #10395, page 47, figure 35

The applicant states that JHS, in 2014, discharged 3,769 total patients (excluding newborns) who reside in the proposed 12-ZIP Code combined service area--2,093 were considered non-tertiary. The chart below details the 2013 and 2014 discharges by JHS facilities for residents of the PSA and SSA.

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**2013-2014 Actual JHS Total and Non-Tertiary Discharges
Proposed Jackson Hospital West Service Area Residents**

| | 2013 | | | | 2014 | | | |
|--------------------------------------|------------------|---------------|---------------|-----------|------------------|---------------|---------------|-----------|
| | Jackson Memorial | Jackson North | Jackson South | JHS Total | Jackson Memorial | Jackson North | Jackson South | JHS Total |
| Total Discharges | 2,902 | 55 | 568 | 3,525 | 3,127 | 50 | 592 | 3,769 |
| Total Non-Tertiary Discharges | 1,729 | 41 | 451 | 2,221 | 1,626 | 38 | 429 | 2,093 |

Source: CON application #10395 page 34

JHW indicates that the large existing number of service area discharges from JHS facilities accounts for a significant census of service area patients. The applicant notes that service area resident patients at JHS hospitals represent a wide range of diagnoses and Major Diagnostic Categories (MDCs) and provides data on pages 36-38 illustrating the non-tertiary discharges by MDC for 2014. The applicant states that JHS hospitals admitted patients in 19 of 25 MDC's, demonstrating the diversity of patient needs within the inpatient setting.

In regards to market share, JHW notes that the proposed 12-ZIP Code service area generated 37,391 non-tertiary discharges in 2014. The discharges were spread amongst 115 different hospitals--indicating a high level of market fragmentation. The applicant indicates that in 2014, Jackson Memorial Hospital ranked sixth for service area discharges in terms of market share, with 1,626 discharges. JHW maintains if the JHS hospitals are combined, JHS is fourth in terms of market share. See the chart below.

2014 PSA & SSA Combined Non-Tertiary Discharges and Market Share

| Rank | Hospital Name | 12-ZIP Total Discharges | Market Share |
|--|---------------------------------|-------------------------|---------------|
| 1 | Kendall Regional Medical Center | 11,014 | 29.5% |
| 2 | Baptist Hospital of Miami | 6,270 | 16.8% |
| 3 | South Miami Hospital | 3,559 | 9.6% |
| 4 | Doctors Hospital | 1,807 | 4.8% |
| 5 | Mercy Hospital | 1,639 | 4.4% |
| 6 | Jackson Memorial Hospital | 1,626 | 4.3% |
| 7 | Coral Gables Hospital | 1,556 | 4.2% |
| 8 | University of Miami Hospital | 1,243 | 3.3% |
| 9 | Westchester General Hospital | 1,147 | 3.1% |
| 10 | Miami Children's Hospital | 1,135 | 3.0% |
| Total, Top 10 Providers | | 31,036 | 83.0% |
| All Other Hospitals (Includes 105 hospitals) | | 6,355 | 17.0% |
| Grand Total, PSA and SSA | | 37,391 | 100.0% |
| JHS Total (JMH, JSCH, JNMC) | | 2,093 | 5.6% |

Source: CON application #10395, page 40

JHW notes that while KRMC has the majority of overall market share in the PSA, it does not have the primary market share in three of the eight identified PSA ZIP Codes (33126, 33144, and 33166). The applicant states that these three ZIP Codes are home to over 100,000 residents and account for 42 percent of the PSA population. In addition, JHW

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contends that KRMC's high market share of the combined PSA and SSA is primarily a result of the hospital's discharges and market share in three ZIP Codes within the SSA, as opposed to the PSA. The applicant indicates the proposed project's utilization will be less reliant on the SSA than the PSA. Jackson Hospital West projects that it will receive nearly 77 percent of its year one and year two discharges from the proposed eight-ZIP Code PSA. JHW asserts that based on projections, KRMC's market share would decrease from 29.5 percent in 2014 to 26.2 percent in 2021, a decline of 3.2 percent in a seven-year period.

JHW projects that the proposed project will reach an ADC of 36.9 in year one (2020) and 57.4 in year two (2021). The applicant maintains that the projected census will be achieved through a variety of factors including:

- Increase in market share of the 12-ZIP service area through the capture of incremental discharges generated by projected population growth
- Decreased fragmentation of existing market to create a medical home for patients who require acute and chronic care
- Assuming non-tertiary discharge rates for ages 0-64 population would remain constant at 2014 levels
- Non-tertiary discharge rates for age 65+ population would slow their level of decline as compared to the 2012-2014 trend
- Projected non-tertiary ALOS used to project service area patient days and census would remain constant at actual 2014 levels for the proposed 12-ZIP Code area

The applicant asserts that access, quality and scope of healthcare services received varies dramatically across socioeconomic, racial and ethnic groups in Miami-Dade County and throughout the country. As part of the planning activities, JHW identified the need for a medical home model of care within several areas of Miami-Dade County in order to provide coordinated care for populations that are historically underserved. The applicant states the proposed hospital on the Jackson West campus will be anchored by primary care (adult and pediatric with a mix of affiliated private care physicians) already located within the community and primary care physicians specializing in management of patients with chronic illness located on the ambulatory campus.

JHW notes that JHS launched "Jackson Prime" in 2015, a system-wide initiative to transition its ambulatory and primary care centers to Patient-Centered Medical Homes (PCMH). The applicant indicates that Jackson Prime will initially be available on select days at each of JHS' five most active primary care sites and will provide additional services and resources that are uniquely important for these patients, including:

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- Staff on site to review specialist referrals, allowing for immediate scheduling of follow-up appointments--designed to reduce the backlog in referral review while also allowing patients to be seen in specialty clinics more quickly.
- Community health staff such as a nutritionist and social workers, providing patients opportunities to discuss wellness opportunities without the time and expense of a separate trip.
- Social services from government and community-based partner agencies—facilitating outreach at clinics to provide information, referrals and registration for diverse programs in areas like financial stability, child care, consumer education and subsidized health programs.

JHS contends the proposed 100-bed general acute care hospital on Jackson West campus will offer basic OB services and will include operating rooms and imaging services that would support the treatment of the types of patients. JHS indicates that the proposed Jackson West campus will have a range of specialties that include:

- OBGYN
- GI/digestive diseases
- Urology
- Orthopedics
- Ophthalmology
- ENT
- Hematology/oncology
- General surgery

b. Will the proposed project foster competition to promote quality and cost-effectiveness? Please discuss the effect of the proposed project on any of the following:

- **applicant facility;**
- **current patient care costs and charges (if an existing facility);**
- **reduction in charges to patients; and**
- **extent to which proposed services will enhance access to healthcare for the residents of the service district.**

ss. 408.035(1)(e) and (g), Florida Statutes.

East Florida-DMC, Inc. (CON application #10394) states that competition is in part based on how easy it is for a resident of the service area to drive to a hospital. DMC notes that at present, there are no hospitals in the PSA. The applicant states that the proposed development will foster competition in the service area by providing a more accessible alternative for healthcare services for service area residents. DMC maintains that the proposed project will spur innovation, induce efficiency, reduce cost, enhance quality and extend all other benefits of competition to the proposed service area.

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DMC asserts that the approval of the proposed project will further foster competition in the service area by assuring that service area residents have a local provider who can offer a full range of acute care services. The applicant indicates that population growth trends and increasing geographic barriers to access for residents of the service area indicate that there is clearly a need for a hospital. The applicant states the development of the proposed facility will allow for reasonable geographic access for the significant and growing service area population and will strengthen competition—ensuring market competition.

The applicant states that it will offer accessible inpatient and outpatient services to the Doral community by drawing on the resources of HCA to enhance the cost-efficiency. The applicant notes because there is an existing base of physicians located in the proposed service area that support this project, DMC will be able to achieve efficient levels of utilization.

DMC maintains that it's co-batched applicant, like many public safety net hospitals, is in a tenuous financial position and unlikely to receive further increases in its public funding in order to construct and maintain the proposed facility in CON application #10395. The applicant asserts, that unlike JHW, DMC will provide additional support to local and state governments through tax revenue.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) states that the proposed facility was planned in response to the needs of the West Miami-Dade community and to ensure accessibility of high quality inpatient and outpatient services for residents of the area. The applicant notes that JHS, in partnership with the Health Council of South Florida, develops the 2015 Community Health Needs Assessment. JHW indicates that JHS participates in an evaluation and planning process to identify specific services needed in Miami-Dade communities and what type of continuum of care would be the most coordinated, efficient and cost-effective for patients, payers and the system.

JHW asserts that the outpatient services for the developing Jackson West campus were planned as an initial component for a long-range strategy to improve the coordination of care and health status for the community surrounding the facility. According to the applicant, the inclusion of primary care (both acute and chronic), specialty clinics, diagnostics, treatment and a freestanding ED will provide unprecedented access to services for residents of the proposed service area. JHW asserts that the residents currently have to travel outside of the immediate community, in heavy traffic congestion, to receive care. The applicant states that the challenges in accessing care outside of the Doral area currently act as a

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deterrent for preventive care and chronic disease management for residents. Excerpts from the 2015 Jackson Health System Community Health Needs Assessment and the full 2015-2018 Community Health Needs Assessment Implementation Plan are provided in Exhibit J of CON application #10395.

The applicant contends that during the planning portion concerning ambulatory services, it was determined that there was a high level of fragmentation of inpatient discharges generated by service area population. JHW maintains that this fragmentation presents an opportunity to develop a full continuum of non-tertiary services (including inpatient beds) for adult and pediatric residents of the area. JHS states the ultimate goal is to better manage population health through:

- Creation of a single continuum of care access point (primary care and freestanding ED) that is convenient for residents of the area.
- Enhancement of more efficient and timely movement within the continuum of care (appointments with specialists, diagnostic testing and minor procedures).
- Better coordination of care when a higher level of specialty care or inpatient admission is required.
- Better health status of the population in the area and enhanced outcomes when interventions are required.

JHW states that all of the above mentioned goals have a direct impact on the cost-effectiveness of care. The applicant maintains that increased access to preventative care and chronic disease management in the earlier stages of illness are crucial to the management of costs and charges for patient care. The applicant ensures that the Jackson West campus and the proposed JHW will enhance access to healthcare for the residents of the service district and will promote quality of care and cost-effectiveness.

- c. Does the applicant have a history of providing 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.**

East Florida-DMC, Inc. (CON application #10394) states EFD's three affiliated hospitals in the service area have a history of providing care to Miami-Dade County residents regardless of payor source. The applicant asserts that EFD's Miami-Dade affiliates served 8,389 Medicaid patients in 2014, accounting for 15.4 percent of its total patient days. Additionally, DMC notes that EFD facilities served 4,715 self-pay patients, approximately 8.6 percent of its total patients. The applicant provides the following table to show payor mix for EFD Miami-Dade County hospitals for CY 2014.

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2014 HCA Miami-Dade County General Acute & OB Payor Mix

| Payor | Discharges | Percentage |
|-----------------------|-------------------|-------------------|
| Medicare/Medicare HMO | 30,043 | 55.1% |
| Medicaid/Medicaid HMO | 8,389 | 15.4% |
| Commercial/HMO/PPO | 9,600 | 17.6% |
| CHAMPUS | | |
| Self-Pay | 4,715 | 8.6% |
| All Other | 1,787 | 3.3% |
| Total | 54,534 | 100.0% |

Source: CON application #10394, page 105

The applicant reports that EFD provided \$291,643,000 in charity and uncompensated care and served 268,139 Medicaid patients and 163,240 uninsured patients in 2014. EFD's facilities in Miami-Dade County provided \$85,602,000 in charity and uncompensated care. Below, the applicant provides the projected payor mix for the first year of operation (2020) of the proposed facility.

East Florida DMC Projected 2020 Non-Tertiary Payor Mix Percentage

| ZIP CODE | Medicare | Medicaid | Commercial | Self/Non-Pay | Other | Total |
|---------------------|-----------------|-----------------|-------------------|---------------------|--------------|---------------|
| PSA Subtotal | 45.6% | 17.1% | 23.8% | 8.0% | 5.5% | 100.0% |
| SSA Subtotal | 54.7% | 17.3% | 17.4% | 7.1% | 3.6% | 100.0% |
| Total | 47.6% | 17.2% | 22.4% | 7.8% | 5.0% | 100.0% |

East Florida DMC Projected 2020 OB Payor Mix Percentage

| ZIP CODE | Medicare | Medicaid | Commercial | Self/Non-Pay | Other | Total |
|---------------------|-----------------|-----------------|-------------------|---------------------|--------------|---------------|
| PSA Subtotal | 0.0% | 39.6% | 49.6% | 9.9% | 0.9% | 100.0% |
| SSA Subtotal | 0.2% | 58.1% | 38.4% | 2.7% | 0.6% | 100.0% |
| Total | 0.1% | 42.4% | 47.9% | 8.8% | 0.8% | 100.0% |

**East Florida DMC Projected 2020 Non-Tertiary
And OB Payor Mix Percentage**

| ZIP CODE | Medicare | Medicaid | Commercial | Self/Non-Pay | Other | Total |
|---------------------|-----------------|-----------------|-------------------|---------------------|--------------|---------------|
| PSA Subtotal | 38.2% | 20.8% | 28.0% | 8.3% | 4.7% | 100.0% |
| SSA Subtotal | 48.9% | 21.6% | 19.6% | 6.6% | 3.2% | 100.0% |
| Total | 40.4% | 21.0% | 26.2% | 7.9% | 4.4% | 100.0% |

Source: CON application #10394, page 107

The applicant maintains that HCA, Inc. has developed a corporate policy for its affiliated hospitals to provide discounts to uninsured patients who are not eligible for charity care or Medicaid. The applicant asserts that through both its provision of charity care and Medicaid services as well as its uninsured discounts, HCA affiliate have demonstrated a commitment to accessibility for uninsured patients and those covered by Medicaid. DMC indicates that the proposed facility will serve any Medicaid/Medicaid HMO, charity care and uninsured patients who require healthcare services and will utilize the same Charity Care Policies and Uninsured Discount Policies as other HCA affiliated facilities.

Jackson Hospital West (CON application #10395) contends that JHS is one of the most financially accessible health systems in Florida—providing significant amounts of care to patients covered under Medicaid

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and those who are unable to pay all or a portion of their healthcare bills. JHW indicates that JHS is the clear leader in provision of care to underserved patients among acute care providers in Miami-Dade County. The applicant notes that in fiscal year ending September 2013, JHS provided approximately \$441 million in bad debt, \$346 million in charity care and \$1.3 billion in Medicaid services—over four times the bad debt and twice the charity care of the next leading provider (Baptist Hospital of Miami) and \$218 million (19.5 percent) more in Medicaid services than Nicklaus Children’s Hospital. The applicant provides the following payor mix data:

CY 2014 Service Area Acute Care Provider Payer Mix

| Facility/System | Discharges | Medicare | Medicaid | Commercial | Self-Pay | Non-Pay | Other | Total |
|---------------------------------|-------------------|-----------------|-----------------|-------------------|-----------------|----------------|--------------|--------------|
| Miami-Dade County | 332,574 | 41.9% | 25.9% | 20.3% | 6.1% | 3.5% | 2.3% | 100.0% |
| Total Service Area | 48,321 | 46.2% | 21.6% | 21.7% | 4.2% | 3.2% | 3.1% | 100.0% |
| Jackson Health | 3,769 | 18.8% | 38.3% | 14.3% | 10.4% | 8.9% | 9.4% | 100.0 % |
| Kendall Regional Medical Center | 13,218 | 49.1% | 21.8% | 15.2% | 4.6% | 4.5% | 4.9% | 100.0 % |
| Baptist Hospital of Miami | 7,614 | 52.5% | 16.2% | 26.8% | 0.7% | 3.3% | 0.5% | 100.0 % |
| South Miami Hospital | 4,547 | 39.8% | 22.5% | 33.5% | 0.8% | 2.6% | 0.8% | 100.0 % |
| Mercy Hospital | 2,429 | 54.4% | 13.3% | 24.7% | 3.5% | 1.2% | 2.8% | 100.0 % |
| Doctors Hospital | 1,997 | 75.0% | 4.9% | 15.9% | 0.7% | 3.0% | 0.5% | 100.0 % |
| University of Miami Hospital | 1,875 | 52.2% | 16.7% | 22.8% | 4.6% | 0.8% | 2.9% | 100.0 % |
| Coral Gables Hospital | 1,717 | 67.2% | 13.0% | 13.2% | 6.4% | 0.0% | 0.2% | 100.0 % |
| Miami Children’s Hospital | 1,607 | 0.2% | 60.4% | 31.3% | 1.1% | 0.2% | 6.8% | 100.0 % |
| Westchester General Hospital | 1,525 | 41.8% | 29.3% | 25.1% | 3.8% | 0.0% | 0.0% | 100.0 % |
| Palmetto General Hospital | 1,456 | 37.4% | 27.8% | 23.5% | 8.2% | 2.6% | 0.5% | 100.0 % |
| Mount Sinai Medical Center | 1,170 | 52.3% | 8.9% | 30.3% | 8.2% | 0.0% | 0.3% | 100.0 % |
| Larkin Community Hospital | 1,059 | 61.5% | 10.1% | 13.9% | 6.5% | 0.0% | 8.0% | 100.0 % |
| West Kendall Baptist Hospital | 1,054 | 43.3% | 28.7% | 22.0% | 0.8% | 4.9% | 0.4% | 100.0 % |
| Hialeah Hospital | 907 | 50.5% | 22.2% | 14.0% | 7.5% | 5.3% | 0.6% | 100.0 % |
| Metropolitan Hospital of Miami | 700 | 62.1% | 14.6% | 10.0% | 11.3% | 0.1% | 1.9% | 100.0 % |
| Memorial Hospital Miramar | 238 | 16.0% | 18.1% | 46.6% | 16.8% | 0.0% | 2.5% | 100.0% |
| North Shore Medical | 227 | 19.8% | 27.3% | 42.7% | 8.4% | 1.3% | 0.4% | 100.0 % |
| All Others | 1,212 | 41.2% | 12.4% | 35.6% | 7.2% | 0.7% | 2.9% | 100.0% |

Source: CON application #10395, page 30

The applicant indicates that it will maintain its charitable mission with the proposed 100-bed new hospital by providing a significant amount of care to populations that are uninsured or underinsured. JHW notes

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again that JHS currently serves a large number of indigent and Medicaid patients who reside within the proposed 12-ZIP Code service area. The applicant provides the chart below which details the five-year financial access history of JHS--Jackson Memorial Hospital, Jackson South Community Hospital and Jackson North Medical Center:

**Jackson Health System Financial Access Indicators
Fiscal Years Ended September 30, 2010-2014**

| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|--|------------------------|------------------------|----------------------|----------------------|----------------------|
| Admissions | | | | | |
| Medicaid | 17,848 | 15,947 | 9,953 | 9,780 | 8,308 |
| Medicaid CMO | 4,206 | 3,461 | 6,044 | 6,289 | 7,529 |
| Mcaid + Mcaid CMO Admissions | 22,056 | 19,408 | 15,997 | 16,069 | 15,837 |
| Total Patient Days | 67,178 | 67,178 | 60,203 | 57,069 | 56,432 |
| Mcaid + Mcaid CMO% of Total | 32.8% | 28.9% | 26.6% | 27.8% | 28.1% |
| Bad Debt | \$709,309,998 | \$634,310,719 | \$493,772,340 | \$440,772,340 | \$471,097,788 |
| Charity Care | \$453,241,829 | \$448,046,257 | \$367,198,167 | \$345,959,830 | \$317,445,225 |
| Total Bad Debt + Charity Care | \$1,162,551,827 | \$1,082,365,976 | \$860,970,507 | \$786,585,240 | \$788,543,013 |

Source: CON application #10395, page 82

- d. **Does the applicant include a detailed description of the proposed general hospital project and a statement of its purpose and the need it will meet? The proposed project's location, as well as its primary and secondary service areas (SSAs), must be identified by zip code. Primary service area is defined as the zip codes from which the applicant projects that it will draw 75 percent of its discharges, with the remaining 25 percent of zip codes being secondary. Projected admissions by zip code are to be provided by each zip code from largest to smallest volumes. Existing hospitals in these zip codes should be clearly identified. ss. 408.037(2), Florida Statutes.**

East Florida-DMC, Inc. (CON application #10394) indicates that it has provided a thorough and complete description of the proposed 80-bed facility in the previous sections of this report.

DMC states that the proposed facility will be located in ZIP Code 33178, and that the PSA and SSA have been identified by ZIP Code. DMC expects to draw at least 75 percent of its patients from the PSA and another 20 percent of patients are projected to come from the SSA. DMC assumes a five percent in-migration factor, reflecting the expectation that some patients will be from other states and countries given Miami-Dade's role as a tourist destination. The applicant provides the chart below to project discharges rates in the primary and secondary service areas during the first three years of operation

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Projected DMC Non-Tertiary Discharges

| ZIP CODE | 2018 | 2019 | 2020 |
|--------------------------------|--------------|--------------|--------------|
| 33172 | 773 | 940 | 1,081 |
| 33178 | 485 | 600 | 701 |
| 33182 | 280 | 340 | 389 |
| 33174** | 232 | 390 | 534 |
| 33184 | 152 | 256 | 351 |
| PSA TOTAL | 1,921 | 2,525 | 3,056 |
| | | | |
| 33194 | 30 | 41 | 72 |
| 33126* | 96 | 112 | 127 |
| 33144 | 61 | 70 | 80 |
| 33185 | 38 | 59 | 68 |
| 33010 | 71 | 86 | 92 |
| 33012 | 86 | 103 | 111 |
| 33016 | 41 | 50 | 54 |
| 33018 | 37 | 46 | 50 |
| 33165 | 58 | 87 | 99 |
| 33166 | 23 | 34 | 39 |
| 33175 | 53 | 81 | 92 |
| SSA Subtotal | 596 | 770 | 885 |
| | | | |
| Service Area Discharges | 2,517 | 3,295 | 3,941 |
| In-Migration | 132 | 173 | 207 |
| Total DMC Discharges | 2,649 | 3,468 | 4,149 |
| Projected ALOS | 4.79 | 4.79 | 4.79 |
| Projected Days | 12,683 | 16,602 | 19,860 |
| Projected ADC | 34.75 | 45.48 | 54.41 |
| Bed Need at 75% | 46.33 | 60.65 | 72.55 |

Source: CON application #10394, page 89

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON #10395) provided a thorough and complete description of the proposed 100-bed facility in the previous sections of this report.

JHW indicates that based on the 12-ZIP Code service area defined, it is projected that the hospital will receive approximately 76.6 percent of its year one discharges from the proposed eight-ZIP Code PSA and 23.4 percent from the four-ZIP Code SSA. The applicant provides the following table to show its projected discharges from the PSA and SSA by ZIP Code for years one and two of operation (2020 and 2021).

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Jackson Hospital West Projected Year One Discharges

| Primary Service Area | Year One (2020) | Year Two (2021) |
|-------------------------------|------------------------|------------------------|
| 33126 | 617 | 958 |
| 33144 | 302 | 468 |
| 33166 | 200 | 310 |
| 33172/33122 | 473 | 737 |
| 33174 | 323 | 499 |
| 33178 | 370 | 589 |
| 33182 | 121 | 189 |
| Subtotal, PSA | 2,405 | 3,748 |
| PSA % of Total | 76.6% | 76.7% |
| Secondary Service Area | | |
| 33155 | 187 | 288 |
| 33165 | 242 | 372 |
| 33175 | 222 | 344 |
| 33184 | 86 | 134 |
| Subtotal, SSA | 736 | 1,138 |
| SSA % of Total | 23.4% | 23.3% |
| Service Area Total | 3,141 | 4,886 |

Source: CON application #10395, page 84

F. Written Statement(s) of Opposition

Except for competing applicants, in order to be eligible to challenge the Agency decision on a general hospital application under review pursuant to paragraph (5)(c), existing hospitals must submit a detailed written statement of opposition to the Agency and to the applicant. The detailed written statement must be received by the Agency and the applicant within 21 days after the general hospital application is deemed complete and made available to the public. ss. 408.039(3)(c), Florida Statutes.

East Florida-DMC, Inc. (CON application #10394) The Agency received four written statements of opposition to East Florida-DMC, Inc. (CON application #10394). All documents were received timely pursuant to 408.039 (3) (c), Florida Statutes. The statements were received from:

- A joint letter of opposition was submitted by Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital
- Julie Gallagher of Grossman, Furlow & Bayo, LLC on behalf of Palm Springs General Hospital
- The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West.
- General Counsel and Senior Vice President of Legal Affairs at Variety Children’s Hospital d/b/a Nicklaus Children’s Hospital in Miami

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Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital (all affiliates of Tenet Healthcare) submitted a joint statement of opposition. The statement included one attachment containing 48 letters from local healthcare providers and community members opposing a new hospital in Doral. The opposition provides a summary of opposition to the proposed project and offers statistical data including charts, graphs and maps to illustrate that there is no need for the proposed project.

The opposition maintains that the primary argument made by DMC for approval of this hospital is to serve the growing population of Doral along with residential areas to the north and south of Doral. The opposition provides the following statements against the approval of the proposed project:

- DMC does not provide any information, data, anecdotes or substantive facts which demonstrate that residents of Doral do not have reasonable access to existing hospitals.
- In DMC's presented forecasted utilization and market share used to justify projected utilization (admissions, ADC, occupancy), there is no provided bed need methodology that supports the addition of a new general acute care hospital to the service area.
- DMC does not provide any methodology that supports the need for non-tertiary services, pediatric, services, OB services and emergency services in the subdistrict.
- Data and substantive facts prove that there are available, nearby quality hospitals which are reasonably accessible to residents of the service area.
- The applicant failed to meet the CON Statutory Review Criteria as provided in Section 408.035, Florida Statutes, for new general acute care hospitals.
- The applicant does not demonstrate the need to receive approval of a new hospital.
- DMC will not enhance access.
- The hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as no barriers to access were demonstrated by the applicant.
- The hospital will not foster competition that promotes cost-effectiveness of quality of care.
- Despite population increases--medical treatment trends for inpatient services are continuing to decrease at a rate greater than the population increase.
- The existing area providers are sufficiently equipped, staffed and operate to provide the necessary services to the entirety of the subdistrict including the applicant's defined service area.

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- DMC's proposed provision for Medicaid/medically indigent with a four percent condition is far below the community average. DMC does not meet the intent of that statutory provision nor does it meet the intent of the Health Care Access Criteria.

Palmetto General Hospital, Coral Gables Hospital and Hialeah Hospital, state that they individually and collectively oppose the proposed project and indicate that each of these hospitals will be materially, substantially and adversely affected with the approval of CON application #10394. The opposition states the examples below are just a few cases not included in the baseline which will ultimately impact existing Tenet hospitals. The opposition maintains that this will result in significantly more impact on existing Tenant facilities.

- If use rates decline further than estimated by East Florida-DMC, which is likely given current patterns, then East Florida-DMC market share must increase to meet the same market forecast. Increased market shares at East Florida-DMC further increase the negative impact at the Tenet hospitals.
- Consideration for tertiary services and referral are not included in the baseline. Both Hialeah Hospital and Palmetto General Hospital have neonatal intensive care units (NICUs). Diversion or loss of OB cases will result in some loss of NICU cases.
- Palmetto General has an extensive invasive cardiology program. Loss of non-tertiary cases or medical cardiology cases could result in loss of these incremental cases as the patient will likely be referred within the HCA system.
- Both Palmetto General and Hialeah Hospital have psychiatric units. While not proposed for East Florida-DMC, any presenting cases in the ED will likely be referred within the HCA system.

The opposition states that East Florida-DMC has not proposed to offer anything different than what is already readily available at multiple hospitals throughout the area, including anything different than what is already readily available at HCA's KRMC within the applicant's defined service area. In summary, the East Florida-DMC CON application#10394 for an 80-bed hospital in the Doral area does not meet the intent of the statutory and rule criteria and should therefore be denied.

Palm Springs General Hospital, Inc. d/b/a Palm Springs General Hospital (PSGH), submitted a detailed statement of opposition to this project. The opposition was signed by Julie Gallagher, of Grossman, Furlow & Bayo LLC Attorneys at Law, on behalf of Palm Springs General Hospital. The opposition was prepared by Research & Planning Consultants, LP (RPC), and included several attachments: charts illustrating Palm Springs General Hospitals' outpatient visits, emergency room (ER) visits, discharges by payor category and patient ZIP Code

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origin for years 2012-2014 and statistical analyses supporting Palm Springs General Hospitals arguments. Also included in the attachments were resumes for Dr. Ronald T. Luke, President of Research & Planning Consultants, L.P. as well as Robin B. Gage, MBA, MHA, Senior Consultant for RPC.

The PSGH opposition provided many reasons why the proposed project should not be approved, as well as rebuts the claim that there is a need for another hospital in Miami-Dade County. PSGH provides the following arguments as reasons why the proposed project should not be approved.

PSGH notes that the applicant defined a PSA and SSA. The opposition indicates that PSA is the area from which the applicant expects to receive 75 percent of its inpatient admissions—the PSA ZIP Codes are 33172, 33178, 33182, 33174 and 33184 while the SSA ZIP Codes are 33194, 33126, 33144, 33185, 33010, 33012, 33016, 33018, 33165, 33166 and 33175. The opposition maintains that HCA's expansive SSA contradicts its false claim that the Doral area is geographically isolated from other parts of Miami-Dade County. Opposition does not accept the HCA definitions of its PSA and SSA or the market shares by ZIP Code as reasonable.

The opposition indicates that DMC proposes a small 80 bed community hospital that will offer limited services that are currently already offered by the many existing hospitals and utilized by residents of the PSA and SSA. PSGH contends that the proposed hospital will not improve programmatic access to healthcare services for the service area population as a whole or to any one subgroup. The opposition points out that DMC indicated that it will offer only what it defines as “non-tertiary” services. However, PSGH notes that there are no conditions on the application that limit the services the proposed hospital can provide and that once built the hospital can provide any service the does not require a separate CON. The reviewer notes that licensed hospitals can add some services through licensure without CON approval, other services such as psychiatric services require an exemption pursuant to 408.036(3), Florida Statutes, still other services such as NICU and transplant services require a full batched review process.

The opposition cites Agency data showing hospital utilization for Miami-Dade County residents by ZIP Code with results showing that residents of each ZIP Code in the applicant's PSA and SSA used from 18-24 Miami-Dade County acute care hospitals for non-tertiary, non-OB services in CY 2014. PSGH maintains that this shows that residents currently have access to acute care hospitals in Miami-Dade County. Furthermore, the opposition contends that no ZIP Code in the composite service area is geographically isolated from hospital resources in Miami-Dade County—as the area is crisscrossed by major expressways and arterials. PSGH

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asserts that the railyards, drainage canals and other features cited by the applicant do not increase travel time from the population centroid of any ZIP Code to access of acute care beyond acceptable levels.

PSGH maintains that since residents of all ZIP Codes already have reasonable access to acute care hospitals, the proposed hospital will not materially enhance geographic access to inpatient services for residents of the City of Doral or of any ZIP Code in the applicant's PSA or SSA. The opposition states that the applicant has not presented any evidence documenting that residents of the proposed service area have not received, or will not receive needed health services due to geographic inaccessibility.

The opposition notes that in an urban county, 20-30 minutes is a reasonable driving time to access non-tertiary inpatient services and that residents of each of the identified PSA and SSA ZIP Codes have six or more general acute care hospitals in Miami-Dade County within 30 minutes driving time. PSGH indicates that drive times and distances are calculated from the population centroid of each ZIP Code to each hospital using Google Maps. The opposition also states that any reduction in travel time due to the proposed project is a matter of convenience and will not enhance geographic access to inpatient services.

PSGH states that use rates for the proposed DMC service area ZIP Codes are not evidence of any geographic barriers to inpatient care. The opposition contends that the lower use rates in some service area ZIP Codes are not due to the location or other physical characteristics of the ZIP Code itself--rather this can be explained by differences in the characteristics of residents of the ZIP Codes. PSGH notes that resident characteristics can influence their demand for inpatient services

The opposition uses DMC's own definition of service area and non-tertiary medical/surgical services to perform a linear regression analysis on the use rate by ZIP Code for all populated Miami-Dade County ZIP Codes using STATA software. PSGH assert that there is not a statistically significant difference between the two residential Doral ZIP Codes (33172 and 33178) and the other ZIP Codes in the county, after controlling for the median household incomes, race, ethnicity, age and gender characteristics. In addition, the opposition notes that there is no statistical difference between the use rates of the DMC PSA ZIP Codes and the rest of the Miami-Dade County ZIP Codes.

PSGH maintains that population growth in the PSA ZIP Codes will be limited by the Miami-Dade Comprehensive Plan and related zoning with much of the undeveloped land in restricted zones and assigned to non-residential uses. The opposition also notes that the proposed DMC site may be inconsistent with the land use component of the Miami-Dade

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Comprehensive Development Management Plan (CDMP) as most of the land in the DMC PSA has no population and the hospital would have to rely heavily on population on the fringes of the PSA and in the SSA for patients.

The opposition also points out that access to healthcare depends on access to physicians and that the absence of the small proposed hospital has not prevented physicians from locating in the service area ZIP Codes. PSGH indicates that there are currently sufficient physician offices located in the PSA and SSA ZIP Codes for primary and specialty care physicians to provide the residents with reasonable access to healthcare.

PSGH maintains that the proposed hospital is not needed to provide inpatient bed capacity for residents of the proposed service area as inpatient use rates in Miami-Dade County have been declining for several years. The opposition notes that even utilizing 2014 use rates, projected population growth in Miami-Dade County will not increase hospital occupancy levels to require construction of any new beds or new hospital facilities.

The opposition notes again that DMC did not present any evidence that a service area resident has not or will not receive health services because of a lack of inpatient bed capacity in Miami-Dade County. PSGH maintains that for urban general acute care hospitals, 80 percent to 85 percent is a reasonable annual average occupancy with hospitals routinely operating at higher occupancy percentages during some seasons or on some days of the week. The opposition notes that 2014 utilization of the acute care hospitals currently used by residents of the PSA and SSA are well below their capacity—ranging from 52.7 percent to 63.9 percent

PSGH asserts that new hospitals are not needed when the needs of residents can be met through expansion of existing hospitals. The opposition contends that the applicant has presented no evidence to show that any needs it has identified cannot be addressed more economically by adding capacity to existing hospitals. PSGH states that when geographic access is not an issue--constructing additional hospitals is less economical than adding beds to existing hospitals. The opposition notes that the Florida Legislature implicitly recognized this when it eliminated CON review for bed additions and other capital projects at existing hospitals while continuing CON review for creation of new hospitals. PSGH indicates that EFD is currently expanding capacity at KRMC, and that other hospitals in Miami-Dade County, including PSGH have expansions underway or planned.

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The opposition summarizes its major points as to why the proposed application should be denied below:

- Another HCA hospital in Miami-Dade County will not foster competition that promotes quality and cost-effectiveness. The applicant has presented no evidence that its proposed hospital will provide services that are higher in quality or lower in cost than existing hospitals used by residents of the service area. HCA-owned KRMC is within 30 minutes driving time of every ZIP Code in the proposed PSA and SSA with almost half of the service area ZIP Codes are within 30 minutes driving time of HCA's Mercy Hospital. Increasing HCA's market share in its service area does the opposite of fostering competition.
- HCA's proposed hospital will not substantially increase access to healthcare for any underserved group in Miami-Dade County.
- The number of Medicaid and uninsured inpatients HCA projects will be served at the proposed hospital are a minute percentage of the discharges of uninsured and Medicaid patients from Miami-Dade County hospitals in 2014. HCA has conditioned this project on providing a minimum of four percent or 874 of its patient days to Medicaid/Medicaid managed care and charity patients-- these patients can easily and more economically be served at existing hospitals. In addition, the full implementation of Medicaid Managed Care and of the Affordable Care Act will likely reduce or slow the growth of inpatient use by these groups.
- The uninsured and the Medicaid populations need improved access to primary care and other outpatient services in non-hospital settings and DMC's proposed hospital does not substantially contribute to meeting this need.
- PSGH will be substantially affected by approval of the proposed application. The opposition maintains that between 2012 and 2014 over 85 percent of PSGH's discharges came from just nine ZIP Codes. DMC's proposed service area includes the top three ZIP Codes from which PSGH draws its patients: 33012, 33010 and 33016 which accounted for 63 percent of PSGH patients from 2012 through 2014. HCA's service area also includes ZIP Codes 33018 and 33166, which together account for an additional seven percent of PSGH's discharges. Combined, these ZIP Codes accounted for 70 percent of PSGH's discharges from 2012 through 2014. HCA's projected discharges from just these five ZIP Codes total 346. This is over six percent of Palm Springs' total discharges in 2014. The loss of these discharges has a substantial adverse impact on the hospital.
- The impact of Agency approval of HCA's proposed hospital on Palm Springs is not limited to the potential impact of an 80-bed hospital. Once this hospital is approved, HCA is free to expand its size and scope of services without further CON review.

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The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West submitted a detailed statement of opposition to the proposed project. The opposition was signed by Carlos A. Migoya, President and C.E.O of JHS. Attachments include excerpts from co-batched CON applications #10394 and #10395, Jackson Health System Executive Team biographies, maps, strategic and financial planning documents, news articles and a letter from Representative Carlos Trujillo, withdrawing support for DMC and voicing support for the JHW hospital project.

JHS questions HCA's true commitment to serve the needs of the residents in the proposed PSA and SSA community. The opposition states that KRMC (an HCA affiliate) submitted an application to build an 80-bed facility in the western portion of Miami-Dade County (CON application #9675). JHS notes that while HCA was awarded a CON for the facility, the CON was never implemented or constructed. The opposition maintains that the fact that HCA did not build the awarded facility and now chooses to re-file to build a hospital in the same area calls into question HCA's true commitment to serve the needs of the residents of the Doral/Kendall community.

To further support the above mentioned argument, JHS notes the differences and weaknesses in the current DMC CON application (#10394) compared to the Tamiami Hospital CON application (#9675) that was approved but never constructed. JHS notes a number of comparisons, including:

- Proposed location: neither project had an address or site entitlement
- Project summary: both projects for 80-bed hospitals
- Addressing Competitors: both applications aggressively focused on shortcomings of the other applicants in the batching cycle
- Service area growth: both applications cite unprecedented service area growth
- Conditions predicated upon award: Minimal conditions that do not support needs of the service area

JHS rebuts statements made by DMC and dismisses them as baseless, inaccurate and misleading—including statement regarding JHS increase to the burden on the taxpayers of Florida. The opposition offers the following summarized rebuttal to DMC's numerous comments found throughout CON application #10394 regarding CON application #10395. JHS also provides a detailed explanation of each point in the complete opposition statement. JHS contends:

- JHW's site is an easily accessible location for a hospital and is well-positioned to serve the large and growing population in and around Doral.

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- JHW will be established through a transfer of existing licensed bed capacity within the JHS, thus resulting in efficient use of operational capacity.
- JHS' management team has brought unprecedented expertise and leadership to the System that has resulted in a significant financial turnaround and a new system-wide focus on strategic growth and long-term viability.
- JHS is the best candidate to serve all residents of the western Miami-Dade area and is the most financially accessible health system in the county, as well as one of the most financially accessible systems in the state.
- JHW has an infrastructure, affiliated physicians with primary offices in the proposed 12-ZIP Code service area and has a commitment from the University of Miami's Miller School of Medicine to collaborate on expansion of specialty and sub-specialty presence in the area.
- Expanding the JHS network will actually lower its dependence on public funds, not increase it. Unlike for-profit HCA, JHS has proven that healthcare systems do not have to ration care to the uninsured in order to have sound financial operations.
- HCA charity and indigent care historical experience pales in comparison to JHS.
- DMC's project will have negative impact on existing providers while JHW will not.
- Development of JHW will have no material impact on existing providers.
- DMC's project lacks positive impact on local economy/development and community benefit.
- DMC's CON application failed to meet 408.037(2) Florida Statutes as it relates to the definition of the service area for a new hospital.

JHS concludes its opposition statement by stating that by any measure, JHW offers a superior plan to address the urgent needs of the Miami-Dade communities. The opposition maintains that JHS has committed to placing its hospital on a full service campus, enhancing continuity of care by co-locating outpatient specialty care, walk-in treatment, diagnostic, imaging and other comprehensive services. JHS notes that its application is committed to expanding healthcare access in an underserved part of Miami-Dade by using its new facility to lower taxpayer cost by increasing access to the historically underserved.

Variety Children's Hospital d/b/a Nicklaus Children's Hospital (NCH) submitted a detailed opposition statement to CON application #10394 signed by April Andrews-Singh, General Counsel of NCH. NCH provides a summary of opposition to the proposed project and offers statistical data in several categories indicating that the proposed project would create duplication of pediatric services.

NCH states that it is located in ZIP Code 33155, which is adjacent to the applicant's SSA and presumes that DMC purposely did not include ZIP Code 33155 in its defined service area so that NCH would not be included in the applicant's boundaries. NCH affirms that there is a direct correlation between quality and volume, noting that NCH is the only freestanding specialty children's hospital in Miami-Dade County. As a specialized pediatric hospital, NCH states it currently has a 49 percent market share of inpatient volume originating from DMC's defined service area. The opposition maintains that it will be severely impacted with the approval of east Florida-DMC because of its high market share in the applicant's proposed service area.

The opposition indicates that it is unique because of its dedicated physicians and nurses who are passionate about providing innovative care to children. NCH notes that its programs are ranked among the top 10 in the nation and provides the following achievements to reiterate being one of the best children's hospitals in the country:

- NCH has more pediatric programs ranked among "America's Best" by *U.S. News and World Report* in from 2011-2015, than any other Florida hospital.
- NCH is one of only three pediatric hospitals in the nation and the only one in Florida to have all three of its intensive care units receive either a Gold Beacon Award or Silver Beacon Award from the American Association of Critical Care Nurses.
- The Heart Program at NCH provides care for more children with congenital heart disorders than any other hospital in Florida. It is consistently ranked among the best programs in the nation for cardiology and heart surgery.
- Florida Blue has recognized NCH with a Blue Distinction Center designation for delivering quality bone marrow transplant care as part of the Blue Distinction Centers for Specialty Care program.
- NCH's Brain Institute is the first and largest pediatric neuroscience collaborative in the nation. The program is recognized for excellence in treatment of children with brain tumors, intractable epilepsy and other brain anomalies, and offers the latest minimally invasive methods, including Visualase, and image-guided laser technique for epilepsy surgery in children. The NCH Brain Institute is proud to be ranked 8th in the nation in pediatric neurology and neurosurgery. No other program in the southeastern U.S. ranks higher.

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- NCH's Neonatal Intensive care unit is proud to be ranked as one of the top 10 programs in the nation in neonatology. No other program in Florida ranks higher.
- NCH's Cancer Center is the largest provider of pediatric cancer services in the region. The center participates in research protocols, offering the latest interventions for children receiving treatment for all forms of cancer and blood disorders.
- NCH's Research Institute is one of the largest providers of pediatric research in the region. The institute has earned full accreditation from the Association of Human Research Protection Programs (AHRPP). The hospital is the first pediatric facility in the state and one of the few in the nation to achieve this standing.
- NCH's LifeFlight Critical Care Transport team provides transport of critically ill children from referring hospitals to NCH critical care units. The program features ground ambulances, and fixed-wing and the only pediatric roto-wing aircraft in Miami-Dade County. The LifeFlight program offers air transport via helicopters operated by PHI, Inc., one of the world's most experienced aircraft operators and the holder of a Part 135 Certificate issued by the Federal Aviation Administration, and through contracted fixed-wing aircraft charters. Even though NCH loses significant dollars on the program each year, NCH feels it is the organization's obligation to provide this service.
- For the third time in a row, NCH has been designated an Association of American Nurses Credentialing Center (ANCC) Magnet facility, the nursing profession's most prestigious institutional honor. The hospital was the fifth pediatric hospital in the nation to achieve this recognition.
- NCH is proud to be ranked among the top 125 training organizations in the nation by *Training Magazine*, the leading publication for learning and development professionals. The hospital has been included in the ranking annually since 2006.

The opposition cites the depth and impact of its outreach program and provides several examples of their dedication to serving pediatric patients throughout South Florida. NCH also notes that it provides primary care and a medical home to the Medicaid population through its Pediatric Care Center. The opposition states that the hospital provides dental services for approximately 22,000 patients per year through its Pediatric Dental Residency program and houses Early Steps Southernmost Coast- an early intervention program for children at risk of developmental delays. The opposition contends that it is the leading provider of healthcare services for medically needy children and contributes from \$16 to \$20 million annually in uncompensated care.

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NCH attests that it plays a role in the Doral area and has its comprehensive outpatient center located in Doral ZIP Code 33178, within the same ZIP Code area as the proposed DMC campus (just one mile to the southeast of the proposed DMC hospital site).

The opposition provides statistical data illustrating high utilization of its outpatient center as well as high utilization of urgent care services. NCH states it has a significant reliance on the proposed East Florida-DMC service area—including inpatient, ED and ambulatory surgery service categories. The opposition notes that its inpatient reliance on the proposed service area is 21.1 percent, has a greater reliance on the service area for its outpatient ED visits (33 percent) and relies on the service area for its ambulatory surgery volume (26 percent). NCH notes that its ambulatory surgery reliance will increase as the new Miami Children’s Hospital Ambulatory Surgery Center at FIU initiates full service operation and matures. The opposition indicates that the data provided in the opposition statement clearly supports that it is the primary pediatric service provider in the DMC defined service area and the proposed project will materially impact NCH as 40 to 65 percent of children in the area utilize NCH services.

The opposition contends that based on the application submitted by DMC, the applicant failed to demonstrate the need to receive approval of a new hospital in Doral. NCH notes that the applicant also failed to provide need methodology and only provided estimated future use rates—those use rates do not support the addition of licensed beds within the subdistrict. The opposition also questions why the applicant failed to include the contiguous ZIP Code of 33155 which has the majority of pediatric admissions from its defined service area.

NCH concludes by stating “*DMC did not demonstrate that it would meet the requirements of the Florida Statutory and Rule Criteria and that the proposal is based solely on competitive positioning as well as protection of market share, and not the need of the community.*” The opposition affirms that the proposed project does not foster competition, nor will it increase quality and cost effectiveness. Furthermore, NCH contends that the approval of another provider will dilute the work force--resulting in upward pressure on salaries and benefits, thereby increasing costs. The opposition maintains that the extent of utilization at existing hospitals in the subdistrict does not support the approval of a new hospital—with approximately 50 percent occupancy across the subdistrict and 55 percent at the subdistrict’s only specialty children’s hospital.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395): The Agency received four written statements of opposition The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West

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(CON application #10395). All documents were received timely pursuant to 408.039 (3)(c), Florida Statutes. The statements were received from:

- A joint letter of opposition was submitted by Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital
- Scott A. Cihak, CEO on behalf of Kendal Regional Medical Center
- Julie Gallagher of Grossman, Furlow & Bayo, LLC on behalf of Palm Springs General Hospital
- General Counsel and Senior Vice President of Legal Affairs at Variety Children's Hospital d/b/a Nicklaus Children's Hospital in Miami

Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital (all affiliates of Tenet Healthcare) submitted a joint statement of opposition. The statement included one attachment containing 48 letters from local healthcare providers and community members opposing a new hospital in Doral. The opposition provides a summary of opposition to the proposed project and offers statistical data including charts, graphs and maps to illustrate that there is no need for the proposed project.

The opposition states that the primary argument made by Jackson Health System for approval of Jackson West is to boost its financial position. The opposition maintains that the Doral market has a desirable payor mix and JHS wants more of it. The opposition provides the following statements against the approval of the proposed project:

- The applicant has provided no evidence of geographic, financial or programmatic access barriers for the Doral area.
- The market's need is already being met by many different existing providers which are reached in all directions of the defined service area within an amount of reasonable time.
- JHS hospitals are not a provider of choice in its communities where it has hospitals.
- Even with a new facility, Miami-Dade residents will still bypass a JHS hospital for one of the other health systems in Miami.
- Jackson West has chosen not to provide any empirical evidence that Jackson West's 100 hospital beds will add to financial viability of JHS--by opting to leave out this information, Jackson has failed to substantiate its rationale.
- Jackson West projected forecast and market share to justify its utilization (admissions, ADC and occupancy) does not include a bed need methodology that supports the addition of a new general acute care hospital to the service area, nor the need for non-tertiary services, pediatric services, OB services or emergency services in the subdistrict.
- Jackson West does not provide any information, data, anecdotes or substantive facts which demonstrate the residents of Doral do not have reasonable access to existing hospitals in the subdistrict.

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- Data and substantive facts prove there are available and nearby quality hospitals which are reasonably accessible to residents of the service area.
- The applicant failed to meet the CON Statutory Review Criteria as provided in Section 408.035, Florida Statutes for new general acute care hospitals.
- Jackson West will not enhance access as reflected in the opposition.
- The hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as no barriers to access were demonstrated by the applicant.
- The hospital will not foster competition that promotes cost-effectiveness of quality of care.
- Despite population increase--medical treatment trends for inpatient services are continuing to decrease at a rate greater than the population increase.
- The existing area providers are sufficiently equipped, staffed and operate the necessary services to the entirety of the subdistrict, including the applicant's defined service area.
- Jackson West's objective of admitting a better quality payor mix indicates its proposed provision for Medicaid/medically indigent does not meet the intent of the statutory provision nor does it meet the intent of the Health Care Access Criteria.

Palmetto General Hospital, Coral Gables Hospital and Hialeah Hospital, individually and collectively oppose the proposed project and indicate each of these hospitals will be materially, substantially and adversely affected with the approval of CON application #10395. The opposition states that the examples below are just a few cases not included in the baseline which will ultimately impact existing Tenet hospitals. The opposition maintains that this will result in significantly more impact on existing Tenant facilities.

- If use rates decline further than estimated by Jackson West, which is likely given current patterns, then Jackson West market share must increase to meet the same market forecast. Increased market shares at Jackson West further increase the negative impact at the existing Tenet hospitals.
- Consideration for tertiary services and referral are not included in the baseline. Both Hialeah Hospital and Palmetto General Hospital have neonatal intensive care units (NICUs). Diversion or loss of OB cases will result in some loss of NICU cases.
- Palmetto General has an extensive invasive cardiology program. Loss of non-tertiary cases or medical cardiology cases could result in loss of these incremental cases as the patient will likely be referred within JHS.

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- Both Palmetto General and Hialeah Hospital have psychiatric units. While not proposed for Jackson West, any presenting cases in the ED will likely be referred within the JHS.
- Inclusion of the Hialeah community in the Jackson West service area definition would have resulted in a greater case impact from what is presented in the opposition statement.
- If market share estimates are understated, then the impact on Tenet hospitals would increase accordingly.

The opposition states that Jackson West has not proposed to offer anything different than what is already readily available at multiple hospitals throughout the area. In summary, the Tenet facilities indicate the proposed project, CON application#10395, does not meet the intent of the statutory and rule criteria and should therefore be denied.

Kendall Health Group, Ltd. d/b/a Kendall Regional Medical Center (KRMC or Kendall Regional) submitted a detailed statement of opposition to this project addressing issues KRMC believes should be considered in evaluation of the merits of the proposed project. The opposition was signed by Scott A. Cihak, C.E.O of KRMC. The statement included one attachment: an article from the Miami Herald dated September 25, 2015.

The opposition provides a summary of proposed project and offers statistical data to support arguments against the proposed project. KRMC states that JHW has failed to demonstrate claims made within CON application #10395 or that the proposed project will address the needs of residents of the Doral area. The opposition maintains that JHW failed to satisfy the statutory review criteria applicable to general hospital projects and should be denied.

KRMC provides several arguments to support its claim that JHW is not the appropriate applicant to serve the needs of the residents of the City of Doral. The opposition addresses four key factors:

- JHW's site is poorly situated to serve Doral residents.
- JHW's service area is unreasonable.
- The JHW location is neither convenient nor accessible as most of the Doral population resides in the northwestern quadrant of the city.
- JHS has overstated its historical presence in the Doral area.

The opposition indicates that JHW proposes to serve three separate communities—Doral, Tamiami, and University Park. KRMC maintains that analysis of JHW's application reveals that it will not effectively serve the interest of any one of these communities/cities but rather is placing its hospital in the center of an industrial/warehousing/commercial

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center that is not accessible to any of the communities it targets. The opposition asserts that JHW's proposed hospital is in the "armpit" of the Palmetto Expressway and its intersection with NW 25th Street (one of the southernmost east-west streets running through the city of Doral)—next to a retention pond and will be surrounded by warehouses and industrial sites.

KRMC further notes that the proposed site for JHW is on the outskirts of the City of Doral, in close proximity of the Miami International Airport with runways located directly east of the proposed location. The opposition concludes that a proposed site in the middle of an area with no population surrounded by industrial facilities is not an appropriate location for a new hospital.

The opposition indicates that JHW has unreasonably defined the service area for its proposed project. KRMC contends that JHW's proposed PSA extends to the east of its proposed site into areas that it is unlikely to serve given the natural geographic barriers and the presence of established larger facilities. Specifically, the inclusion of ZIP Codes 33126, 33144 and 33166 are not appropriate to be in the PSA of the proposed facility.

KRMC contends that for residents of the City of Doral, the JHW location is neither convenient nor accessible since most of the Doral population resides in the northwestern quadrant of the city. The opposition notes that JHW includes ZIP Code 33166 in its PSA—comprised of the communities of Virginia Springs and Miami Springs. KRMC maintains that these are not the "communities" that JHW indicates has a need for a new community hospital. The opposition asserts that residents of these areas have proximate hospitals just northeast of them in Hialeah Park. In addition, KRMC notes that JHW does not explain how its proposed hospital location will be accessible to those living in Virginia Springs and Miami Springs.

The opposition references CON application #10395 noting that JHW states that the Tamiami community has a need for a local hospital, but KRMC maintains that the JHW proposal is not positioned to serve that need. KRMC indicates that the Tamiami community is situated to the west of the Ronald Regan Turnpike, just south of the City of Doral with KRMC on the southern edge of the Tamiami community. The opposition asserts that KRMC is readily accessible off the Florida Turnpike--more easily accessed and has an established presence for the Tamiami community.

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KRMC maintains that the University Park community will not be well served by the proposed hospital by JHW, as patients will continue to travel to existing providers such as KRMC or Westchester General Hospital.

The opposition indicates that JHS has overstated its historical presence in the Doral area by “dramatically” overstating its historical patient base and physician presence in Doral through the inclusion of ZIP codes east of JHW’s proposed site as discussed previously. KRMC cites JHW’s notation that JHS hospitals served 1,391 non-tertiary inpatient discharges from its proposed PSA in 2014 and an additional 702 non-tertiary discharges from its proposed SSA for a total 2,093 discharges. KRMC contends that this base is not a large volume of patients on which to draw for the development of a new hospital. According to KRMC the three eastern ZIP Codes inappropriately included in its PSA (33126, 33144 and 33166) constitute 785 of these discharges or 56 percent of the total. The opposition maintains that only 606 non-tertiary discharges went to JHS’ facilities from the remaining four-ZIP codes that comprise the core of the Doral population, which opposition states is a minimal presence within CON application #10395.

The opposition maintains that KRMC is the largest provider of non-tertiary services to JHW’s proposed PSA with a 23.4 percent share of non-tertiary discharges. KRMC further notes that within the ZIP Codes that encompass the City of Doral, the KRMC market shares exceed 40 percent. The opposition concludes that its facility and medical staff are providers of choice for Doral residents and indicates JHW will not be able to achieve the level of utilization it projects and the proposed hospital would operate at low rates of occupancy as do the other JHS’ facilities in Miami-Dade County.

KRMC asserts that JHS does not have the experience to operate a smaller community hospital as the applicant’s primary mission is to operate a large academic medical center and serve as Miami-Dade’s public hospital. The opposition indicates that JHS’ affiliation with the University of Miami to provide much of its medical staff is a different model than is needed to successfully operate a small community hospital that relies on the support of community physicians who control much of the inpatient volume in a given area.

KRMC is an affiliate of HCA and asserts that HCA is one of the nation’s largest operators of community hospitals and has successfully developed and operated community hospitals throughout Florida and the country.

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The opposition highlights additional factors to support denial of CON application #10395:

- JHW has not demonstrated the need for 100 beds—with a projected year two utilization of only 57.8 percent.
- JHS proposed “transfer” of 100 beds to JHW is not meaningful—as the 100 beds can be reopened at any time. JHW offered no condition that would preclude reopening these beds.
- JHS’ medical home initiative does not require a hospital in Doral—there is nothing about the applicant’s proposed initiatives that require the presence of a community hospital.
- Financial access is not a basis to approve the JHW application. KRMC does not refute that JHS serves an important role in Miami-Dade but KRMC notes that JHS receives significant public support to offset its services to indigent patients.
- KRMC contends that JHS has limitation on the financial access it provides and cites an article in the Miami Herald in which a patient in the U.S. Virgin Islands was diagnosed with a ruptured aortic valve that required emergency open heart surgery but rather than clearing the patient for immediate transfer to Miami by helicopter, Jackson Memorial doctors and administrators waited while they verified his health insurance coverage and method of payment. The patient died after 18 hours awaiting approval for transfer. KRMC notes that by refusing to accept the patient without financial clearance, Jackson Memorial violated Emergency Medical Treatment and Active Labor Act.
- JHS’ hope that JHW will enhance its financial performance is unfounded.
- JHW will not foster competition that promotes quality.
- The proposed project is not consistent with 408.035(1)(g), F.S.
- JHW’s impact will be greater than DMC and will fall heavily on KRMC as JHW will have a much higher market share than assumed in the proposed application.
- There is no specific condition regarding teaching activities.
- HCA’s decision 12 years ago not to construct its West Kendall hospital is irrelevant to this review. KRMC states that JHW is wrong if it is implying that HCA somehow lacks the commitment to develop a new hospital in Doral based on the West Kendall decision.
- JHW has failed to demonstrate that its project is consistent with the CON statutory review criteria for new general hospitals. KRMC counters each of the applicant’s responses to review criteria in the opposition statement.

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KRMC concludes by stating DMC is the superior applicant to serve Doral and sites several reasons such as patient preference, site location, utilization of affiliate hospitals, experience to develop and operate the proposed facility successfully, physician presence and the cost to taxpayers to support the approval of DMC's proposed project.

Palm Springs General Hospital, Inc., d/b/a Palm Springs General Hospital (PSGH) submitted a detailed statement of opposition to CON application #10395. The opposition was signed by Julie Gallagher, of Grossman, Furlow & Bayo LLC Attorneys at Law, on behalf of PSGH. The opposition was prepared by RPC and included several attachments: charts illustrating PSGH's outpatient visits, ER visits, discharges by payor category and patient ZIP Code origin for years 2012-2014, statistical analyses supporting PSGH's arguments, as well as a list of 429 physicians and their specialties in Jackson's proposed PSA ZIP Codes. Also included in the attachment were the resumes for Dr. Ronald T. Luke, President of RPC as well as Robin B. Gage, MBA, MHA, Senior Consultant for RPC.

PSGH provides many reasons why the proposed project should not be approved as well as rebuts the claim that there is need for another hospital in Miami-Dade County. PSGH lists the following arguments as reasons why the proposed project should not be approved:

- The six statements in the JHS rationale do not correspond to the CON review criteria. None of the statements allege that anyone in Miami-Dade County currently lacks reasonable access to health services or that the proposed hospital is necessary to provide these services. Several of the statements are about the institutional needs of JHS rather than the needs of residents of the county or the service area. JHS has provided no evidence to support several of the statements.
- The applicant defined a PSA and SSA is composed of 12-ZIP Codes. The PSA is the area from which the applicant expects to receive 75 percent of its inpatient admissions and includes the ZIP Codes 33126, 33122, 33144, 33166, 33172, 33174, 33178 and 33182. The SSA includes Zip codes 33155, 33165, 33175 and 33175. Opposition contends that the applicant gerrymandered its service area to unreasonably exclude zip codes north of U.S. 27 that are within the five-mile radius on which Jackson says it based the definition of its service area. The northern ZIP Codes are the same distance from the proposed site as ZIP Codes south of the site that Jackson included in its service area and are equally accessible from the site via the Palmetto Expressway. The reasonable service area for the Jackson site should include these additional ZIP Codes: 33010, 33013, 33012 and 33016. Opposition analysis of the proposed project includes these four additional ZIP Codes that

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fall partially within a five-mile radius to the north of the proposed hospital location.

- JHS proposed a small 100-bed community hospital that will offer services already offered by the many existing hospitals used by residents of the PSA and SSA. The proposed hospital will not improve programmatic access to services for the service area population as a whole or any subgroup. Jackson says it will offer only what it defines as “non-tertiary” services. The impact of the proposal is understated as JHS has classified several orthopedic MS-DRGs that are routinely performed at community hospitals as tertiary. There are no conditions on the application that limit the services the hospital can provide. Once built, the hospital can provide any services that do not require a separate CON.
- JHS’ proposed hospital will not substantially increase financial access to healthcare for any underserved group in Miami-Dade County. Jackson has conditioned this project on a payor mix of at least 25.2 percent non-pay and Medicaid discharges, or 1,231 discharges. This amounts to only 1.0 percent of the inpatient services Miami-Dade County hospitals provided to discharges classified in these payor groups in 2014. These patients can easily and more economically be served at existing hospitals. The full implementation of Medicaid Managed Care and the Affordable Care Act will likely reduce or slow the growth of inpatient use by these groups.
- The Jackson West Freestanding ED and ambulatory center development project is underway. It appears it will provide the uninsured and the Medicaid populations with improved access to primary care and other outpatient services in non-hospital settings. However, development of an ambulatory center is no argument for addition of inpatient services. Jackson has several other ambulatory centers that do not have inpatient components and should be concentrating its resources on this and similar projects expanding its capacity to provide primary care, access to physician specialists and related outpatient services for these populations.
- The fact that residents of Jackson’s service area currently use Jackson hospitals show they currently have access to its services—therefore proving there is no reason to build a new hospital. Residents of each ZIP Code in the applicant’s PSA and SSA used from 22 to 24 Miami-Dade County acute care hospitals in non-tertiary, non-OB services. If Jackson’s argument was sound, then every hospital used by residents of the service area has an argument to build a new hospital. The opposition maintains that the data shows that the service area is not a separate medical market.

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- The proposed hospital will not enhance medical education in Miami-Dade County. If Jackson wants to offer clinical rotations in community hospital setting it has existing facilities in which to do so. The applicant offers no evidence that there is any deficiency in graduate or post-graduate medical training sites in Miami-Dade County. The current limitation on medical education is the cap on federally-funded residency positions. Jackson should spend additional money to fund residencies instead of spending money to build a small community hospital in a county with 25 acute care hospitals.
- Jackson included approximately 626 letters of support for its project—with Attachment 5 containing a summary of the letters. The vast majority of the letters are form letters that repeat the talking points in the Jackson application. The content of the letters does not provide any evidence that there is a need for the proposed hospitals in Miami-Dade County as need is defined by the statutory review criteria.
- There is no need for the proposed hospital to provide reasonable geographic access to inpatient services for residents of the service area. No ZIP Code in the composite service areas is geographically isolated from hospital resources in Miami-Dade County. The area is crisscrossed by major expressways and arterials. The rail yards, drainage canals and other land uses in the service area do not increase travel time from the population centroid of any zip code to hospitals beyond acceptable levels.
- The proposed hospital will not substantially enhance geographic access to inpatient services for residents of any ZIP Code in the applicant's PSA or SSA. In an urban county, 20-30 minutes driving time is a reasonable driving time to access non-tertiary inpatient services. Residents of each PSA and SSA ZIP Code have 12 or more general acute care hospitals in Miami-Dade County within 30 minutes driving time. Any reduction in travel time due to the proposed project is a matter of convenience and will not enhance geographic access to inpatient services.
- Using Jackson's own definitions of service area and non-tertiary medical/surgical services, opposition performed a linear regression analysis on the use rate by ZIP Code for all populated Miami-Dade County ZIP Codes using STATA software. There is no statistically significant difference between the two residential Doral ZIP Codes (33172 and 33178) and the other ZIP Codes in the county after controlling for the median household incomes, race, ethnicity, age and gender characteristics of each of the ZIP Codes. Similarly, there is no statistically significant difference between the use rates of the Jackson PSA ZIP Codes and the rest of Miami-Dade County ZIP Codes.

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- There are sufficient physicians' offices located in the PSA and SSA zip codes for primary and specialty care physicians to provide the residents with reasonable access to healthcare.
- Population growth in the PSA ZIP Codes, and particularly in the City of Doral, will be limited by the Miami-Dade Comprehensive Plan and related zoning. Much of the undeveloped land is in restricted development zones and other acreage is assigned to non-residential uses. Most of the land in the Jackson PSA has no population and the hospital would have to rely heavily on population on the fringes of the PSA and in the SSA for patients.
- Jackson has not presented any evidence that any resident has not received or will not receive needed health services because of a lack of inpatient bed capacity in Miami-Dade County. For urban general acute care hospitals, 80 percent to 85 percent is a reasonable annual average occupancy. Hospitals routinely operate at higher occupancy percentages during some seasons and on some days of the week. The 2014 utilization of acute care hospitals currently utilized by residents of the ZIP Codes in the PSA and SSA are well below their capacity. For each ZIP Code, the average occupancy percentage of Miami-Dade County hospitals within 30 minutes driving time used by residents of the ZIP Code ranges from 52.7 percent to 57.1 percent.
- The applicant has presented no evidence to show that any need cannot be addressed more economically by adding capacity to existing hospitals. When geographic access is not an issue, constructing additional hospitals is less economical than adding beds to existing hospitals. Several hospitals in Miami-Dade County, including PSGH, have expansions underway or planned.
- Jackson has presented no evidence that its proposed hospital will provide services that are higher in quality or lower in cost than existing hospitals used by residents of the service area. Jackson already has three hospitals located in northern, central and southern sections of Miami-Dade County that are reasonably accessible to the entire population. The physician and ambulatory services Jackson is establishing at the Jackson West campus will allow it to be accessible and acquire patients who can be referred to its existing facilities for inpatient services.
- PSGH will be substantially affected by approval of the Jackson proposal. The proposed hospital is located on the Palmetto Expressway, a five-mile radius from the proposed site includes ZIP Codes 33010, 33013, 33012 and 33016 but the proposed hospital did not include 33012 in its service area. PSGH notes that it is located in ZIP Code 33012.

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PSGH contends that Jackson's rationale for the proposed hospital is institution-specific and not based on the needs of residents of its service area. The opposition indicates that the analysis presented shows that there is no need for the proposed facility and that JHW failed to meet the CON review criteria. PSGH concludes by stating there is no need for the proposed hospital and the Agency should deny CON application #10395.

Variety Children's Hospital d/b/a Nicklaus Children's Hospital (NCH), submitted a detailed opposition statement to CON application #10395. The opposition was signed by April Andrews-Singh, General Counsel of NCH. NCH provides a summary of opposition to the proposed project and offers statistical data in several categories indicating that the proposed project would create duplication of pediatric services.

NCH states that it is located in ZIP Code 33155, within JHW's defined SSA—an unnecessary duplication of readily available and accessible pediatric service. NCH affirms that there is a direct correlation between quality and volume and states that NCH is the only freestanding specialty children's hospital in Miami-Dade County. The opposition maintains that it has a 53 percent market share of inpatient volume originating from JHW's defined service area. NCH states that with a high market share in the applicant's proposed service area, NCH will be severely impacted with the approval of the Jackson Health West's proposed hospital.

NCH contends that it is unique because of its dedicated physicians and nurses who are passionate about providing innovative care to children. NCH notes that its programs are ranked among the top 10 in the nation and provides the following achievements to reiterate being one of the best children's hospitals in the country:

- NCH has more pediatric programs ranked among "America's Best" by *U.S. News and World Report* in from 2011-2015, than any other Florida hospital.
- NCH is one of only three pediatric hospitals in the nation and the only one in Florida to have all three of its intensive care units receive either a Gold Beacon Award or Silver Beacon Award from the American Association of Critical Care Nurses.
- The Heart Program at NCH provides care for more children with congenital heart disorders than any other hospital in Florida. It is consistently ranked among the best programs in the nation for cardiology and heart surgery.
- Florida Blue has recognized NCH with a Blue Distinction Center designation for delivering quality bone marrow transplant care as part of the Blue Distinction Centers for Specialty Care program. This designation is based on objective, transparent measures for patient safety and health outcomes developed with input from the medical community.

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- NCH's Brain Institute is the first and largest pediatric neuroscience collaborative in the nation. The program is recognized for excellence in treatment of children with brain tumors, intractable epilepsy and other brain anomalies, and offers the latest minimally invasive methods, including Visualase, and image-guided laser technique for epilepsy surgery in children. The NCH Brain Institute is proud to be ranked 8th in the nation in pediatric neurology and neurosurgery. No other program in the southeastern U.S. ranks higher.
- NCH's NICU is proud to be ranked as one of the top 10 programs in the nation in neonatology. No other program in Florida ranks higher.
- NCH's Cancer Center is the largest provider of pediatric cancer services in the region. The center participates in research protocols, offering the latest interventions for children receiving treatment for all forms of cancer and blood disorders.
- NCH's Research Institute is one of the largest providers of pediatric research in the region. The institute has earned full accreditation from the Association of Human Research Protection Programs (AHRPP). The hospital is the first pediatric facility in the state and one of the few in the nation to achieve this standing.
- NCH's LifeFlight Critical Care Transport team provides transport of critically ill children from referring hospitals to NCH critical care units. The program features ground ambulances and the only pediatric roto-wing aircraft in Miami-Dade County. The LifeFlight program offers air transport via helicopters operated by PHI, Inc., and through contracted fixed-wing aircraft charters. Even though NCH loses significant dollars on the program each year, NCH feels it is the organization's obligation to provide this service.
- For the third time in a row, NCH has been designated an Association of American Nurses Credentialing Center (AANCC) Magnet facility, the nursing profession's most prestigious institutional honor. The hospital was the fifth pediatric hospital in the nation to achieve this recognition.
- NCH is proud to be ranked among the top 125 training organizations in the nation by *Training Magazine*, the leading publication for learning and development professionals. The hospital has been included in the ranking annually since 2006.

The opposition cites the depth and impact of its outreach program and provides several examples of their dedication to serving pediatric patients throughout South Florida. NCH also notes that it provides primary care and a medical home to the Medicaid population through its Pediatric Care Center. The opposition states that the hospital provides dental services for approximately 22,000 patients per year through its Pediatric Dental Residency program and houses Early Steps Southernmost Coast-

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an early intervention program for children at risk of developmental delays. The opposition contends that it is the leading provider of healthcare services for medically needy children and contributes from \$16 to \$20 million annually in uncompensated care.

NCH attests that it plays a role in the Doral area and has its comprehensive outpatient center located in Doral ZIP Code 33178, within the same ZIP Code area as the proposed DMC campus (just one mile to the southeast of the proposed DMC hospital site).

The opposition provides statistical data illustrating high utilization of its outpatient center as well as high utilization of urgent care services. NCH states it has a significant reliance on the proposed JHW service area—including inpatient, ED and ambulatory surgery service categories. The opposition notes that it has 53.4 percent market share of pediatric inpatient volume, nearly 50 percent of outpatient ED visits and a 67 percent market share of all pediatric outpatient surgical volume for JHW's proposed defined service area.

NCH notes that its ambulatory surgery reliance will increase as the new Miami Children's Hospital Ambulatory Surgery Center at FIU initiates full service operation and matures. The opposition indicates that the data provided in the opposition statement clearly supports that it is the primary pediatric service provider in the JHW defined service area and the proposed project will materially impact NCH as 50 to 67 percent of children in the area utilize NCH services.

The opposition contends that based on the application submitted by JHW, the applicant failed to demonstrate need for a new hospital in Doral nor did JHW demonstrate that it will enhance access or improve accessibility or availability. NCH also notes that JHW failed to present a need methodology to support the need for a new hospital.

In addition, NCH maintains that JHW is targeting the City of Doral population because it has a better payor mix. The opposition contends that any disproportionate admissions by JHW of better paying patients would have a disproportionate result and would adversely affect NCH because of NCH's high utilization by the Medicaid population. NCH asserts that JHW's proposal is solely based on institution specific wants and not the needs of the community it proposes to serve.

NCH concludes by stating "*Jackson West did not demonstrate that it would meet the requirements of the Florida Statutory and Rule Criteria and that the proposal is based solely on institution wants, and not the need of the community.*" The opposition affirms that the proposed project does not foster competition, nor will it increase quality and cost-effectiveness.

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The opposition maintains that the extent of utilization at existing hospitals in the subdistrict does not support the approval of a new hospital—with approximately 50 percent occupancy across the subdistrict and 55 percent at the subdistrict’s only specialty children’s hospital.

G. Applicant Response to Written Statement(s) of Opposition

In those cases where a written statement of opposition has been timely filed regarding a certificate of need application for a general hospital, the applicant for the general hospital may submit a written response to the Agency. Such response must be received by the Agency within 10 days of the written statement due date. ss. 408.039(3)(d), Florida Statutes.

East Florida-DMC, Inc. (CON application #10394) responded to the four statements of opposition received by the Agency. The applicant chose to provide a single response to Jackson Health System (JHS), Palm Springs General Hospital, Inc. (PSGH), Variety Children’s Hospital d/b/a Nicklaus Children’s Hospital (NCH), Coral Gables Hospital (Coral Gables), Hialeah Hospital (Hialeah) and Palmetto General Hospital (Palmetto General), addressing relevant issues that were raised collectively by the opposition. DMC may also refer to Coral Gables, Hialeah and Palmetto as “Tenet Hospitals” or “Tenet”.

DMC argues the claim made by Jackson that the applicant fails to meet the statutory requirements of defining its 75 percent PSA and 25 SSA because it included a five percent in-migration factor. DMC states that on two prior occasions, the Agency accepted an in-migration factor in the service area definition for new hospitals. The applicant provides previously submitted SAARs for Oviedo Medical Center (CON application #10059), LLC and West Jacksonville Medical Center, Inc. (CON application #10223) to support that DMC meets the required statutory requirement for definition for its service area.

In response to Tenet’s claim that Hialeah ZIP Code (33031) should be included in DMC’s service area, DMC indicates that there are two major barriers to service—patients seeking care at facilities to the northeast of the service area—the rail switching yard to the east and Federal Highway 27 to the northeast. The applicant states that there are limited ways in which patients can traverse these obstacles and notes that patients from ZIP Code 33013 would be unlikely to travel north and then west around the rail yard to the limited roads that traverse the canal/Highway 27. Similarly, patients from DMC’s PSA do not currently travel the opposite direction to Hialeah for hospital care.

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DMC notes that NCH also made a claim that the Westchester ZIP Code 33155 should be included in DMC's service area. DMC states that several other hospitals are more proximate to this ZIP Code including Westchester General Hospital, KRMC, Doctors Hospital, Coral Gables Hospital, Larkin Hospital and South Miami Hospital. The applicant indicates that there is no basis for DMC to include this ZIP Code in its proposed service area as patients would travel to a more proximate hospital in lieu of DMC. The applicant indicates the reverse is true—minimal numbers of patients drive from DMC's PSA to Westchester General Hospital located in ZIP Code 33155 for care, as demonstrated by Westchester General Hospital's 0.1 percent market share of proposed PSA non-tertiary and OB patients in 2014.

The applicant responds to criticism of poor location by JHS by noting that DMC's focus is to provide a local community hospital for Doral while the focus of JHS' application is to open a new hospital some nine miles to the west to serve numerous areas of Miami-Dade County, including the City of Doral ZIP Codes. DMC maintains that the JHS' proposed hospital does not focus on being a community hospital for the growing Doral community.

DMC indicates that its proposed location is ideal to meet the needs of the Doral community. The applicant notes that JHS attempts to defend the site selected for JHW but offers no effective rebuttal to the many deficiencies that are documented in the DMC application. The applicant also notes that the population density map included in its application clearly shows the DMC's proposed site is squarely in the middle of the population of Doral area while JHW's site is in an area with virtually no population. DMC states that Jackson's claimed "outside expert" evaluation the JHW site location failed to consider important factors. The applicant provides several factors as to why the JHW site is not suitable for development of a hospital:

- The lack of appeal of a hospital situated in an industrial area.
- The level of transportation traffic (planes, trains, automobiles) and the accompanying noise pollution in the area.
- The impact of Miami International Airport on the feasibility of air ambulance transportation.
- The site will not be appealing to patients or employees given the traffic volume of trains, planes and automobiles along with the accompanying noise pollution.
- There will likely be added costs with construction in the proposed location.
- The site could potentially result in needed expenditures by Miami Dade County to address the impact of a critical facility location in the airport noise zone and construction of a buffer between the hospital and the Palmetto Expressway.

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The applicant notes that several of the opposing parties noted that Doral residents can access the Tenet hospitals and Palm Springs to the northeast and southeast of the Doral area if they have no other option. DMC contends that this is not the standard in determining whether a new general hospital should be approved in Florida. The applicant asserts that a canal is a geographic barrier that most patients do not cross and the fact that some patients from the City of Doral cross the canal for treatment at the opposing hospitals does not negate that there are existing geographic barriers. DMC contends that these identified geographic barriers impede access in and out of the City of Doral—demonstrating that the City of Doral has a need for a community hospital. In regards to access based on travel time, DMC notes that none of the Tenet Hospitals, nor PSGH, nor JHS' hospitals rank in the top four hospitals in the proposed PSA ZIP Codes based on travel time in traffic.

In response to numerous allegations that DMC did not provide a bed need calculation, the applicant refers to Exhibit 2 and 3 on pages 19-20 of CON application #10394 in which the applicant provides a calculation of bed need for non-tertiary patients. DMC asserts that provided need calculations show that PSA encompassing the Doral community has a gross need for more than 194 beds to serve non-tertiary and OB patients without any consideration of population growth.

The applicant also indicates that several opponents suggest that the approval of DMC will not enhance competition as there is already ample hospital competition in Miami-Dade County for non-tertiary and OB services. DMC refutes this claim and presents a market share analysis for the existing providers in Miami-Dade County. DMC maintains that approval of the proposed project would provide a more accessible hospital for patients who are now traveling through congested areas to KRMC (current patient preference in the Doral area) for care and would not suppress choice for the residents of the county. In contrast, the applicant states approval of JHW's project would offer the community a hospital operated by a provider that more than 90 percent of residents currently do not choose to utilize.

DMC compares the projected utilization of the two co-batched applicants and states there is no reason to believe that a new hospital developed by JHS could or would achieve the level of utilization projected by DMC. The applicant indicates that the JHS proposed hospital projects reaching an occupancy rate of only 57 percent in its second year of operation, with no indication what future utilization levels will be. The applicant notes that while DMC projects a one percent annual decline in use rates from 2014-2020, JHW uses constant use rates for multiple age groups, which

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results in more optimistic projections. DMC indicates that it presents a more conservative projection of need and demonstrates its ability to serve that need.

DMC states that in the JHS opposition, JHS contends its application and conditions are comparatively superior to DMC's conditions. DMC provides that following rebuttal:

- Site: Both applicants condition their project on a specific site. The DMC site is clearly superior to that proposed by JHW.
- Transfer of Beds: Jackson's proposed transfer of beds is meaningless as they can add these 100 beds back to its license at any time.
- Development of the West Jackson Campus: Jackson proposes a condition that it will develop an outpatient campus at the proposed site of JHW—but JHS indicates it plans to do so whether JHW is approved or not. DMC states that it also intends to develop outpatient services and a freestanding ED on its City of Doral site prior to opening the hospital.
- Financial Access: JHW does provide a higher commitment to Medicaid and uncompensated care than does DMC. However, DMC presented projections in its application of its expected payor mix, which substantially exceeds the minimum condition.
- Outreach/Education: JHW proposes a number of conditions that have nothing to do with the need for a new hospital and commits to programs that it already intends to implement whether or not the JHW project is approved or not.

The applicant presents a detailed response to opponents' statements regarding financial accessibility and adverse impact on existing providers. DMC concludes that it has demonstrated the proposed project will have a minimal impact on existing providers. The applicant concludes by stating it met all required statutory criteria within CON application #10394 and itemizing these points from the submitted application.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) responded to four opposition statements received by the Agency. The applicant provided individual responses to Tenet Health (Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital), PSGH, KRMC and Nicklaus Children's Hospital.

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The reviewer notes although Jackson submitted individual responses to reach of the above mentioned entities, the response were identical from pages 1-18 and addressed all opposition responses collectively. A detailed summary responding to each opposition individually was provided at the end of each response statement.

JHW maintains that the majority of the opposition to the proposed project can be categorized into five areas. The applicant responded to these areas below.

- *Attacks on JHS:* Opposing parties show a fundamental lack of understanding of JHS and the structure of its taxpayer support. There were also a number of insinuations that JHS does not have the expertise to operate community hospitals and that JHS has undertaken simply for financial gain. JHW indicates that these statements are inaccurate and dismissive of Jackson's overall mission. The applicant asserts that the number one reason for the development of JHW is to give residents in the proposed service area the care they need and deserve, in a location that is easily accessible to their homes.
- *Site and Service Area:* Opposition statements allege that proposed JHW site will not enhance access to inpatient services for residents of the City of Doral. Based on the findings of the third-party evaluation of the accessibility of both JHW and DMC's sites, the sites are both reasonably accessible via major roadways and public transportation routes. Of note, four of the ZIP Codes that DMC included in its SSA are located north of the canal--a significant barrier and would impact either location. JHW did not include any ZIP Codes north of the canal in its defined service area as it is unrealistic to believe that a large number of patients from the four northern-most ZIP Codes in DMC's service area would travel south across the canal for care.
- *Access to Inpatient Services:* Opposition statements fail to recognize the need for a dedicated hospital for residents of the City of Doral and the surrounding communities, where there is a large population base that experiences severe challenges in accessing healthcare services. The population in the PSA and SSA will increase from 420,000 to 444,000 by 2020. There are no operational general acute care hospital beds located in any of the proposed PSA ZIP Codes at this time. Long travel times exist for JHW services area residents accessing acute care providers. The argument by the opposition that there are plenty of available beds in Miami-Dade is not relevant as these beds at hospitals in southern, northern, or eastern Miami-Dade, are not necessarily accessible for residents of the Doral area. The proposed

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development of JHW will not duplicate services or add additional beds to the county or JHS inventory--but will streamline care for residents of the area who currently have a lack of dedicated inpatient resources in a community with a large nucleus of residential population.

- *Adverse Impact:* Opposition statements do not show adverse impact that is materially different from what JHS presented in the CON application. Discussion of ED and ambulatory surgery volume is not relevant to this CON project as these services have no bearing on the Agency's decision. Inclusion of OB discharges in non-tertiary discharges is appropriate from a health planning perspective within a given population in order to calculate population-base discharge rates and future utilization.
- *Conditions:* Opposition statements question the relevance of the applicants proposed conditions. JHW's conditions are meaningful and well-planned—with conditions directly responding to the needs of the community it proposes to serve. JHS indicates that DMC's conditions do not directly respond to the needs of the community it proposes to serve.

The applicant maintains that the Tenet statement of opposition did not raise any substantive issues or provide sufficient contrary data that undermined the validity of the proposed JHW. JHW maintains that no provider will experience material impact on inpatient volume after the proposed facility becomes operational. The applicant contends that Tenet's statement of opposition relies on misrepresentation of data within CON application #10395 as well as statements taken out of context within the application. The applicant affirms that the development of JHW will benefit residents of the City of Doral and the surrounding communities—with minimal impact on existing providers and refutes claims made by Tenet's opposition statement stating that the statement presented no substantial evidence of adverse impact.

The applicant addresses the opposition submitted by NCH noting that, JHW will not have a dedicated pediatric unit, will only provide basic OB services and will not provide tertiary care. JHW maintains that it will not provide "complex care" for pediatric patients since most of the advanced pediatric services available in Miami-Dade are offered at the JHS flagship, Holtz Children's Hospital at Jackson Memorial Hospital, through an affiliation with the University of Miami Miller School of Medicine. The applicant notes that given the undeniable financial accessibility of JHS, the relatively small pediatric population in the area and the types of pediatric services planned for JHW--it is unlikely that the development of the proposed hospital will have any material impact

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on NCH. JHW contends that NCH did not present any data that negates the fact that there is need for a hospital in the City of Doral, nor did NCH provide any substantive evidence that JHW is not the appropriate provider to develop the proposed hospital.

JHW responds to KRMC's statement of opposition by indicating that KRMC's parent company, HCA failed to implement CON application #9675—and that this fact is relevant since HCA has shown a pattern of using the regulatory/CON process for strategic planning and suppression of competition. JHW again references the Tamiami Hospital that was approved after HCA provided evidence of need sufficient to support a new hospital. The applicant notes that HCA chose not to pursue implementation of its CON application and ultimately did not build Tamiami Hospital, leaving its proposed service area population underserved. JHW maintains that these facts are relevant—illustrating there is no guarantee that HCA is committed to build the proposed Doral facility. The applicant asserts that DMC provided no documentation that shows an entitlement or option to purchase the land on which it proposes to build. JHW concludes by stating that HCA has provided nothing in either its CON application or statement of opposition against that demonstrates that JHW is not the superior candidate to develop a hospital to serve the residents of the City of Doral and the surrounding communities. The applicant asserts that it has a concrete plan that includes comprehensive outpatient and physician services to provide a solid foundation for the development of JHW and has a commitment and long history providing services to all residents of Miami-Dade.

JHW refutes the statement made by PSGH that the proposed service area is limited due to restricted development zoning. The applicant cites the UDB and the CDMP to support growth predications. JHW states, according to the CDMP, the UDB's purpose "is to protect wetlands, prevent low density development away from transit and neighborhood amenities and unconnected development patterns, and plan for efficient expansion and improvement in infrastructure and public services." The UDB runs along the western edge of JHW's PSA, to the west of the proposed site of East Florida-DMC's proposed hospital. The applicant notes that nothing west of that boundary will be developed because it includes protected wetlands and the Everglades—meaning that JHW's location in the eastern part of Doral is in an area that will continue to experience thriving growth and development, while DMC's proposed location will be landlocked with no development to the west.

The applicant states that PSGH did not provide any substantive evidence supporting the idea that there is no need for a hospital in the Doral area in its statement of opposition. JHW notes that the analysis provided in the statement of opposition from PSGH did not result in any adverse impact relative to the development of JHW. The applicant states that

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PSGH service area only includes one ZIP Code that JHW proposes to serve and questions the validity of PSGH's opposition. JHW notes that data shows that PSGH discharged 139 patients from the single ZIP Code included in the applicant's defined service area--less than three percent of PSGH's total discharges. The applicant maintains that there is a quantified need for JHW and that development of the proposed project will have no impact on PSGH.

H. SUMMARY

East Florida-DMC, Inc. (CON application #10394) proposes to establish an 80-bed acute care hospital in Miami-Dade County, Florida. The proposed hospital will be located in the southwestern region of Doral, which the applicant states will be accessible to the City of Doral and suburban areas of the county, including Sweetwater, Fontainebleau, Miami Springs, and others. The applicant indicates that the proposed hospital will be located in ZIP Code 33126 and will serve the growing population of Doral, along with residential areas to the north and south of Doral. The reviewer notes that the applicant states on page 45 of CON application #10394, as well on other pages, that the facility will be located in ZIP Code 33178.

DMC states that the new facility will have a complement of 80 licensed acute care beds including 72 medical/surgical and OB beds. The applicant notes that the proposed acute care hospital will be privately owned by DMC (a division of HCA East Florida) and will be fully accredited by The Joint Commission as well as licensed by the State of Florida. The applicant asserts that no public funds will be utilized in construction of the hospital. DMC indicates that it will offer a full range of non-tertiary services, including emergency, imaging, surgery intensive care, cardiac catheterization, women's services and pediatric care.

The applicant proposed two conditions to CON approval on the applications Schedule C.

- East Florida-DMC, Inc.'s new hospital will be located in the city of Doral on NW 41st Street between NW109th Avenue to the east and NW 112th Avenue to the West
- East Florida-DMC, Inc. commits to provide a minimum of 4.0 percent of its patient days to patients covered by Medicaid/Medicaid managed care or who meet the criteria for charity care, combined, to be measured by total inpatient-patient days reported annually to AHCA

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The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) proposes to establish a 100-bed acute care hospital in Miami-Dade County, Florida. The proposed hospital will be established on the Jackson West Campus, an ambulatory campus that is currently under development in the City of Doral area of western Miami-Dade County. The proposed 100-bed community hospital will include a mix of general medical/surgical beds, intensive care and general OB program.

The applicant proposed five conditions to CON approval on the applications Schedule C.

- The applicant will build the proposed 100-bed hospital at the site specified in the application.
- The applicant will transfer 100 beds from Jackson Memorial Hospital to Jackson Hospital West. The total licensed beds in the Jackson Health System and the market will remain the same.
- The applicant will build the Jackson West campus including outpatient lab and radiology, and ambulatory surgery.
- Jackson Health System, including Jackson Hospital West, will provide high level of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically, the applicant will
 - Provide care to patients classified as Non-pay in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges
 - Provide care to patients classified as Medicaid in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 22 percent of discharges
- The applicant will participate in and develop numerous programs and activities aimed at improving the overall health and wellness of the West Miami-Dade community. The outreach activities will include education workshops, health screenings, sponsorship of community wellness activities, and other programs to be determined as dictated by community needs.

The reviewer notes that pursuant to 408.035, Florida Statutes, the Agency shall consider only the following criteria for each co-batched applicant:

- The need for the health care facilities and health services being proposed
- The availability, accessibility and extent of utilization of existing health care facilities and health services in the service district
- The extent to which the proposed services will enhance access to health care for residents of the service district

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- The extent to which the proposal will foster competition that promotes quality and cost-effectiveness
- The applicant's past and proposed provision of health care services to Medicaid patients and the medically indigent.

Need, Availability and Access:

East Florida-DMC, Inc. (CON application #10394) contends that need for the proposed project is demonstrated by the increased popularity and tremendous growth over the past 20 years in the City of Doral. DMC notes that the city is isolated geographically from the rest of Miami-Dade County—surrounded by warehouses, mineral processing plants, landfills, salvage yards, railroad lines and retention ponds. DMC indicates that these geographic and business features of western Miami-Dade obstruct and hinder Doral residents from accessing healthcare services available to the north and east of Doral and notes that there is no hospital of the west of Doral and the Ronald Reagan Turnpike.

DMC states that the principal means of accessing healthcare for these western Miami-Dade County residents is to travel south to hospitals located in population-dense residential areas with high traffic volumes on the limited number of roadways available. The applicant indicates the central focus of this project is to enhance access for all residents requiring acute care and OB care in a hospital setting. In regards to utilization, DMC notes that in 2014, there were 56,399 discharges from the service area for non-tertiary services and 7,003 for OB services. DMC states on average, these patients filled over 739.7 non-tertiary and 52.0 OB beds on a daily basis.

The applicant asserts that its proposed project is superior to the competing application filed by JHS noting that the JHW's proposed site is in the heart of the Doral commercial district--close to one end of the Miami International Airport. DMC contends that there are few routes to travel to reach the JHW site—given that it is in the “armpit” of two major roadways east of the Doral residential section.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) contends that need for the proposed project is justified for the following major reasons:

- The historical unmet need for a large number of hospital beds in western Miami-Dade.
- The large and growing population base in the proposed 12-ZIP Code service area.
- The highly fragmented market of inpatient discharges—residents of the proposed service area seek care currently at more than 100 different hospitals.

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- JHS currently serves a significant number of patients who reside in the area.
- The unique ability of JHS to meet the needs of the service area population and mission to serve all residents of the county
- The expansion of partnership opportunities with the UM to extend the world-class expertise and long standing success of the JHS/UM collaboration to the western Miami-Dade area.
- The overwhelming community support for the proposed hospital.

The applicant asserts that access, quality and scope of healthcare services received varies dramatically across socioeconomic, racial and ethnic groups in Miami-Dade County and throughout the country. As part of the planning activities, JHW identified the need for a medical home model of care within several areas of Miami-Dade County in order to provide coordinated care for populations that are historically underserved. The applicant states the proposed hospital on the Jackson West campus will be anchored by primary care (adult and pediatric with a mix of affiliated private care physicians) already located within the community and primary care physicians specializing in management of patients with chronic illness located on the ambulatory campus.

JHS maintains the proposed project will ensure timely access to hospital care as needed by the residents of the proposed service area.

The Agency received multiple statements of opposition urging the denial of both applications—these were received from PSGH, NCH and collaboration of three Tenet facilities. In general, these statements of opposition stated that neither application demonstrated that need for either project was justified. In addition, these statements of opposition indicated that residents of the proposed services areas do not have geographic, financial or programmatic access barriers to healthcare services and that neither application proposes to offer any additional services that are not currently readily available in Miami-Dade County. The statements of opposition conclude that neither application met the statutory or rule criteria to approve a new acute care hospital. In addition, the Agency received a statement of opposition from KRMC supporting HCA-affiliate DMC and citing reasons to deny JHW as well as a statement of opposition from JHS supporting JHW and citing reasons to deny DMC.

The Agency finds that the applicants, collectively, did provide evidence demonstrating need for an acute care hospital to serve the City of Doral.

CON Action Numbers: 10394 and 10395

The Agency has determined that pursuant to the criteria specified in 408.035 (2), Florida Statutes, CON application #10395, on balance, best satisfied the statutory criteria including the extent to which the proposed service will enhance access to healthcare for residents of the service district and the applicant's past and proposed provision of healthcare services to Medicaid patients and the medically indigent.

Competition:

East Florida-DMC, Inc. (CON application #10394) states the approval of the DMC project will foster competition that promotes quality and cost-effectiveness. DMC notes it will offer accessible inpatient and outpatient services to the Doral community drawing on the resources of HCA to enhance the cost-efficiency of the services provided. The applicant maintains that the proposed project will spur innovation, induce efficiency, reduce cost, enhance quality and extend all other benefits of competition to the proposed service area.

DMC maintains that approval of the proposed project would provide a more accessible hospital for patients who are now traveling through congested areas to KRMC (current patient preference in the Doral area) for care and would not suppress choice for the residents of the county.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) asserts that the proposed 100-bed community hospital has been planned in response to the needs of the West Miami-Dade community and to ensure accessibility of high quality inpatient and outpatient services for residents in the area. The applicant ensures that the proposed Jackson West campus and JHW will enhance access to health care for the residents of the service district and will promote quality of care and cost-effectiveness.

JHW contends that the proposed project will ensure timely access to hospital care as needed for residents of the proposed service area and have no impact on existing providers who treat residents of the proposed service area.

Medicaid/charity care:

East Florida-DMC, Inc. (CON application #10394) is conditioning this application on providing a 4.0 percent of its hospital wide care to patients who qualify for charity care or covered by Medicaid or Medicaid HMO plans. DMC will seek to serve all patients who are currently experiencing problems accessing hospital care or OB hospital services in Doral and the projected service area.

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The applicant notes that HCA's affiliated hospital in the service area has a history of providing care to Miami-Dade County residents regardless of payor source. HCA's Miami-Dade affiliates served 8,389 Medicaid patients in 2014, accounting for 15.4 percent of its total patient days. Additionally, they served 4,715 self-pay patients, 9.6 percent of its total patients.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395) is conditioning approval of the application to exceed the 12-ZIP Code average of patients classified as Medicaid not to be less than 22 percent of discharges and those classified as non-pay not to be less than 3.2 percent of discharges.

JHW states that JHS is one of the most financially accessible health systems in Florida citing that in fiscal year ending September 2013, JHS states to have provided \$440.6 million in bad debt, \$346 million in charity care and \$1,334.8 million in Medicaid services.

I. RECOMMENDATION:

Approve CON #10395 to establish a new 100-bed acute care hospital in Miami-Dade County, District 11, Subdistrict 1.

CONDITIONS:

- The applicant will build the proposed 100-bed hospital at the site specified in the application. The site address is:
7800 NW 29th Street
Miami, Florida 33122
- The applicant will transfer 100 beds from Jackson Memorial Hospital to Jackson Hospital West. The total licensed beds in the Jackson Health System and the market will remain the same.
- The applicant will build the Jackson West campus including outpatient lab and radiology, and ambulatory surgery.
- Jackson Health System, including Jackson Hospital West, will provide high level of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically, the applicant will:
 - Provide care to patients classified as Non-pay in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges.
 - Provide care to patients classified as Medicaid in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 22 percent of discharges.

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- The applicant will participate in and develop numerous programs/ activities aimed at improving the overall health and wellness of the West Miami-Dade community. The outreach activities will include education workshops, health screenings, sponsorship of community wellness activities, and other programs to be determined as dictated by community needs. Specifically:
 - To ensure improved access, the applicant will provide an additional point of access to the Jackson Prime program. The purpose of Jackson Prime is to identify and improve access to underserved and uninsured populations.
 - The applicant will partner with local service area employers to conduct free/discounted health screenings on a quarterly basis.
 - The applicant will sponsor quarterly healthy activities including fun-runs, races and memory walks that occur in the community and will provide specific education related to health and wellness including diabetes, heart disease, weight loss and fitness at the event.
 - The applicant will offer monthly healthy lifestyle workshops and educational seminars on the facility campus (nutrition/cooking classes, smoking cessation, classes for expectant mothers, new parents/siblings, etc.)

Deny CON #10394.

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 Administration Services Manager
Certificate of Need