

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**Lee Healthcare Group, LLC/CON #10408**

26691 Richmond Road  
Bedford, Ohio 44146

Authorized Representative: Ben Volpe  
(216) 292-5706

**Lee Senior Services, LLC/CON #10409**

9800 S. Healthpark Drive, Suite 350  
Fort Myers, Florida 33908

Authorized Representative: Douglas A. Dodson Sr.  
(239) 489-0023

**Seminole SNF, LLC/CON #10410**

5120 W. Laurel Street, Suite 700  
Tampa, Florida 33607

Authorized Representative: Jason Watson  
(813) 769-6280

**VOA Lee County Health Care Facility/CON #10411**

1333 Santa Barbara Blvd.  
Cape Coral, Florida 33991

Authorized Representative: Kevin Ahmadi  
(239) 772-1333

**2. Service District/Subdistrict**

District 8/Subdistrict 8-5 (Lee County)

**B. PUBLIC HEARING**

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

**Letters of Support**

**Lee Healthcare Group, LLC (CON #10408):** The Agency received numerous letters of support submitted by the applicant. The letters were composed by local health care professionals and associations, local business leaders, physicians and North Fort Myers Chamber of Commerce President D. Jeffery Houfek.

**Lee Senior Services, LLC (CON #10409):** The Agency received several letters of support submitted by the applicant. These letters were all composed by local health care providers and health care professionals including Ms. Christine Nesheim, Vice President of Lee Memorial Health System.

**Seminole SNF, LLC (CON #10410):** The Agency received various letters of support submitted by the applicant, most of which were letters signed by physicians and individuals affiliated with Consulate Health Care.

**VOA Lee County Health Care Facility (CON #10411):** The Agency received a few letters of support submitted by the applicant. These letters were composed by LeadingAge's President and CEO William L. Minnix and by Samira K. Beckwith, President and CEO of Hope HealthCare Services.

**C. PROJECT SUMMARY**

**Lee Healthcare Group, LLC (CON #10408)** hereafter referred to as Lee Healthcare or the applicant, an affiliate of Saber Healthcare Group, referred to as Saber Healthcare or Saber, proposes to establish a new 75-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida. Saber Healthcare operates 87 skilled nursing and assisted living facilities (ALFs) throughout the country. Saber's corporate headquarters is located in Ohio.

Saber Healthcare Group operates six assisted living facilities (ALFs) in Florida.

- Langdon Hall
- The Harbor House at Ocala

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- The Harmony House at Ocala
- Seaside Manor
- The Crossings at Riverview
- Haven House of Ocala

The project involves 59,013 gross square feet (GSF) of new construction. The construction cost is \$10,917,400. Total project cost is \$16,511,300. Project cost includes land, building, equipment, project development, financing and start-up costs.

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

**Lee Senior Services, LLC (CON #10409)** hereafter referred to as the applicant, proposes to establish a new 75-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida. Lee Senior Services indicates Lee FP, Inc., a local healthcare management company, will manage the proposed project. Lee FP, Inc. operates the Lodge at Cypress Cove (a 64-bed sheltered nursing home in Lee County).

The project involves 67,500 GSF of new construction. The construction cost is \$15,190,000. Total project cost is \$28,838,200. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- Will provide a minimum of 2.5 percent of the patient days in the 75-bed community nursing home to charity patients
- All 75 beds requested herein will be located in private rooms

**Seminole SNF, LLC (CON #10410)** hereafter referred to as Seminole SNF or the applicant, an affiliate of Consulate Healthcare (referred to as Consulate throughout this document), proposes to establish a new 113-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida. The applicant states that it intends to aggregate beds from Subdistrict 8-2 (Collier County) that has a calculated bed need of 38 beds to accommodate this project.

According to 408.034 (6), Florida Statutes

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

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The reviewer confirms that Lee County had the greater need as published by the Agency in the Florida Administrative Register dated October 2, 2015.

In addition, the reviewer notes that although the applicant initially proposed accepting a partial award of 75 beds (and identifiable portion of the proposed project) when it submitted its initial application on November 17, 2015 no information regarding a partial award was mentioned in the omission submission submitted by the applicant on December 22, 2015 nor did the applicant respond to applicable questions regarding an award of an identifiable portion of the proposed project.

Consulate Healthcare operates 76 skilled nursing facilities (SNFs) in Florida:

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

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- Heritage Park Rehabilitation and Healthcare
- Heron Pointe Health and Rehabilitation
- Hillcrest Health Care and Rehabilitation Center
- Island Health and Rehabilitation Center
- Jacksonville, Consulate Health Care Of
- Keystone Rehabilitation and Health Center
- Kissimmee, Consulate Health Care Of
- Lake Mary Health and Rehabilitation Center
- Lake Parker, Consulate Health Care At
- Lakeland, Consulate Health Care Of
- Lakeside Oaks Care Center
- Largo Health and Rehabilitation Center
- Magnolia Health and Rehabilitation Center
- Marshall Health and Rehabilitation Center
- Melbourne, Consulate Health Care Of
- New Port Richey, Consulate Health Care Of
- North Florida Rehabilitation and Specialty Care
- North Fort Myers, Consulate Health Care Of
- Oakbridge Healthcare Center
- Oaktree Healthcare
- Orange Park, Consulate Health Care Of
- Osprey Point Nursing Center
- Palms Rehabilitation and Healthcare Center
- Parks Healthcare and Rehabilitation Center
- Pensacola, Consulate Health Care Of
- Plantation Bay Rehabilitation Center
- Port Charlotte, Consulate Health Care Of
- Renaissance Health and Rehabilitation
- Rio Pinar Health Care
- Rosewood Health and Rehabilitation Center
- Safety Harbor, Consulate Health Care Of
- San Jose Health and Rehabilitation Center
- Sarasota, Consulate Health Care Of
- Sea Breeze Health Care
- Seaview Nursing and Rehabilitation Center
- Shoal Creek Rehabilitation Center
- Spring Hill Health and Rehabilitation Center
- St. Petersburg, Consulate Health Care Of
- Tallahassee, Consulate Health Care Of
- University Hills Health and Rehabilitation
- Vero Beach, Consulate Health Care Of
- Vista Manor
- Wedge Healthcare Center

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- West Altamonte, Consulate Health Care At
- West Palm Beach, Consulate Health Care Of
- Winter Haven, Consulate Health Care of
- Wood Lake Health and Rehabilitation Center

The project involves 73,909 GSF of new construction. The construction cost is \$13,355,500. Total project cost is \$23,611,707. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- The facility will provide direct line staffing at 4.3 hours of direct care per resident
  - Documentation of staffing review and any staffing level changes will be submitted in each year's compliance reports
- The applicant will provide all eligible employees the opportunity to complete education courses that will support the care center's efforts of providing the highest level of quality care and achieve operational excellence. A tuition reimbursement award of up to \$1,500 annually per person will be available to eligible and approved care center employees.
  - The Human Resource Policy for tuition reimbursement will be provided in the annual compliance report
  - Documentation will be provided in the annual compliance report with the number of employees receiving the tuition reimbursement benefits, the amount received, current positions within the applicant's care center and the degree or training the employee is working towards
- Education programs on Dementia Awareness to improve the independence and quality of life of persons with dementia and their caregivers will be provided at no cost in accordance with state and federal laws. Additional community education programs may be tailored to area residents' needs and may cover other diagnoses and programs.
  - Brochures and announcements including that availability of programs and collateral materials such as copies of training programs and agendas of program with dates and times will be provided in the annual compliance report
- Seminole SNF will operate a 15-bed secured Alzheimer's unit. The memory care unit will be incorporated to meet resident needs for security and is in accordance with the requirements for security and is in accordance with the requirements for locking arrangement of the Life Safety Code and with UL certification of locking systems.
  - A schematic of the facility designating the wing will be provided in the initial CON condition compliance report

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- A detailed inventory of all equipment, hardware and devices purchases or leased will be provided in the initial CON condition compliance reports
- An EHR system will be included in the new facility and in operation within three months of opening. The EHR system will meet Phase 1 of the Meaningful Use Requirements with the first 24 months.
  - Invoices for the EHR equipment and licensure as applicable will be provided in the initial CON condition compliance report
  - Documentation from the Centers for Medicaid Service (CMS) confirming that meaningful use requirements are met will be included in the initial CON condition compliance report

**VOA Lee County Health Care Facility (CON #10411)**, hereafter referred to as VOA Lee County or the applicant, an affiliate of Volunteers of America, referenced as VOA throughout this document, proposes to establish a new 75-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida. VOA operates Gulf Coast Village, an 85-bed SNF located in Cape Coral, Florida.

The project involves 82,714 GSF of new construction. The construction cost is \$15,000,000. Total project cost is \$28,905,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- An 18-bed household offering memory support
- Medicaid managed care to be 50 percent of total resident days of care
- Inclusion of an indoor aquatic therapy area
- All private rooms/suites with private baths for the 75 community nursing home beds
- An activities of daily living designated area for occupational therapy

<b>Total GSF and Project Costs of Co-Batched Applicants</b>					
<b>Applicant</b>	<b>CON #</b>	<b>Project</b>	<b>GSF</b>	<b>Costs \$</b>	<b>Cost Per Bed \$</b>
Lee Healthcare Group, LLC	10408	New 75-Bed Facility	59,013	\$16,511,300	\$157,311
Lee Senior Services, LLC	10409	New 75-Bed Facility	67,500	\$28,838,200	\$242,133
Seminole SNF, LLC	10410	New 113-Bed Facility	73,909	\$23,611,707	\$133,183
VOA Lee County Health Care Facility, Inc.	10411	New 75-Bed Facility	82,714	\$28,905,000	\$252,400

Source; CON applications #10410 -#10411, Schedule 1 and 9

**D. REVIEW PROCEDURE**

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

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

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

As part of the fact-finding, the consultant, Dwight Aldridge analyzed the application with consultation from the financial analyst, Eric West of the Bureau of Central Services, who evaluated the financial data and Gregory Register of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

**E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA**

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

**1. Fixed Need Pool**

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



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In Volume 41, Number 192 of the Florida Administrative Register dated October 2, 2015, a fixed need pool of 75 beds was published for Subdistrict 8-5 for the July 2018 Planning Horizon. Subdistrict 8-5 is comprised of Lee County. In addition, a fixed need pool of 38 was published for Subdistrict 8-2 (Collier County).

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

As of November 18, 2015, Subdistrict 8-5 had 2,009 licensed and 40 approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 8-5 experienced 86.88 percent utilization at 17 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 8-5.

**Lee County Nursing Home Patient Days and Occupancy July 1, 2014 – June 30, 2015**

<b>Facility</b>	<b>Comm. Nursing Home Bed Inventory</b>	<b>Bed Days</b>	<b>Patient Days</b>	<b>Total Occupancy</b>	<b>Medicaid Occupancy</b>
Calusa Harbor	60	21,900	20,166	92.08%	32.93%
Citrus Garden of Fort Myers	120	43,800	36,357	83.01%	66.36%
Consulate Health Care of North Fort Myers	120	43,800	38,597	88.12%	69.60%
Coral Trace Health Care	120	43,800	38,956	88.94%	56.73%
Evans Health Care	120	43,800	41,801	95.44%	73.41%
Gulf Coast Village	85	19,865	19,710	99.22%	48.61%
HealthPark Care Center Inc.	112	40,880	38,203	93.45%	38.05%
Heartland Health Care Center – Ft. Myers	120	43,800	37,910	86.55%	43.87%
Heritage Park Rehabilitation and Healthcare	120	43,800	41,951	95.78%	76.74%
Lehigh Acres Health and Rehabilitation Center	110	40,150	35,112	87.45%	53.66%
Life Care Center of Estero	155	56,575	48,945	86.51%	57.79%
ManorCare Health Services	120	43,800	37,061	84.61%	43.70%
Page Rehabilitation and Healthcare Center	180	65,700	53,933	82.09%	68.08%
Rehab and Healthcare Center of Cape Coral	120	43,800	38,783	88.55%	65.14%
Shell Point Nursing Pavilion	120	52,680	37,738	71.64%	16.93%
Signature Healthcare at College Park	107	39,055	29,222	74.82%	68.64%
Winkler Court	120	43,800	40,648	92.80%	72.12%
<b>Total</b>	<b>2009</b>	<b>731,005</b>	<b>635,093</b>	<b>86.88%</b>	<b>56.86%</b>

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict October 2015 Batching Cycle

The reviewer notes the current and projected population of Subdistrict 8-5 for the planning horizon. The projected population growth, both numerically and by percent are illustrated below.

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**Current and Projected Population Growth Rate  
Lee, District 8, and Florida  
January 2015 and January 2018**

County	January 1, 2015 Population			January 1, 2018 Population		
	0-64	65+	Total	0-64	65+	Total
Lee	508,375	160,724	669,099	540,335	182,097	722,432
District 8	1,202,434	453,695	1,656,129	1,250,034	501,200	1,751,234
Florida	16,044,019	3,635,347	19,679,366	16,510,025	4,013,237	20,523,262
County	2015-2018 Increase			2015-2018 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Lee	31,960	21,373	53,333	6.3%	13.3%	7.9%
District 8	47,600	47,505	95,105	4.0%	10.5%	5.7%
Florida	466,006	377,890	843,896	2.9%	10.4%	4.3%

Source: Florida Agency for Health Care Administration Population Estimates, February 2015

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

**Beds per 1,000 Residents Age 65 and Older**

County	Community Beds	2015 Pop. Aged 65+	2015 Beds per 1,000	2018 Pop. Aged 65+	2018 Beds per 1,000
<b>Lee</b>	2,009	160,274	13	182,097	11
<b>District 8</b>	7,211	453,695	16	501,200	14
<b>Florida</b>	80,130	3,635,347	22	4,013,237	20

Source: Florida Agency for Health Care Administration Population Estimates, February 2015 and Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2015 Batching Cycle

**Each co-batched applicant** states its proposed project is being submitted in response to the Agency’s fixed need pool publication dated October 2, 2015.

**Lee Healthcare Group, LLC (CON #10408)** notes that from January 2015 through January 2019, the population of Lee County is expected to increase by 10 percent overall with senior population expected to increase by 17.9 percent (comparable to the growth rate of the state’s 17.7 percent). The applicant maintains that the senior segment –those in greatest need of skilled nursing care–will continue to grow and place further demands on the availability of skilled nursing.

The applicant indicates that the subdistrict has significant numbers of discharges in services lines and disease categories such as hip and knee replacement, septicemia, renal failure, and respiratory failure which will further increase demand for skilled nursing care. The applicant provides discharge data based on Major Diagnostic Categories (MDC) and Diagnostic Related Groups (DRGs) on pages 1-7 through 1-10 of CON #10408.

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The applicant states the following factors demonstrate the advantages of approving the proposed project:

- Construction of a new physical plant built to current code that embraces culture change to improve quality care
- Provides for higher standards of quality and resident-centered care with 53 private rooms and 11 semi-private rooms
- The facility will contain a variety of spaces and amenities that are intended to promote resident activity, socialization, independence and well-being
- The facility is being developed by an applicant and affiliated company with significant experience in the development and operation of long-term care facilities
- The applicant maintains operations in close proximity to the project planning area, with a new ALF opening in the first quarter of 2016 in Lee County.

The applicant asserts that other key findings support the proposed 75-bed facility, such as:

- Lee Healthcare Group, LLC, is an affiliate of Saber Healthcare Group which operates 87 SNFs and ALFs in six states. Saber Healthcare is an experienced and trusted provider of senior living facilities
- Several Saber Healthcare SNFs ranked among the nation's "Top 10 Nursing Homes" by U.S. News and World Report
- Saber will open the Crossing at Hancock Creek, a new state of the art 111-bed assisted living facility in Lee County during the first quarter of 2016<sup>1</sup>
- Saber's unique Progressive Approach to Home (PATH) program is designed to produce high-quality care with shorter lengths of stay and reduced readmissions
- The proposed facility will be dually-certified and expects Medicaid to represent 45 percent of patient days
- Fifty-two percent of Saber Healthcare's 64 facilities have received Five-Star quality ratings from CMS
- The 75-bed project is expected to generate a profit of \$528,200 by the second year of operation
- The proposed project will be funded by Omega Healthcare Investors, a real estate investment trust (REIT) with a portfolio of 900 SNFs, ALFs and specialty hospitals with over 60,000 beds in 41 states.
- Lee Healthcare Group, LLC is prepared to develop a state-of-the-art facility with a large complement of private rooms and modern equipment to serve the growing demand for skilled nursing in Subdistrict 8-5

<sup>1</sup> The reviewer notes that as of February 9, 2016, the facility has not been licensed according to FloridaHealthFinder.gov

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**Lee Senior Services, LLC (CON #10409)** indicates that it has identified sites for the proposed 75-bed nursing home, between Gulf Coast Medical Center (GCMC) and Interstate 75—Lee County’s primary north-south route, within three to five miles of GCMC’s campus. The applicant indicates that it has taken its own assessment related to circumstances within the service area, specifically examining Agency hospital discharge data to ascertain overall patterns of hospital and SNF utilization by ZIP Code. Lee Senior Services notes that in 2014, GCMC discharged 2,604 Lee County residents and 3,037 patients overall, to a SNF. The applicant states that GCMC is the single largest source of Lee County resident inpatient discharges to SNFs with nearly 30 percent of all hospital discharges.

The applicant asserts that the proposed facility will be well utilized based on its proximity to GCMC. Lee Senior Services maintains that it is well suited to meet the needs of GCMC’s post-acute patients as the proposed facility will have all private rooms. The applicant states the proposed facility will highlight short-stay rehabilitative services, capable of preparing patients discharged from an acute care stay to transition back to their homes and reduce hospital stays. Lee Senior Services notes that the majority of GCMC’s rooms and the proposed facility will best accommodate patients who wish to transition from a private room in the hospital to a private room at SNF.

Lee Senior Services notes that GCMC is part of the Lee Memorial Health System (LMHS) which consists of four acute care hospitals and two specialty hospitals, and is the largest public health system in Florida with 1,423 beds. The applicant states that the four acute care hospitals collectively accounted for 84 percent of the discharges of Lee County residents to nursing homes. The applicant reports that during fiscal year (FY) 2014 and 2015, LMHS experienced a total of 2,238 patient delay days due to the insufficient supply of nursing home beds in Lee County.

The applicant indicates it has a strong support among potential referral sources and community leaders within Subdistrict 8-5. Lee Senior Service states its efforts have included meetings with health care providers and other interested parties in the area whose clients/patients utilized nursing home services at The Lodge at Cypress Cove and other community nursing facilities. The applicant states its first and second year patient days are projected to be 18,116 and 25,665 (93.5 percent occupancy). Lee Senior Services states given the net need for beds and the robust growth in the elderly population projected for Subdistrict 8-5, the applicant asserts that the forecasted patient days are sufficient to assure the financial viability of the proposed project.

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Lee Senior Services states this application presents its commitment to modern person-centered facility design featuring neighborhood design, all private rooms, residential scale living rooms, parlors and intimate dining in each household area. The applicant continues to highlight facility features and maintains that an expansive therapy suite, with advanced therapy equipment, common areas and new clinical programs are further evidence of the commitment of Lee Senior Services to address service area need and to provide quality care.

**Seminole SNF, LLC (CON #10410)** states the proposed 113-bed facility will be located in southern Lee County, adjacent to Collier County. The applicant notes that there are currently 17 SNFs with community beds in Subdistrict 8-5 as well as ten SNFs in Subdistrict 8-2. The applicant states the two counties' total population will increase by 7.1 percent between July 2015 and July 2018 and notes that growth of the areas elderly population is expected to occur at nearly twice the rate (12.3 percent) of the total population. Seminole SNF reports that the two counties' combined growth rate is higher than Florida's for residents 75+ and for elderly population as a whole. The applicant notes that Lee County nursing homes were approaching 90 percent occupancy in the first half of 2015 and Collier County providers have been above the state average occupancy rate and are currently operating above 91 percent occupancy.

The applicant indicates that additional analysis was conducted to determine what services, programs and facility features would most benefit area residents in need of skilled nursing care. Seminole SNF identified two special programs: Alzheimer/memory care and the electronic health record/telemedicine program. The applicant states it researched causes of death for residents' aged 65+ and found that the percent of Collier County residents dying from Alzheimer's disease was significantly higher than the state-wide average. See the table below.

**Percent of Deaths 65+ by Cause, 2014**

<b>Cause</b>	<b>Lee</b>	<b>Collier</b>	<b>Florida</b>
Heart Disease	27.4%	23.1%	26.0%
Malignant Neoplasm	24.3%	25.2%	22.0%
Cerebrovascular Diseases	4.3%	6.1%	5.9%
Chronic Lower Respiratory Disease	6.9%	6.4%	6.8%
Alzheimer's Disease	2.9%	7.2%	4.1%
Diabetes Mellitus	2.6%	1.9%	2.7%
Unintentional Injury	3.4%	4.6%	2.6%
Parkinson's Disease	1.2%	1.8%	1.4%
Essen Hypertension and Hypertensive Renal Disease	1.6%	1.1%	1.3%
Nephritis, Nephrotic Syndrome, Nephrosis	0.8%	0.6%	1.8%

Source: CON application #10410, page 13.

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Seminole SNF contends that area residents could benefit from special Alzheimer’s, dementia and memory care programs. The applicant notes the Florida Department of Elder Affairs (DOEA) estimates there are 20,487 probable Alzheimer’s cases in Lee County and 12,772 in Collier County.<sup>2</sup> The applicant notes there are currently six facilities in Lee County with secure Alzheimer’s units, and only one facility in Collier County. The applicant provides a map on page 14 of CON #10410 which shows that all of Lee County’s secure Alzheimer’s units are located in facilities in the northern part of the county, in either Fort Myers or Cape Coral. The applicant states the closest facility to northern Collier County and southern Lee County with a secure unit is The Chateau at Moorings Park, which reported 94.2 percent occupancy on its 60 beds for the most recent 12 months. The reviewer confirms a 94.17 percent occupancy rate from July 1, 2014 to June 30, 2015, although the reviewer notes that this facility has a bed complement of 14 community beds and 46 sheltered beds. The applicant notes the closest Lee County facility to the Bonita Springs area is ManorCare Health Services, which according to google maps, is a 25-minute drive from Bonita Springs without traffic. Seminole SNF maintains that the occupancy at that facility is so high, patients may not be able to access care at ManorCare Health Services. The reviewer notes that ManorCare Health Services had an 84.61 percent occupancy rate on the 120-bed community nursing home from July 1, 2014 to June 30, 2015.

**VOA Lee County Health Care Facility (CON #10411)** notes that Lee County is the eighth largest county in Florida--with just over 24 percent of the population aged 65+, higher than the state average of 18 percent. In addition, the applicant notes that Lee County has the second lowest rate of beds per 1,000 population. The applicant provides the following table which illustrates the comparisons in bed rate per 1,000 elderly persons, aged 65+.

**Subdistrict, District and State  
Nursing Home Beds per 1,000 Population**

<b>Area</b>	<b>Pop 65+</b>	<b># of Beds</b>	<b>Beds Per 1000</b>	<b>Rate Per 1,00 with CON approved Beds</b>
Charlotte (8-1)	58,407	1,108	18.97	19.31
Collier (8-2)	93,488	755	8.08	8.40
DeSoto (8-3)	6,435	118	18.34	18.34
Glades/Hendry (8-4)	7,794	248	31.82	31.82
Lee (8-5)	160,724	2,009	12.50	12.75
Sarasota (8-6)	126,874	2,973	23.44	23.44
District 8 Total	453,695	7,211	15.89	16.09
State	3,635,347	80,130	22.04	22.90

Source: CON application 10411, page 1-10

<sup>2</sup> <http://elderaffaris.state.fl.us/doea/pubs/stats/County2015/Counties/Lee.pdf>  
<http://elderaffaris.state.fl.us/doea/pubs/stats/County2015/Counties/Collier.pdf>

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The applicant indicates it has identified two potential ZIP Codes of interest for the location of the proposed facility-33912 and 33966. VOA Lee County notes that ZIP Code 33912's population 65+ represents approximately 41 percent of the total population, growing to 46 percent by 2020. The applicant indicates that the population 65+ for ZIP Code 33966 will represent 25 percent by 2020. The applicant notes that there are presently no SNFs located within ZIP Code 3966 and only one located with ZIP Code 33912 (ManorCare). VOA Lee County maintains that the two ZIP Codes under consideration will improve access for residents of this area who may require skilled nursing care.

The applicant states the application is submitted in response to a fixed need pool of 75 community nursing home beds in Subdistrict 8-5, Lee County. VOA Lee County indicates that the proposed project will be a two-story, 82,714 square foot facility with all private suites and a dedicated memory care household of 18 beds, a transitional care/rehabilitation household of 19 beds as well as two 19-bed long-term care households.

VOA Lee County asserts that the proposed project provides several benefits to residents of Lee County, including:

- An architectural plan of all private rooms/suites and baths
- A dedicated memory support household of 18 suites, with its own courtyard
- Each "household" area includes screened porches, private patios, neighborhood living rooms, bistros, activity and dining areas
- Specialized therapy areas, including an aquatic therapy room, outdoor space dedicated to therapy as well as an activities of daily living (ADL) apartment to better enhance therapeutic interventions
- A location in one of two identified ZIP Codes which currently have only one SNF between them

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

The applicants are responding to the Agency's published fixed need pool, so this criterion is not applicable.

## 2. Agency Rule Preferences

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

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

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

The applications were not submitted to remedy a geographically underserved area as defined above.

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

**Lee Healthcare Group, LLC (CON #10408)** states the proposed project will consist of a 59,013 square foot, single-story structure with 53 private patient rooms and 11 semi-private rooms, each



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with its own bathroom and shower. The applicant states the facility will be staffed with caregivers who possess the clinical expertise to care for residents with a wide range of clinical needs. Lee Healthcare affirms that the proposed project incorporates a design model that promotes a residential atmosphere minimizing the perception of an institutionalized environment. The applicant attests that by fostering an environment supportive of independence and privacy as well as providing a community oriented atmosphere, resident satisfaction will be enhanced.

Lee Healthcare indicates a multi-disciplinary care team will provide an array of services in accordance with each resident's individualized treatment plan. The applicant notes that patient services will include, but not be limited to:

- Behavioral health services
- Cardiac services
- Infectious disease treatment
- Infusion therapy
- Oncology/cancer care
- Orthopedic services
- Outpatient rehabilitation
- Physical, occupational and speech therapy
- Registered dietician services
- Stroke rehabilitation
- Wound care program
- Diabetes management
- Post-surgical care
- Spinal cord injury rehabilitation
- Rheumatoid arthritis

The applicant notes the following services and amenities will provide comfort, support and security:

- 24-7 RN coverage
- 24-hour visitation
- Community outings
- Medical transportation assistance
- Multi-lingual staff
- Pet therapy
- Pharmacy and laboratory services
- Spa and laundry services
- State of the art therapy gym and equipment
- Structured activities seven days a week
- Wireless internet services
- Beauty salon and barber shop

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- Multi-use therapy suite
- Outdoor physical therapy courtyards
- Private and communal dining rooms
- Semi-private rooms have a split-plan configuration to maximize privacy

Lee Healthcare maintains that resident care is a coordinated and collaborative effort and involves multiple departments and disciplines in establishing the plans, processes and mechanisms to meet residents' needs. The applicant discusses the Care Planning program, including the responsibility for monitoring all aspects of resident care and services throughout the continuum of care to improve and facilitate positive resident outcomes. Lee Healthcare discusses its Progressive Approach to Home (PATH) program on page 2-4 of CON #10408, emphasizing the utilization of evidence-based medical models of care as well as advanced clinical staff training to improve the lives of each patient.

The applicant states that resident care and quality control activities are monitored, assessed and evaluated, including:

- Cardiopulmonary services
- Case management services
- Dietary services
- Infection control
- Information management
- Laboratory services
- Medication management
- Pharmacy and therapeutics
- Radiology services
- Risk management
- Safety management

The applicant explains that prior to admission, residents receive a detailed clinical assessment, which is recorded electronically in a standardized pre-admission form. The applicant states upon admission, each resident undergoes a comprehensive assessment and a care plan is developed in accordance with the minimum data set (MDS). Lee Healthcare indicates each care plan will include measurable objectives and timetable to meet the resident's medical, social and psychological needs. The applicant provides a detailed description of the admission policy on pages 2-5 through 2-6 and Appendix 2 of CON #10408.

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Furthermore, the applicant states a physician order will be obtained for all discharges and a post-discharge plan will be provided to the resident and their family in order to assist the resident’s transition. A detailed description of the applicant’s discharge policies can be found in Appendix 5 of CON #10408.

Schedule 6A illustrates that FTEs for year one (ending June 30, 2019) total 50.8 and total 74.8 for year two (ending June 30, 2020). The proposed project’s year one and year two FTEs are shown in the table below.

<b>Lee Healthcare Group, LLC (CON application #10408) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.7	1.7
Bookkeeper	1.0	1.0
Secretary	1.2	1.2
Medical Records Clerk	1.0	2.0
<b>Physicians</b>		
Medical Director (Contract)	0.1	0.2
<b>Nursing</b>		
RNs	2.7	4.4
LPNs	6.5	10.7
Nurses’ Aides	16.6	27.4
Other	3.0	3.0
<b>Dietary</b>		
Dietary Supervisor	1.0	1.0
Cooks	1.4	2.2
Dietary Aides	3.4	5.6
<b>Social Services</b>		
Social Service Director	1.3	1.3
Activity Director	1.0	1.0
Activities Assistant	0.7	1.2
<b>Housekeeping</b>		
Housekeepers Supervisor	1.0	1.0
Housekeepers	3.0	5.0
<b>Laundry</b>		
Laundry Aides	1.2	2.1
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.0	1.0
<b>Total</b>	<b>50.8</b>	<b>74.8</b>

Source: CON application #10408, Schedule 6A

The applicant provides the projected admissions, patient days, average length of stay (ALOS) and average daily census (ADC) for the first and second year of operation. See table below.

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**Projected Admissions, Patient Days, ALOS and ADC  
First Two Years of Operation**

	<b>Year One</b>	<b>Year Two</b>
<b>Admissions</b>	305	506
<b>Patient Days</b>	14,881	24,709
<b>ALOS</b>	48.8	48.8
<b>ADC</b>	40.8	67.7

Source: CON application # 10408, Schedule 7

**Lee Senior Services, LLC (CON #10409)** states the proposed facility will be a two-story building approximately 67,500 square feet, all private rooms, ample rehabilitation and therapy spaces, rooms for group activities and dining. The applicant indicates its approach uses the household design model for person-centered care and features five separate households, each containing 15 private resident rooms. The applicant describes resident bedrooms as spacious and describes bedroom features on page five of CON #10409.

The applicant states that although a dedicated memory (dementia) care component is not planned for the proposed project, the building will integrate design and technology elements and staff will be trained and equipped to address the needs of residents experiencing memory loss conditions. Lee Senior Services states additional highlights of the building include:

- 24-hour RN coverage
- All private resident rooms
- Private bathrooms with a shower
- Short walking distances to dining
- Five small distinct neighborhoods within the SNF
- Landscaped enclosed courtyard with walking paths and lighting
- Home style dining
- State of the are therapy gym (3,000 square feet) and equipment
- Café with outdoor patio for families and residents
- Beauty salon
- Laundry service
- Wi-Fi
- Medical transportation assistance
- Full day of calendar activities
- 24-hour visitation
- Pet therapy
- Newspaper delivery
- Community outings

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Lee Senior Services asserts that it will provide a wide range of clinical services to residents based upon the local knowledge and expertise of Lee FP, Inc., the current managers of The Lodge at Cypress Cove. The applicant notes that the proposed facility will be managed by Lee FP, Inc. which features high caliber licensed and registered staff and will employ staffing ratios similar to those used at The Lodge of Cypress Cove for hands-on delivery of care as well as its nursing administration team.

The applicant ensures that the nursing staff and rehab team will work together closely every day to ensure that individually planned care is provided on time by the appropriate team members and will provide excellent outcomes in care, including for those with orthopedic, cardiac, pulmonary, neurological or other medical challenges.

Lee Senior Services affirms that it will provide numerous skilled clinical services in addition to specialized rehabilitative specialized therapy services, including:

- Skilled nursing
- IV therapy (including peripheral and central line sites)
- Wound care (including advanced wound care by a dedicated wound care nurse on staff)
- Medication management and stabilization (including lab monitoring for dose adjustments)
- Acute and chronic pain management
- Medical pump management for diabetes or other conditions
- Colostomy care and education
- Feeding tubes of all types
- Palliative care to address end of life needs
- Physical, occupational and speech therapies
- Enteral/parental therapy
- After care (orthopedic surgery, cardiac, abdominal)

The applicant states that in addition to the above mentioned services the proposed facility will provide a range of ancillary services. These services are designed to assist in appropriately addressing the physical, emotional, psychosocial, spiritual, and psychological needs for each resident. Lee Senior Services states ancillary services will include the following:

- Dental, podiatry and medical services
- Physical, speech, occupational therapy
- Salon
- Dining

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- Pharmacy
- Social
- Therapeutic and recreational activities

Lee Senior Service states that the admission process will be coordinated as to assure each new resident has identified and engaged required staff and services to appropriately and effectively meet resident's medical and nursing needs. The applicant indicates that it will establish a comprehensive care planning process that will ensure that each resident is appropriately assessed upon admission, and that an individualized care plan is established and followed addressing identified conditions, concerns, capabilities and desired outcomes, which will be oriented and directed toward resident discharge.

In regards to discharge policy, the applicant indicates that discharge planning will begin with the initial assessment. Lee Senior Services states that discharge plans include key staff in an interdisciplinary coordination along with the resident and family member when possible. At discharge, the applicant affirms that the Directors of Nursing and Social Services will discuss aftercare plans with the resident and their family. Lee Senior Services provides a detailed description of admission and discharge policies on pages 39-43 of CON #10409.

The applicant does not provide admissions on its Schedule 7 so the reviewer cannot calculate ALOS for the proposed facility. Lee Senior Services does state in the Schedule 7 assumptions that the expected ALOS for Medicare patients is approximately 20 days.

Schedule 6A illustrates that FTEs for year one (ending December 31, 2019) total 77.2 and total 91.2 for year two (ending December 31, 2020). The proposed project's year one and year two FTEs are shown in the table below.

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<b>Lee Senior Services (CON application #10409) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Business Office	1.0	1.0
Secretary	1.0	1.0
Medical Records Clerk	1.0	1.0
<b>Nursing</b>		
RNs	3.4	4.6
LPNs	10.2	13.7
Nurses' Aides	28.4	37.8
Other	0.5	0.5
<b>Dietary</b>		
Dietary Supervisor	2.1	2.1
Cooks	4.6	4.6
Dietary Aides	11.0	11.0
<b>Social Services</b>		
Recreation Therapist	1.0	1.0
Activity Professionals	2.0	2.0
Activities Assistant	0.0	2.0
<b>Housekeeping</b>		
Housekeepers	4.2	4.2
<b>Laundry</b>		
Laundry Aides	1.4	1.4
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.4	1.4
<b>Total</b>	<b>77.2</b>	<b>91.2</b>

Source: CON application #10409, Schedule 6A

**Seminole SNF, LLC (CON #10410)** asserts that the proposed facility will provide rehabilitation services and skilled nursing services for both short-term and long-term patients. The applicant indicates that all beds at the proposed facility will be both Medicare and Medicaid certified and contain a 15-bed Alzheimer's unit.

The applicant asserts that the proposed facility will offer an array of services including, but not limited to the following:

- Neurological rehabilitation
- Orthopedic care
- Post cardiac care
- Pulmonary care
- Wound care
- Medically complex
- Physical, occupational, speech and respiratory therapy
- Pain management
- Telemetry
- Care for medically complex patients

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- Infectious disease care and treatment
- Sepsis and septicemia care
- Post-surgical care
- Social programming
- Palliative care
- Nutrition and metabolic disorder care
- Tube feeding
- Memory care
- Mobility
- Continence-bowel and bladder
- Range of motion
- Contracture management (splinting/positioning)
- Dialysis care
- Advanced skilled nursing
- Care manager

Seminole SNF states that its staff will be trained and properly equipped to provide care to patients with many diagnoses and will be able to provide care that meets the specific needs of each patient. The applicant indicates that educational material will be provided to patients and families on services available for patients with cerebral vascular accident (stroke), congestive heart failure, coronary artery disease, and other cardiac conditions.

The applicant affirms that services will be available to medically complex patients with complications such as:

- AIDS related disorders
- Renal failure
- Septicemia
- Diabetes
- Gastrointestinal disorders
- Multiple co-morbidities
- IV antibiotics
- Neurological
- Cardiac
- Liver disorder
- Oncology
- Peritoneal dialysis



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Seminole SNF notes that Consulate's Interdisciplinary Team meets with the patient and family within 72 hours of admission for initial assessment and to discuss their health care and discharge goals. The applicant asserts that Consulate care centers use the Journey Home Program to ensure that the goals and processes between admissions and discharge are patient-centered.

The applicant states that shortly after admission, care center residents complete the Rehabilitation History of Prior Level of Function Questionnaire to assist care center staff in determining discharge needs. Discharge goals are established for the resident by the interdisciplinary team. The applicant provides a discharge summary in Attachment 6 of CON #10410.

Seminole SNF notes that this CON application is conditioned on providing direct line staffing at 4.3 hours of direct care per resident which the applicant indicates substantially exceeds the state requirement of 3.6 hours of direct care per resident. The applicant attests that the increased direct line staffing hours will help ensure patients receive the clinical care they need and that all patients, including medically complex patients, who require additional clinical care are treated appropriately.

The applicant states that Consulate has programs and policies in place to ensure high-quality staff are properly trained, are recognized for good work and are encouraged to grow. These programs include but are not limited to:

- Tuition reimbursement
- Compass training
- Employee engagement committees

The reviewer notes that the applicant did not provide projected admissions in Schedule 7 and so an ALOS for the proposed facility could not be calculated.

Schedule 6A illustrates that FTEs for year one (ending January 31, 2019) total 64.10 and total 106.90 for year two (ending January 31, 2020). The proposed project's year one and year two FTEs are shown in the table below.

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<b>Seminole SNF, LLC (CON application #10410) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.0	1.0
Bookkeeper	1.0	1.5
Secretary	1.5	1.0
Medical Records Clerk	0.5	1.0
Other: Central Supply	0.5	7.5
<b>Physicians</b>		
<b>Nursing</b>		
RNs	7.0	12.60
LPNs	8.4	15.40
Nurses' Aides	25.2	50.40
Nursing Administration	6.0	7.0
<b>Social Services</b>		
Social Service Director	2.0	2.0
Activity Director	1.0	1.0
Activities Assistant	2.0	4.0
Other: MDS/Care Plan	2.0	2.0
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	2.0	3.0
Security	1.0	1.0
<b>Total</b>	<b>64.10</b>	<b>106.90</b>

Source: CON application #10410, Schedule 6A

**VOA Lee County Health Care Facility (CON #10411)** states it will be a comprehensive SNF composed of 75 beds providing nursing/restorative care and rehabilitation. The applicant indicates it will provide both short-term and long-term care, memory care as well as participate in the Medicare and Medicaid programs. The applicant notes that the facility's professionals will create services that are customized specifically to the unique needs of each individual and assure that the focus will be to provide the resident with the personalized services and support needed to successfully restore their independence and return them to their greatest potential.

The applicant describes the following as "special" features of the new facility:

- Private resident rooms/suites
- Individual patios for residents on the first floor
- Private bathrooms with shower
- Short walking distances to the dinning lounges
- Four distinct neighborhoods/households within the SNF
- Two enclosed courtyards and screened porches for outdoor enjoyment

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- Two balconies and screened porches on the second floor
- Exterior dining area
- Dining, activities and living areas provided for each neighborhood
- A main café coupled with bistros in each neighborhood for families and residents to enjoy
- Performing arts area on second floor
- 5,000 square foot state-of-the-art rehabilitation center with a hydrotherapy pool
- Beauty salon
- Laundry services
- WiFi
- Medical transportation assistance
- Pet therapy
- 24-hour RN coverage
- Community outings

VOA Lee County affirms that it will develop specialized programs to provide residents with a high level of rehabilitative and restorative care. The applicant states that it will assure that programs follow specific standards of care to treat specific diagnoses and problem areas of residents as well as minimize the risk of re-hospitalization.

The applicant states the following specialized programs, diagnoses and conditions as well as medical services will be available to residents at the proposed facility:

- Physical, speech and occupational therapy
- Cardiac services
- IV therapy
- Surgical recovery
- Specialized wound care
- Complex medical and pain management
- Respiratory therapy
- Orthopedic services
- Alzheimer's and dementia care
- Tracheotomy care
- Hospice care
- Respite care
- Parkinson's disease
- Pain management
- Wound care
- Post-surgical care
- Osteoarthritis
- Fractures and soft tissue conditions

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- Stroke and other neurological conditions
- Cardiovascular or neuromuscular disorders
- Hip, knee, and back surgery
- 24-hour skilled nursing
- Psychological services
- Family support
- Daily living assistance

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

VOA Lee County states that discharge plans begin with the initial assessment when patient and family needs are assessed and at the time of discharge with an appropriate discharge summary of prior treatment, diagnosis, rehabilitation potential, physician orders for immediate care and other pertinent information. The applicant provides admission and discharge policies and procedures in Exhibits 3-1 and 3-2 of CON #10411.

The applicant indicates the following services will be contracted and available by appointment:

- Physicians
- X-rays
- Psychiatry
- Dental
- Counseling services
- Laboratory
- Podiatry
- Pharmacy
- Eye

Schedule 6 illustrates that FTEs for year one (ending June, 2019) total 51.5 and total 69.5 for year two (ending June, 2020). The proposed project's year one and year two FTEs are shown in the table below.

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<b>VOA Lee County Health Care Facility (CON application #10411) Projected Year One and Year Two Staffing</b>		
	<b>Year One FTEs</b>	<b>Year Two FTEs</b>
<b>Administration</b>		
Administrator	1.0	1.0
Assistant Administrator	1.0	1.0
Clerical	2.0	2.0
Director of Nursing	1.0	1.0
Medical Records	1.0	1.0
DDS Coordinator	1.0	1.0
<b>Physicians</b>		
Medical Director	0.5	0.5
<b>Nursing</b>		
RNs	3.0	3.0
LPNs	7.0	15.0
Nurses' Aides	18.0	28.0
<b>Dietary</b>		
Cooks	2.0	2.0
Dietary Aides	3.0	3.0
<b>Social Services</b>		
Social Service Director	1.0	1.0
Activity Director	2.0	2.0
<b>Housekeeping</b>		
Housekeepers	4.0	4.0
<b>Laundry</b>		
Laundry Aides	3.0	3.0
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.0	1.0
<b>Total</b>	<b>51.5</b>	<b>69.5</b>

Source: CON application #10411, Schedule 6

The applicant provides the projected admissions, patient days and ALOS for the first and second year of operation. See table below.

**Projected Admissions, Patient Days, ALOS and ADC  
First Two Years of Operation**

	<b>Year One</b>	<b>Year Two</b>
<b>Admissions</b>	324	502
<b>Patient Days</b>	15,056	23,333
<b>ALOS</b>	46.47	46.48

Source: CON application # 10411, Schedule 7

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

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

Each co-batched applicant states it has not had a nursing home license denied, revoked or suspended.

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

Each co-batched applicant states it has not had a nursing home placed into receivership.

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

Each co-batched applicant indicates that this provision is not applicable.

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

Each co-batched applicant indicates that this provision is not applicable.

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

Lee Healthcare Group, LLC (CON #10408), Lee Senior Services, LLC (CON #10409) and VOA Lee County Health Care Facility (CON #10411), each indicate that this provision is not applicable, since there have been no violations.

**Seminole SNF, LLC (CON #10410):** The applicant did not respond directly to this question. The reviewer notes that there have been no violations.

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

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

### 3. **Statutory Review Criteria**

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

There are 38 licensed community nursing homes with a total of 7,211 community nursing home beds in District 8. Subdistrict 8-5 is composed of Lee County and has 17 licensed community nursing homes with a total of 2,009 community nursing home beds. The subdistrict averaged 86.88 percent total occupancy for the 12-month period ending June 30, 2015.

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**Lee Healthcare Group, LLC (CON #10408)** states as an affiliate of Saber Healthcare Group, LLC, it has the resources and ability to construct and equip the proposed project and to ensure the optimal level of quality and comfort expected by area residents are available and accessible. The applicant provides occupancy data on page 3-1 of CON #10408, illustrating that the overall occupancy in Subdistrict 8-5 was 86.9 percent during the twelve-month period ending June 2015—slightly higher than District 8’s overall occupancy of 83.7 percent. Lee Healthcare indicates the proposed project will increase access and availability to private rooms as the majority of Subdistrict 8-5 SNFs have a higher percentage of semi-private rooms. The applicant provides at chart on page 3-2 of CON #10408 which illustrates that bed distribution of private and semi-private rooms at Subdistrict 8-5 SNFs.

The applicant affirms that although the exact location of the site has not been determined, the site location will offer convenient access to the community. Lee Healthcare notes that five acute care hospitals currently operate within Lee County and specific site selection will be based on a thorough analysis of population trends, occupancy rates, hospital discharges and travel patterns indicating areas of greatest need. The applicant maintains that there will be no economic barriers to admission as it will accept a variety of payers, including private, and will be certified for both Medicare and Medicaid.

Lee Healthcare states that as an affiliate of Saber Healthcare, the applicant will deliver the highest quality of care and that Saber’s track record clearly demonstrates their ability to achieve high quality standards for its SNFs.

The applicant notes that Subdistrict 8-5’s utilization ranged from a low of 71.6 percent (Shell Point Nursing Pavilion) to a high of 99.2 percent (Gulf Coast Village) and that without the addition of skilled nursing home beds occupancy rates will result in over-capacity. The applicant provides the projected utilization for the first two years of operation. See table below.

**Forecasted Utilization for Lee Healthcare  
Year One and Year Two of Operation**

	<b>Year One</b>	<b>Year Two</b>
Community Beds	75	75
Total Bed Days	27,375	27,450
Total Resident Days	14,881	24,709
Medicare Days	5,313	9,884
Medicaid Days	5,586	11,119
Medicare Occupancy	36%	40%
Medicaid Occupancy	38%	45%
Market Share	2%	3%

Source: CON application #10408, page 3-11



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

**Lee Healthcare Group, LLC Forecasted Utilization**

	<b>Year One</b>	<b>Year Two</b>
Total Admissions	305	506
Total Patient Days	14,881	24,709
Occupancy	48.79%	90.26%

Source: CON application #10408, Schedule 7

**Lee Senior Services, LLC (CON #10409)** declares that the proposed project represents the best available alternative to address the need for greater availability and accessibility of community nursing home beds in Subdistrict 8-5 Lee County, as identified by the Agency and further detailed throughout this application.

The applicant notes the importance of private rooms and cites several articles mentioned on page 21 of CON #10409, that found residents generally prefer private rooms for their own personal privacy, comfort, control over life style and avoidance of conflict. The applicant asserts that private rooms ensure quality of care, patient satisfaction, infection control, reduced re-hospitalization and overall physical, mental, emotional, social and spiritual well-being of residents. The applicant attests that it will be ideally suited to care for patients discharged from GCMC requiring short-term rehabilitation services to prepare them to transition back to their homes and reduce hospital stays.

Lee Senior Services maintains that the addition of 75 private beds to the area's inventory will facilitate this while also increasing availability of beds for residents requiring long-term care or hospice care in a SNF. The applicant contends that there is a shortage of private rooms within Subdistrict 8-5 and states, if approved, the proposed facility will be the only all-private freestanding community nursing home in Lee County.

The applicant reports that there were 8,803 hospital discharges of Lee County residents to a SNF during CY 2014. The applicant indicates the sites identified for the proposed project, which lie between GCMC and Interstate 75--within three to five miles of the GCMC campus. Lee Senior Services states the 75-bed facility will increase accessibility to skilled nursing care for those area residents discharged from Lee Memorial Hospital, GCMC and other major hospitals.

The applicant indicates it will be highly utilized based on hospital discharge data. Lee Senior Services states the table below shows that HealthPark Medical Center was the single largest provider of hospital inpatient services to Lee County residents in calendar year 2014, followed closely by GCMC. The applicant observed that half of the discharges were attributed to persons less than 65 years of age. The

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applicant continues by noting persons age 65-74 comprised roughly 19 percent of the volume, with persons age 75+ accounting for slightly over 26 percent. LSS provides additional hospital discharge data on pages 24-27 of CON #10409.

**Discharges by Hospital  
Subdistrict 8-5, CY 2014**

<b>Hospital</b>	<b>0-64</b>	<b>65-74</b>	<b>75+</b>	<b>Total</b>	<b>%</b>	<b>Cumulative %</b>
HealthPark Medical Center	14,097	2,896	4,826	21,819	25.1%	25.1%
Gulf Coast Medical Center	10,433	4,214	5,995	20,602	23.7%	48.9%
Cape Coral Hospital	8,276	3,239	4,987	16,502	19.0%	67.9%
Lee Memorial Hospital	7,359	3,048	3,568	13,975	16.1%	84.0%
NCH Healthcare System North Naples Hospital	1,547	505	1,098	3,150	3.6%	87.6%
Lehigh Regional Medical Center	1,013	126	727	2,166	2.5%	90.1%
Park Royal Hospital	1,492	308	246	2,046	2.4%	92.6%
Naples Community Hospital	458	507	499	1,464	1.7%	94.2%
Physicians Regional Medical Center (Pine Ridge)	339	349	412	1,100	1.3%	95.5%
All Other Hospitals	2,547	862	532	3,941	4.5%	100.0%
<b>Total</b>	<b>47,561</b>	<b>16,354</b>	<b>22,850</b>	<b>86,765</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Percent Discharges by Age</b>	<b>54.8%</b>	<b>18.8%</b>	<b>26.3%</b>	<b>100.0%</b>		

Source: CON application #10409 page 28

The applicant provides its projected utilization for the first year of operation (2019) and states in year one of operation, with the addition of the 75 beds, the number of beds will be 2,164. Lee Senior Services states the projection keeps the nursing home use rate constant at 3,951 days per 1,000 population age 65+, but factoring in the projected growth in the Subdistrict 8-5 elderly population between January 2015 and 2019, patient days will increase. See chart below.

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**Projected Nursing Home Days in Nursing Home Subdistrict 8-5  
Based on Population 65+ and Approval of 75 New Beds  
2015-2019**

<b>Base Year Data from 2015</b>	<b>2014-2015</b>
Jan 2015 Subdistrict 8-5 Population 65+	160,724
July 2014-June 2015 Subdistrict NH Patient Days	635,093
Days Per 1000 Population 65+ (use rate)	3,951
Average Daily Census	1,740
Licensed and CON-Approved Beds	2,049
<b>CY 2019 (First-Year) Forecast</b>	<b>2019</b>
July 2019 Subdistrict 8-5 Population 65+	193,032
Days Per 1,000 Population 65+	3,951
Expected 1 <sup>st</sup> Year Subdistrict NH Patient Days	762,756
July 2014-June 2015 Subdistrict NH Patient Days	635,093
Difference in Expected 1 <sup>st</sup> Year and Base Year (7/2014-6-2015) Patient Days	127,663
LSS Incremental Patient Days Assuming 93.5% Occupancy of 75 Additional Beds	25,596
Remaining Net NH Patient Days in the Subdistrict of Current Licensed and Approved Beds	102,068
Net Additional Average Daily Census for Current Licensed and Approved Beds	280
Total 1 <sup>st</sup> Year Average Daily Census Less Utilization of 75 Beds	2,020
CY 2019 Occupancy of Subdistrict NH Beds Less 75 Additional Beds	98.6%

Source: CON application #10409, page 29

**Seminole SNF, LLC (CON #10410)** states that it will serve the needs of all area residents who can benefit from skilled nursing and rehabilitation services and has chosen to locate the proposed facility in southern Lee County, Bonita Springs. The applicant notes that the Bonita Springs area has fewer SNF's than other areas of Lee and Collier Counties. Seminole SNF indicates that it has not selected a particular parcel of land for the proposed facility but indicates that locating the facility in the Bonita Springs area will provide easy access for Collier County patients, while being physically located in Lee County (the subdistrict with the majority of the aggregated need). Seminole SNF states that Bonita Springs is accessible to both Lee and Collier residents on Interstate 75 and South Tamiami Trail. The applicant also notes that there are hospitals near the Bonita Springs area which will provide the applicant with referral sources, including North Naples Hospital and Physician Regional Hospital Pine Ridge.

Seminole SNF notes that there are no nursing homes with community beds in Bonita Springs, as the only facility is Renaissance at the Terraces, which has 40 sheltered nursing home beds that are not available to the public. The closest facility to Bonita Springs is Life Care Center of Estero, which the applicant reports had 87 percent occupancy for the year ending June 30, 2015. The applicant indicates that there are no Lee County nursing homes south of Estero, which limits the choices for southern Lee County residents who want to stay in the county for proximity to physicians or other health care providers, clergy

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and friends. Seminole SNF notes that the two closest Collier County facilities to Bonita Springs are Bentley Care Center and Imperial Health Care Center, which were operating at 100 percent and 87 percent occupancy respectively, over the same time period.

Seminole SNF contends that the 65-74 age cohort in Lee County is expected to be the fastest-growing segment of population, with the 75+ population in Collier County close behind. The applicant indicates as the elderly population grows, more residents will need skilled nursing care, which will strain the capacity of existing area SNFs already at high occupancy levels. The applicant states the proposed facility will be located in or near Bonita Springs in order to serve the needs of patients in both Lee and Collier Counties.

Seminole SNF states that it is committed to meeting the specific needs of the area. The applicant attests that it has identified two special programs that will that will greatly benefit area residents. The applicant states that currently there is insufficient access for area residents who need Alzheimer's and dementia care. Seminole SNF maintains that the telemedicine program will ensure that Seminole SNF residents have access to high-quality after-hours care and cutting edge technology for the delivery of specialty telemedicine care. The applicant affirms these programs and technology will reduce hospital readmissions, and the electronic health records system will reduce medication errors and provide oversight medication administration and other clinical care.

Seminole SNF asserts that Consulate facilities have existing referral relationships with hospitals in the service area that will benefit the applicant. Seminole SNF explains that the proposed facility will expand these relationships by offering special programs and reducing unnecessary hospital admissions. The applicant states that the proposed project will include a secured Alzheimer's unit and electronic medical records and telemedicine service. The applicant states that Consulate has a history of serving patients and families in the area, with three care centers in Lee County and one care center in Collier County. The chart below shows utilization for the Subdistrict in which these facilities are located.

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**Consulate’s Lee and Collier Counties Care Center’s Occupancy  
for the Year Ending June 2015**

<b>Facility</b>	<b>County</b>	<b>City</b>	<b>Beds</b>	<b>Occupancy</b>	<b>Subdistrict</b>
Consulate Health Care of North Fort Myers	Lee	North Fort Myers	120	88.1%	86.9%
Coral Trace Health Care	Lee	Cape Coral	120	88.9%	
Evans Health Care	Lee	Fort Myers	120	95.4%	
Heritage Park Rehabilitation and Healthcare	Lee	Fort Myers	120	95.8%	
Heritage Healthcare and Rehabilitation	Collier	Naples	97	92.8%	88.9%

Source: CON application #10410, page 4

Seminole SNF indicates that the proposed project would increase access and availability for area residents and provide a dedicated Alzheimer’s unit.

**VOA Lee County Health Care Facility (CON #10411)** explains that availability is tied to access and utilization, noting that highly occupied facilities often do not have a bed available, which can delay placement. The applicant states that six of the subdistrict’s facilities experienced occupancy rates in excess of 90 percent during the most recent 12-month period ending June 30, 2015, with three of these six facilities having an occupancy rate exceeding 95 percent.

The applicant notes that Lee County has two SNF with all private beds—both are sheltered bed facilities with limited community access. The applicant indicates the proposed project addresses that community residents are limited in terms of access to private rooms and neighborhoods which are consistent with culture change in long-term care. VOA Lee County asserts that through Gulf Coast Village, it has established relationships with local hospitals, hospice care providers, physicians, therapist, and others within the community. VOA Lee County notes that ZIP Code 33912 has only one SNF and ZIP Code 33966 has no SNFs yet both ZIP Codes have a higher annual growth rate for the population age 65+ than for the county as a whole. The applicant maintains that the ZIP Codes under consideration include a portion of Interstate 75, providing access to the north and south of the interstate.

VOA Lee County states that the proposed facility is an affiliate of VOA, a non-profit organization with a long commitment to bringing together the work of a “church without walls” and the work of social service organizations. The applicant indicates that VOA’s principles support its commitment to quality care.

The applicant notes that Lee County nursing homes’ most recent occupancy rate for the 12-month period of July 1, 2014 through June 30, 2015 was 86.88 percent. VOA Lee County states that from January

to June of 2015 the occupancy rate increased to 89.60 percent. The applicant indicates that the increase shows that Lee County nursing homes are highly utilized. VOA Lee County provides expected utilization forecast based on conditions that presently exist within Lee County. The table below illustrates the projected utilization for the first two years of operation as well as projected average daily census for the second year of operation 2020.

**Projected Utilization for VOA Lee County  
First Two Years of Operation**

<b>75-Bed Facility</b>	<b>Patient Days</b>	<b>Occupancy Rate</b>	<b>ADC</b>
Year 1 Ending June 30, 2019	15,056	55.0%	41
Year 2 Ending June 30, 2020	23,333	85.0%	64

Source: CON application #10411, page 1-17

**Forecasted Lee County Nursing Home Resident Days in 2020**

Lee County Resident Days July 1, 2014 to June 30, 2015	635,093
<b>Average Daily Census, FY 2015</b>	<b>1,740</b>
Lee County Population 65+, 2015	160,724
Days Per 1,000 Persons, 65+, 2015	3,951
Lee County Population 65+, 2020	196,575
Resident Days Forecasted for 2020	776,756
<b>Average Daily Census, FY 2020</b>	<b>2,122</b>
Proposed VOA Lee County Facility days @ 85%	23,333
Deduct VOA Lee Resident Days from Forecast	753,424
<b>Average Daily Census, Year 2020, Remaining Days</b>	<b>2,064</b>

Source: CON application #10411, page 1-18

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

**Lee Healthcare Group, LLC (CON #10408)** states that as a newly formed entity it has no history of providing health care services in Florida. The applicant indicates that Saber Healthcare will select a qualified administrator, as well as other key staff positions, to manage the new facility. Lee Healthcare maintains that Saber Healthcare has significant experience in the management of senior living facilities across the nation and specializes in the stewardship of clinical, nursing operations while maintaining intuitive and consistent management decisions. Lee Healthcare affirms that the facility is expected to attain and maintain a high quality rating, and is defined by the following corporate values as well as Sabers Healthcare Group’s corporate mission and vision statement:

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*It is the mission of each Saber Healthcare Group facility to provide the highest quality of care possible to all those we are privileged to serve. This entails a continuing commitment to always maintain the highest standards. It is through our tradition of caring and our innovation for the future that our goal of being the best is realized.*

The applicant assures that it will develop quality initiatives and improvement programs consistent with CMS' Quality Assurance and Performance Improvement (QAPI) programs to ensure that quality care is delivered to all residents and that the quality improvement process is continually monitored to improve outcomes. Lee Healthcare states that the proposed facility will implement a comprehensive Quality Assessment and Assurance (QAA) plan to ensure optimal standards of patient care are maintained. The applicant provides a copy of the complete QAA plan in Appendix 4 of CON #10408.

The reviewer notes that it reviewed FloridaHealthFinder.gov regarding the applicant existing ALFs in Florida utilizing the ALF compare tool found at <http://www.floridahealthfinder.gov/CompareSC/SCSelectFilters.aspx>.

**Lee Senior Services, LLC (CON #10409)** states that as a newly formed entity it does not have an operating history but contends that throughout this application it meets the statutory and rule provisions relevant to the proposal and has demonstrated its commitment to the delivery of high quality care in its proposed facility in Lee County. The applicant states it has a management team in place with extensive experience in quality assurance, compliance monitoring, and performance improvement. Lee Senior Services affirms that it has a full complement of quality-related tools and processes available to ensure that care delivery is appropriate, necessary and of the highest standards.

Lee Senior Services indicates it will be managed by Lee FP, Inc., who also manages Cypress Cove at Health Park Florida, a continuing care retirement community (CCRC) with 333 independent living apartments, 30 independent living villas, 44 assisted living suites and a 64-bed SNF. The Lodge at Cypress Cove (The Lodge) is the sheltered nursing home component of Cypress Cove. The applicant asserts, under the management services provided by Lee FP, Inc., The Lodge achieved a five-star Medicare.gov performance rating from 2013-2015. The applicant indicates the drop in star rating was due to an error in reporting staffing reviewed for a survey but anticipates a rebound in star rating.

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The applicant states it will put in place a Quality Assurance and Performance Improvement (QAPI) plan, based upon a similar approach in place at The Lodge and has a focused commitment to ensuring that it is using appropriate benchmarks, closely monitoring performance, and making appropriate adjustments quickly when warranted to assure that the quality of care provided at the facility continuously improves. Lee Senior Services states that the QAPI Committee will meet at least once quarterly to identify risks/areas of concern and develop plans of action. The applicant provides a detailed description its quality program on pages 48-52 of CON #10409.

Agency complaint records indicate that the affiliated nursing homes associated with the managing company, for the three-year period ending November 18, 2015, had one substantiated complaint at The Lodge at Cypress Cove in the complaint category of resident/patient/client assessment.

**Seminole SNF, LLC (CON #10410)** is a newly created entity and does not hold a license for a nursing facility. The applicant states as a new entity it has not receive any awards or recognitions. Seminole SNF indicates it will be managed by Consulate, a well-established industry leader in the provision of SNF care.

The applicant maintains that at the core of all its policies, procedures and programs are Quality Assurance and Quality Improvement (QAQI) structures, as well as Root Cause Analysis (RCA). The applicant states that Consulate's policies for QAQI are organized and structured to provide a snapshot of the conditions of the various clinical, operational and ancillary services throughout the year. Seminole SNF declares that Consulate's efforts to continuously improve quality of care and patient outcomes have been incorporated into nine best practice programs. These programs are outlined on pages 69 and 70 of CON #10410.

The applicant notes that it works with United HealthCare and participates in United's Optum program, which is designed to provide coverage to Medicare eligible members who reside in nursing homes and targets a 15 percent hospital readmission rate. The applicant reports that as of November 2015, Consulate's Melbourne Care Center has had no readmissions for the long-term care of residents participating in Optum. Seminole SNF indicates that during CY 2016, Consulate Health Care will be the first organization in Florida to further collaborate with the medical management team at Optum to continue to reduce the number of unnecessary hospital admissions. The applicant attests that Consulate's clinical programs and other programs are designed to offer high quality patient care as well as the best outcome for patients and residents.



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Agency complaint records indicate, for the three-year period ending November 18, 2015, Consulate had 692 substantiated complaints at 76 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

<b>Consulate Substantiated Complaint Categories for the Past 36 Months</b>	
Quality of Care	260
Resident Rights	77
Administration/Personnel	68
Nursing Services	67
Resident Assessment	52
Physical Environment	44
Infection Control	28
Admission/Transfer/Discharge	26
Dietary Services	23
Resident Abuse	14
Resident Neglect	5
State Licensure	5
Unqualified Personnel	5
Life Safety Code	5
Falsification of Records/Reports	4
Misappropriation of Property	3
Physician Services	3
Restraints/Seclusion General	2
Quality of Life	1

Source: Agency for Health Care Administration Complaint Records

**Lee County Health Care Facility (CON #10411)** states that it is a new entity affiliated with VOA. Gulf Coast Village<sup>3</sup> is operated by VOA and is a CMS rated five-star facility and the reviewer notes the facility has a three-star rating. VOA Lee asserts that it will develop and a Strategic Quality Plan and implement a facility-wide Quality Assurance and Performance Improvement Process (QAPI). A performance improvement committee will be established, as well as a process for identifying, responding to and implementing performance improvement activities to meet and exceed customers' expectations.

The applicant assures that all staff will be educated in QAPI and their specific role in the program upon hire, annually and as needed. VOA Lee County states the QAPI process will include quality control and the Plan-Do-Study-Act (PDSA) methodology to achieved performance goals. In addition to PDSA methodology, the applicant indicates the QAPI process will also utilized "root cause analysis". The applicant provides an example of the QAPI process on pages 4-2 through 4-5 of CON #10411. VOA notes that it is familiar with the ten most frequently cited deficiencies in Florida based on annual and complaint surveys and

<sup>3</sup> The reviewer notes that Gulf Coast Village's AHCA rating is three-stars out of a possible five stars.

maintains that it will remain diligent in monitoring efforts to ensure these types of violations do not occur. The applicant affirms that the goal is to prevent failure in those core processes which could cause a substandard quality of care. Resident rights brochures and resident right training policy is provided in Exhibits 4-3 and 4-4 of CON 10411.

The applicant asserts that quality measure scores will be reviewed monthly and if a quality measure falls outside the established threshold, it will signal the presence of a potential problem and serve as a “trigger” for further investigation. VOA maintains that the goal is to prevent failure in those core processes which could cause a substandard quality of care. The applicant declares that it is essential to use this quality control process to detect any problem early so adverse conditions can be minimized and corrective action initiated.

Agency complaint records indicate that there were no substantiated complaints at the affiliated nursing home, Gulf Coast Village, associated with VOA (managing company), for the three-year period ending November 18, 2015.

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

**Lee Healthcare Group, LLC (CON #10408):**

**Analysis:**

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

**Capital Requirements and Funding:**

The applicant provided a development stage audit. The audit reveals \$383,500 in total assets, \$133,500 in total liabilities, \$250,000 in member’s equity and no revenue. The applicant indicates on Schedule 2 capital projects totaling \$16,511,300 which consists solely of this project. On Schedule 3 of its application, the applicant indicates that funding for the project will be provided by cash on hand and non-related company financing. The applicant provided a letter from Omega Healthcare Investors, Inc. indicating a commitment to fund this project for up to \$20 million. Below is analysis for Healthcare Omega Investors, Inc., the lender for the applicant. All values are in thousands, except for ratios.

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<b>Omega Healthcare Investors, Inc. (In thousands)</b>		
	<b>Current Year</b>	<b>Previous Year</b>
Current Assets	\$201,741	\$181,879
Total Assets	\$3,921,645	\$3,462,216
Current Liabilities	\$85,000	\$326,000
Total Liabilities	\$2,520,318	\$2,162,113
Net Assets	\$1,401,327	\$1,300,103
Total Revenues	\$504,787	\$418,714
Excess of Revenues Over Expenses	\$218,486	\$173,672
Cash Flow from Operations	\$337,540	\$279,949
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	2.4	0.6
Cash Flow to Current Liabilities (CFO/CL)	397.11%	85.87%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	173.8%	141.2%
Total Margin (ER/TR)	43.28%	41.48%
<b>Measure of Available Funding</b>		
Working Capital	\$116,741	(\$144,121)

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

**Conclusion:**

Funding for this project should be available as needed.

**Lee Senior Services, LLC (CON #10409):**

**Analysis:**

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

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

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The below is an analysis of the audited financial statements of Lee Memorial Hospital, Inc. d/b/a Lee Healthcare Resources and Subsidiaries, the applicant. Schedule 3 indicates that funding will come from a non-related company, Fine Mark National Bank & Trust. A letter of interest was submitted by Fine Mark offering financing for up \$28 million.

<b>Lee Memorial Hospital, Inc. d/b/a Lee Healthcare Resources and Subsidiaries</b>		
	<b>Current Year</b>	<b>Previous Year</b>
Current Assets	\$27,746,489	\$19,748,719
Total Assets	\$149,153,477	\$140,416,537
Current Liabilities	\$4,577,848	\$4,722,853
Total Liabilities	\$142,219,718	\$132,614,440
Net Assets	<b>\$6,933,759</b>	<b>\$7,802,097</b>
Total Revenues	\$32,467,884	\$28,957,875
Excess of Revenues Over Expenses	<b>(\$3,568,062)</b>	<b>(\$4,470,627)</b>
Cash Flow from Operations	<b>(\$2,216,333)</b>	<b>(\$3,332,939)</b>
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	6.1	4.2
Cash Flow to Current Liabilities (CFO/CL)	-48.41%	-70.57%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	1985.1%	1639.2%
Total Margin (ER/TR)	-10.99%	-15.44%
<b>Measure of Available Funding</b>		
Working Capital	<b>\$23,168,641</b>	<b>\$15,025,866</b>

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

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$31,833,563 which includes this project (\$28,838,200), master planning initiatives for LHR (\$500,000), general office FFE for LFP (\$145,000), tenant improvements and FFE for MPO (\$575,000), and maturities of long-term debt (\$1,775,363). The applicant indicates on Schedule 3 of its application that funding for the project will be provided by non-related company financing (Fine Mark National Bank & Trust) and cash on hand. With losses and a net outflow of cash in the most recent years, the applicant may have difficulty securing additional financing.

**Conclusion:**

Funding for this project and all capital expenditures are in question.

**Seminole SNF, LLC (CON #10410):**

**Analysis:**

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

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

**Capital Requirements and Funding:**

The applicant provided a development stage audit. The audit indicates that the applicant has \$50,000 in assets (\$40,000 cash), \$10,000 in liabilities, \$40,000 in net worth, and no revenues. The applicant indicates on Schedule 2 capital projects totaling \$23,611,707 which

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includes this project. On Schedule 3 of its application, the applicant indicates that funding for the project will be provided by cash on hand (\$40,000) and non-related company financing (\$23,611,707).

The applicant provided a letter from Mainstreet Investments indicating a commitment to fund this project. The applicant provided audited financial statements of Mainstreet affiliates (Mainstreet Asset Management, Inc. and Mainstreet Property Group, LLC). The letter was specific to this project and in general mentioned funding 50 projects in 2016. Mainstreet is cited as a funding source for two CONs in this batching cycle, including this one. Mainstreet is not a traditional bank or lender but rather is in the business of funding and acquiring funding from various investors, lenders, and various Real Estate Investment Trusts (REITs) to build facilities and lease and or sell them to operators of healthcare facilities. To that point, a letter of interest was provided by PNC Real Estate to provide funding for upcoming Mainstreet projects (it should be noted that a letter of interest is not considered a firm commitment to lend).

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

### **Conclusion:**

Funding for this project is not guaranteed but appears likely

### **VOA Lee County Health Care Facility (CON #10411):**

#### **Analysis:**

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by a third-party source.

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$28,905,000 which consists solely of this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by non-related company financing. The applicant provided a development stage audit showing \$250,000 in cash, and \$248,667 in member's equity. The applicant submitted a letter from HJ Sims & Co. expressing interest in underwriting bonds for the project. The letter states they previously underwrote a \$79,385,000 bond issue for another VOA project. A letter of interest is not considered a firm commitment to lend. However, the letter outlined an existing relationship with the parent entity.

**Conclusion:**

Funding for this project is likely but not guaranteed.

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

**Lee Healthcare Group, LLC (CON #10408):**

**Analysis:**

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and ultimately whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012, 2013, and 2014 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (Inflation factor was based on the New CMS Market Basket Price Index as published in the 3rd Quarter 2015, Health Care Cost Review).

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

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	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	9,886,500	400	735	411	267
Total Expenses	9,358,300	379	710	389	304
Operating Income	528,200	21	95	16	-113
Operating Margin	5.34%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	24,709	90.01%	96.71%	89.93%	70.42%
Medicaid/MDCD HMO	11,119	45.00%	49.81%	44.31%	30.05%
Medicare	9,884	40.00%	62.12%	33.63%	10.26%

**Staffing:**

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant meets the nursing staff requirement and meets the nursing assistant requirement if nursing staff are utilized for these duties.

The range of actual results in our group for small nursing homes is wide due to the volume of nursing homes in the group and associated scale of cost and revenue. The projected NRPD, CPD, and operating income fall closer to the median values of the group. With the values close to the median of the control group, the NRPD, CPD and operating margin appear reasonable. Total costs may be understated in order to bring nursing assistant staff to the required ratios without the need of nursing staff.

**Conclusion:**

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

**Lee Senior Services, LLC (CON #10409):**

**Analysis:**

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



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from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 3rd Quarter 2015, Health Care Cost Review).

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	9,336,520	364	2,015	581	305
Total Expenses	9,832,698	383	1,928	550	361
Operating Income	-496,178	-19	176	24	-173
Operating Margin	-5.31%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	25,665	93.50%	97.64%	91.27%	33.72%
Medicaid	0	0.00%	29.81%	20.22%	0.00%
Medicare	15,399	60.00%	98.02%	36.70%	6.50%

**Staffing:**

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

The applicant included non-nursing home revenue from Schedule 7 in total nursing home revenue on Schedule 8. The Agency did not include the non-nursing home revenue in this analysis as Schedule 8 explicitly states nursing home revenue. The range of actual results in our group for small nursing homes is wide due to the small volume of nursing homes in the group and associated scale of cost and revenue. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

**Conclusion:**

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

**Seminole SNF, LLC (CON #10410):**

**Analysis:**

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and ultimately whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2012, 2013, and 2014 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (Inflation factor was based on the New CMS Market Basket Price Index as published in the 3rd Quarter 2015, Health Care Cost Review).

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	14,151,712	374	1,768	445	300
Total Expenses	13,933,304	368	1,677	433	306
Operating Income	218,408	6	186	23	-173
Operating Margin	1.54%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	37,846	91.76%	97.64%	90.75%	55.01%
Medicaid	13,246	35.00%	38.34%	30.43%	20.69%
Medicare	15,328	40.50%	62.12%	38.55%	10.01%

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

**Staffing:**

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

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The range of actual results in our group for small nursing homes is wide due to the small volume of nursing homes in the group and associated scale of cost and revenue. In addition, the total cost appears to include at least the minimum staffing required. With the results appearing closer to the lowest values, the projections appear conservative. Therefore, the overall profitability appears achievable.

### **Conclusion:**

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

### **VOA Lee County Health Care Facility (CON #10411):**

#### **Analysis:**

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and ultimately whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2012, 2013, and 2014 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (Inflation factor was based on the New CMS Market Basket Price Index as published in the 3rd Quarter 2015, Health Care Cost Review).

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

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	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	9,699,035	416	497	350	251
Total Expenses	9,139,217	392	500	339	226
Operating Income	559,818	24	115	15	-113
Operating Margin	5.77%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	23,331	84.99%	98.91%	90.50%	66.81%
Medicaid/MDCD HMO	11,666	50.00%	60.04%	49.48%	40.10%
Medicare	7,699	33.00%	49.89%	22.12%	0.00%

**Staffing:**

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

The projected NRPD, CPD, and profit fall within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

**Conclusion:**

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

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

**Lee Healthcare Group, LLC (CON #10408), Lee Senior Services, LLC (CON #10409), Seminole SNF, LLC (CON #10410) and VOA Lee County Health Care Facility (CON #10411):**

**Analysis:**

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

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

**Conclusion:**

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

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

**Lee Healthcare Group, LLC (CON #10408):** A review of the architectural plans, narratives and other supporting documents did reveal possible deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Deficiencies:

A-1 Provide additional drawings as per application requirements. The only drawing received was A2.1 Floor Plan.

A-2 Provide FBC & NFPA Construction type.

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

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**Lee Senior Services, LLC (CON #10409):** The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

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

**Seminole SNF, LLC (CON #10410):** The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

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

**VOA Lee County Health Care Facility (CON #10411):** The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other

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

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

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

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

**Medicaid Patient Days and Medicaid Occupancy in Lee County, District 8 and Florida**

<b>Medicaid Patient Days</b>					
<b>Facility/Area</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Lee County	345,354	338,752	347,315	355,943	361,094
District 8	1,184,832	1,198,660	1,212,391	1,207,330	1,266,701
Florida	15,530,575	15,612,015	15,733,318	15,700,197	15,875,092
<b>Medicaid Occupancy</b>					
<b>Facility/Area</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Lee County	58.36%	57.09%	57.48%	57.36%	56.86%
District 8	56.92%	57.18%	57.39%	56.43%	57.54%
Florida	61.33%	61.56%	61.85%	61.66%	61.88%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2015 Batching Cycle

**Lee Healthcare Group, LLC (CON #10408)** indicates the proposed facility is expected to provide Medicaid to accommodate medically underserved, low income elderly individuals. The applicant expects Medicare to account for 40 percent of total patient days by year two, while Medicaid is expected to account for 45 percent in year two. See table below.

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**Forecasted Admissions and Days by Payer  
First Two Years of Operation**

Payer	Year One		Year Two	
	Patient Days	Percent	Patient Days	Percent
Medicare	5,313	36%	9,884	40%
Medicaid	5,586	38%	11,119	45%
Private Payers	3,982	27%	3,706	15%
<b>Total</b>	<b>14,881</b>	<b>100%</b>	<b>24,709</b>	<b>100%</b>

Source: CON application #10408, page 9-1

The applicant indicates that Saber Healthcare is aware of all aspects of the statewide Medicaid Managed Long-Term Care program and will form a provider agreement with at least one of the long-term care plans available in District 8. Lee Healthcare affirms that it will enroll in and continue to provide timely and accurate provider information to the Agency Provider Master List (PML) as well as comply with state-derived performance measures. The applicant also assures that it will collaborate with the chosen LTC plan(s) to identify and implement quality and performance measures to monitor the facility’s clinical performance on an ongoing basis. Lee Healthcare anticipates that facilities will continue to experience an increase in the proportion of medically complex patients and is aware of this dynamic and will implement specific strategies for serving distinct Medicaid and medically underserved patient populations.

Lee Healthcare provides the following table which illustrates projected patient admissions and patient days by payor mix based on historical and anticipated market demand.

**Projected Admissions, Patient Days, ALOS and ADC  
First Two Years of Operation**

	Year One	Year Two
<b>Medicare Part A</b>	24%	28%
<b>Medicaid</b>	38%	45%
<b>Private and Other Payors</b>	27%	15%
<b>Medicare Part C</b>	11%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: CON application # 10408, Schedule 7

The applicant’s Schedule 7 indicates that Medicaid and self-pay represent 37.5 percent and 6.0 percent, respectively, of year one and 45.0 percent and 4.0 percent of year two annual total patient days

**Lee Senior Services, LLC (CON #10409)** states that it is a recently formed entity and has no history of providing health services to Medicaid patients and the medically indigent. The applicant contends that it will serve all patients in need regardless of race, ethnicity, gender or ability to pay and provides a non-discrimination policy in Tab 14 of CON #10409. Lee Senior Services reports that 60 percent of patient days in the total



facility are projected to be Medicare, reflecting the increasing importance of short-term rehabilitative services in contemporary nursing home care. The applicant states the remaining 40 percent of patient days are expected to be self-pay (including five percent charity).

Lee Senior Services notes that over 94 percent of Lee County resident hospital discharges to a nursing home recorded Medicare or Medicare Managed Care as their payer of first resort. The applicant maintains that this is significant because Medicare is typically the payer of first resort for shorter-stay rehabilitative services in a nursing home and states in contrast, Medicaid and Medicaid Managed Care account for only roughly one percent of hospital discharges to skilled nursing care. Lee Senior Services states it recognizes that some nursing home residents eventually deplete their Medicare benefit eligibility, and become dependent on other sources of payment for their nursing home care coverage.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 0.0 percent and 40.0 percent, respectively, of year one and 0.0 percent and 40.0 percent of year two annual total patient days.

**Seminole SNF, LLC (CON #10410)** states that it is a newly created entity and does not hold a license for a nursing facility however, the applicant's management company, Consulate owns or operates 76 SNFs and four ALFs in Florida and has a history of serving Medicaid and medically indigent persons.

In regards to providing health care to Medicaid patients, the applicant notes the following:

- Total occupancy rates at the Consulate's Florida SNFs range from 88 percent -98 percent for the year ending June 2015
- The total occupancy rate at Consulate's Florida SNF's is higher than the state's rate of 87.8 percent
- Medicaid occupancy at the existing Consulate Florida SNFs was 61.2 percent. This is just slightly lower than the statewide Medicaid occupancy rate of 61.9 percent and reflects the higher patient acuity and short-term care population at some of Consulate's Florida SNFs
- Utilization data document that Consulate care centers are available, accessible, and utilized by Medicaid medically indigent persons

The reviewer compiled the following Medicaid occupancy data for Consulate operated Florida facilities for July 1, 2014 to June 30, 2015. See the table below.

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**Consulate Health Care Operated Facilities,  
Florida Medicaid Occupancy July 1, 2014 to June 30, 2015**

<b>Facility</b>	<b>District/ Subdistrict</b>	<b>Medicaid Days</b>	<b>Total Days</b>	<b>Medicaid Occupancy</b>
Bay Breeze Health and Rehabilitation Center	1-1	25,351	40,244	62.99%
Baya Pointe Nursing and Rehabilitation Center	3-1	17,982	31,533	57.03%
Bayonet Point, Consulate Health Care of	5-1	22,149	41,781	53.01%
Beneva Lakes Healthcare and Rehabilitation Center	8-6	30,377	39,614	76.68%
Bradenton Health Care	6-2	22,460	37,053	60.62%
Brandon Health and Rehabilitation Center	6-1	16,597	42,561	39.00%
Brandon, Consulate Health Care Of	6-1	24,306	42,069	57.78%
Brentwood, Health Center at	3-5	24,893	41,950	59.34%
Central Park Healthcare and Rehabilitation Center	6-1	24,345	41,841	58.18%
Colonial Lakes Health Care	7-2	48,631	62,768	77.48%
Coral Bay Healthcare and Rehab Center	9-4	29,007	41,417	70.04%
Coral Trace Health Care	8-5	22,101	38,956	56.73%
Countryside Rehab and Healthcare Center	5-2	23,438	40,864	57.36%
Deltona Health Care	4-4	25,246	41,634	60.64%
Destin Healthcare and Rehabilitation Center	1-2	23,445	40,099	58.47%
Dolphins View, The Health and Rehabilitation Center	5-2	8,693	19,293	45.06%
Emerald Shores Health and Rehabilitation	2-2	12,944	26,327	49.17%
Englewood Healthcare and Rehabilitation Center	8-1	23,537	40,541	58.06%
Evans Health Care	8-5	30,687	41,801	73.41%
Fletcher Health and Rehabilitation Center	6-1	24,585	41,214	59.65%
Fort Pierce Health Care	9-5	48,729	56,803	85.79%
Franco Nursing and Rehabilitation Center	11-1	26,890	40,785	65.93%
Governors Creek Health and Rehabilitation Center	4-2	30,807	41,800	73.70%
Grand Oaks Health and Rehabilitation Center	4-4	16,164	42,497	38.04%
Habana Health Care Center	6-1	38,581	52,107	74.04%
Harbor Beach Nursing and Rehabilitation Center	10	13,878	20,054	69.20%
Harts Harbor Health Care Center	4-1	51,815	62,791	82.52%
Heritage Healthcare and Rehabilitation Center	8-2	24,816	32,838	75.57%
Heritage Healthcare Center of Tallahassee	2-4	45,916	61,324	74.87%
Heritage Park Rehabilitation and Healthcare	5-1	29,586	41,905	70.60%
Heron Pointe Health and Rehabilitation	3-6	28,276	42,283	66.87%
Hillcrest Health Care and Rehabilitation Center	10	54,529	83,511	65.30%
Island Health and Rehabilitation Center	7-1	27,303	41,585	65.66%
Jacksonville, Consulate Health Care of	4-3	23,406	39,805	58.80%
Keystone Rehabilitation and Health Center	7-3	24,797	41,983	59.06%
Kissimmee, Consulate Health Care of	7-3	25,943	42,735	60.71%
Lake Mary Health and Rehabilitation Center	7-4	16,115	42,121	38.26%
Lake Parker, Consulate Health Care At	6-5	26,118	41,342	63.18%
Lakeland, Consulate Health Care of	6-5	30,222	41,584	72.68%
Lakeside Oaks Care Center	5-2	20,604	32,035	64.32%
Largo Health and Rehabilitation Center	5-2	35,508	55,630	63.83%
Magnolia Health and Rehabilitation Center	8-6	30,095	40,803	73.76%
Marshall Health and Rehabilitation Center	2-5	31,723	39,583	80.14%
Melbourne, Consulate Health Care Of	7-1	29,600	54,899	53.92%
New Port Richey, Consulate Health Care of	5-1	28,088	42,412	66.23%
North Florida Rehabilitation and Specialty Care	3-2	17,979	40,932	43.92%
North Fort Myers, Consulate Health Care Of	8-5	26,863	38,597	69.60%
Oakbridge Healthcare Center	6-5	18,848	41,919	44.96%
Oaktree Healthcare	4-4	17,963	21,071	85.25%
Orange Park, Consulate Health Care Of	4-2	25,605	41,877	61.14%
Osprey Point Nursing Center	3-7	12,494	21,001	59.49%
Palms Rehabilitation and Healthcare Center	7-1	28,002	42,490	65.90%
Parks Healthcare and Rehabilitation Center	7-2	25,829	42,441	60.86%
Pensacola, Consulate Health Care Of	1-1	23,113	41,272	56.00%
Plantation Bay Rehabilitation Center	7-3	27,519	42,713	64.43%
Port Charlotte, Consulate Health Care Of	8-1	26,525	39,639	66.92%
Renaissance Health and Rehabilitation	9-4	33,449	39,250	85.22%
Rio Pinar Health Care	7-2	42,888	63,708	67.32%
Rosewood Health and Rehabilitation Center	1-1	40,583	52,180	77.78%
Safety Harbor, Consulate Health Care Of	5-2	30,904	42,513	72.69%
San Jose Health and Rehabilitation	4-3	31,569	41,930	75.29%

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<b>Facility</b>	<b>District/ Subdistrict</b>	<b>Medicaid Days</b>	<b>Total Days</b>	<b>Medicaid Occupancy</b>
Sarasota, Consulate Health Care Of	8-6	20,201	27,285	74.04%
Sea Breeze Health Care	2-2	28,744	40,566	70.86%
Seaview Nursing and Rehabilitation Center	10	22,020	28,354	77.66%
Shoal Creek Rehabilitation Center	1-2	26,820	41,724	64.28%
Spring Hill Health and Rehabilitation Center	3-6	19,051	42,211	45.13%
St. Petersburg, Consulate Health Care Of	5-2	26,364	42,438	62.12%
Tallahassee, Consulate Health Care Of	2-4	21,036	41,012	51.29%
University Hills Health and Rehabilitation	1-1	31,836	42,258	75.34%
Vero Beach, Consulate Health Care Of	9-1	40,637	55,143	73.69%
Vista Manor	7-1	26,898	38,338	70.16%
Wedgewood Healthcare Center	6-5	16,664	41,382	40.27%
West Altamonte, Consulate Health Care At	7-4	27,425	41,341	66.34%
West Palm Beach, Consulate Health Care Of	9-4	27,630	42,251	65.39%
Winter Haven, Consulate Health Care Of	6-5	22,002	41,741	52.71%
Wood Lake Health and Rehabilitation Center	9-4	30,983	40,074	77.31%
<b>Total</b>		<b>2,058,727</b>	<b>3,188,426</b>	<b>64.57%</b>

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2015 Batching Cycle

Seminole SNF provides the following payor forecast for the first two years of operation.

**Seminole SNF Forecasted Payer Mix  
First Two Years of Operation**

<b>Payor</b>	<b>Year One</b>	<b>Year Two</b>
Private Pay	5%	5%
Medicaid	35%	35%
Medicare Part A	40%	40%
Medicare Advantage/Commercial	14%	14%
Other: VA and Worker's Comp	6%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: CON application #10410, Schedule 7

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 35.0 and 4.9 percent, respectively, of both year one and year two annual total patient days.

**VOA Lee County Health Care Facility (CON #10411)** states that it is a newly created entity and has no Medicaid history to report. The applicant does note that Long-Term Care (LTC) plans serving Lee County and District 8 are Sunshine State Health Plan, United Healthcare of Florida and Humana American Eldercare. The applicant indicates it will be dually certified and serve both Medicaid and Medicare patients and notes that differences exist across plans in the additional services that are provided, assuring recipients have choices as well as plan services that best meet the recipient's needs.

The applicant states that as of November 1, 2015, Lee County had 1,868 individuals enrolled in Medicaid Managed Care LTC plans and that the expectation is that Medicaid Managed Care plans will continue a downward trend in nursing home placements, offering options to recipients to maintain them in less restrictive settings. The reviewer

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notes that the applicant did not cite a source for the number of individuals enrolled in Medicaid Managed Care LTC plans.

VOA Lee County affirms that it understands that access must be maintained for all payers and states as change continues and nursing homes evolve to meet the wider demands of longer life expectancies and medical innovations, the community of nursing home will be one of the resources upon which the residents of Lee County can rely upon for support and care. The applicant provides a forecast of projected patient days by payer source, average daily census (ADC) and admissions for the first two years of operation.

**Forecast by Payer for VOA Lee County  
Years Ending June 30, 2019 and 2020**

	<b>Year One</b>	<b>Year Two</b>	<b>Percent of Days</b>
Medicare	3,414	5,276	22.7%
Medicare Managed Care	1,555	2,403	10.3%
Medicaid Managed Care	7,528	11,634	50.0%
Commercial Insurance	602	931	4.0%
Commercial HMO	602	931	4.0%
Private Pay	1,205	1,862	8.0%
Other	151	233	1.0%
<b>Total</b>	<b>15,056</b>	<b>23,269</b>	<b>100.0%</b>

<b>ADC by Payer</b>		
	<b>Year One</b>	<b>Year Two</b>
Medicare	9	14
Medicare Managed Care	4	7
Medicaid Managed Care	21	32
Commercial Insurance	2	3
Commercial HMO	2	3
Private Pay	3	5
Other	0	1
<b>Total</b>	<b>41</b>	<b>64</b>
Occupancy	55.0%	85.0%
<b>Admissions</b>		
	<b>Year One</b>	<b>Year Two</b>
Medicare	126	195
Medicare Managed Care	71	109
Medicaid Managed Care	21	32
Commercial Insurance	24	37
Commercial HMO	24	37
Private Pay	67	103
Other	8	13
<b>Total</b>	<b>323</b>	<b>514</b>
Average ALOS	45.2	45.2

Source: CON application #10411, page 1-20

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 50.0 and 8.0 percent, respectively, of both year one and year two annual total patient days. The applicant has conditioned approval of the project upon the condition that Medicaid managed care will be 50 percent of total resident days of care

**F. SUMMARY**

**Lee Healthcare Group, LLC (CON #10408)** an affiliate of Saber Healthcare Group, proposes to establish a new 75-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida.

Saber Healthcare Group operates six ALFs in Florida.

The project involves 59,013 GSF of new construction. The construction cost is \$10,917,400. Total project cost is \$16,511,300. Project cost includes land, building, equipment, project development, financing and start-up costs.

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

**Lee Senior Services, LLC (CON #10409)** proposes to establish a new 75-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida.

Lee FP, Inc. will manage the proposed project. Lee FP, Inc. operates Cypress Cove at Health Park Florida.

The project involves 67,500 GSF of new construction. The construction cost is \$15,190,000. Total project cost is \$28,838,200. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes two conditions on its Schedule C.

**Seminole SNF, LLC (CON #10410)**, an affiliate of Consulate Healthcare, proposes to establish a new 113-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida. The applicant states that it intends to aggregate all beds from Subdistrict 8-2 (Collier County) that has a calculated bed need of 38 beds to accommodate this project.

Consulate operates 76 SNFs in Florida.

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The project involves 73,909 GSF of new construction. The construction cost is \$13,355,500. Total project cost is \$23,611,707. Project cost includes land, building, equipment, project development, financing and start-up costs.

The reviewer notes that although the applicant initially proposed accepting a partial award of 75-beds (and identifiable portion of the proposed project) when it submitted its initial application on November 17, 2015 no information regarding a partial award was mentioned in the omission submission submitted by the applicant on December 22, 2015 nor did the applicant respond to applicable questions regarding an award of an identifiable portion of the proposed project.

The applicant proposes five conditions on its Schedule C.

**VOA Lee County Health Care Facility (CON #10411)**, an affiliate of Volunteers of America (VOA), proposes to establish a new 75-bed community nursing home in District 8, Subdistrict 5, Lee County, Florida.

VOA operates Gulf Coast Village, located in Cape Coral, Florida.

The project involves 82,714 GSF of new construction. The construction cost is \$15,000,000. Total project cost is \$28,905,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes five conditions on its Schedule C.

**Need**

In Volume 41, Number 192 of the Florida Administrative Register dated October 2, 2015, a fixed need pool of 75 beds was published for Subdistrict 8-5 for the July 2018 Planning Horizon. Subdistrict 8-5 is comprised of Lee County.

As of November 18, 2015, Subdistrict 8-5 had 2,009 licensed and 40 approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 8-5 experienced 86.88 percent utilization at 17 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 8-5.

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**Lee Healthcare Group, LLC (CON #10408)** states the following factors demonstrate the advantages of approving the proposed project:

- Construction of a new physical plant built to current code that embraces culture change to improve quality care.
- Provides for higher standards of quality and resident-centered care with 53 private rooms and 11 semi-private rooms.
- The facility will contain a variety of spaces and amenities that are intended to promote resident activity, socialization, independence and well-being.
- The facility is being developed by an applicant and affiliated company with significant experience in the development and operation of long-term care facilities.
- The applicant maintains operations in close proximity to the project planning area, with a new assisted living facility opening in the first quarter of 2016 in Lee County.
- Lee Healthcare Group, LLC, is an affiliate of Saber Healthcare Group which operates 87 skilled nursing and assisted living facilities in six states. Saber Healthcare is an experienced and trusted provider of senior living facilities.
- Several Saber Healthcare SNFs ranked among the nation's "Top 10 Nursing Homes" by U.S. News and World Report.
- Saber will open the Crossing at Hancock Creek, a new state of the art 111-bed assisted living facility in Lee County during the first quarter of 2016.
- Saber's unique Progressive Approach to Home (PATH) program is designed to produce high-quality care with shorter lengths of stay and reduced readmissions. This program will be an essential component of the proposed project.
- The proposed facility will be dually-certified and expects Medicaid to represent 45 percent of patient days
- Fifty-two percent of Saber Healthcare's 64 facilities have received five-star quality ratings from CMS.
- The 75-bed project is expected to generate a profit of \$528,200 by the second year of operation.
- Lee Healthcare Group, LLC is prepared to develop a state-of-the-art facility with a large complement of private rooms and modern equipment to serve the growing demand for SNFs in Subdistrict 8-5.

**Lee Senior Services, LLC (CON #10409)** states to have identified sites for the proposed 75-bed nursing home, which will lie between GCMC and Interstate 75, Lee County's primary north-south route. The applicant indicates that the selected sites are within three to five miles of the GCMC campus. The applicant indicates that it has taken its own assessment related to circumstances within the service area, specifically examining The Agency's hospital discharge data to ascertain overall

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patterns of hospital and nursing home utilization at the level of patient resident ZIP Code. Lee Senior Services notes that in 2014, GCMC discharged 2,604 residents of Subdistrict 8-5 and 3,037 patients overall, to a nursing home. The applicant states that GCMC is the single largest source of Lee County resident inpatient discharges to Medicare-certified SNF with nearly 30 percent of all hospital discharges.

The applicant indicates it has a strong support among potential referral sources and community leaders within Subdistrict 8-5. Lee Senior Service states its efforts have included meetings with health care providers and other interested parties in the area whose clients/patients utilized nursing home services at The Lodge at Cypress Cove and other community nursing facilities. The applicant states its first and second year patient days are projected to be 18,116 and 25,665 respectively. Lee Senior Services expresses the sentiment that the project patient days were easily achievable based on the Agency's projection of 75 additional nursing home beds needed in the subdistrict. During the second year of operation, the applicant expects the facility's utilization to average 93.5 percent occupancy. Lee Senior Services states given the net need for beds and the robust growth in the elderly population projected for Subdistrict 8-5, the applicant asserts that the forecasted patient days are sufficient to assure the financial viability of the proposed project.

**Seminole SNF, LLC (CON #10410)** states the 113-bed facility will be located in southern Lee County, adjacent to Collier County. The applicant states the two counties' total population will increase by 7.1 percent between July 2015 and July 2018 and notes that growth of the area's elderly population is expected to occur at nearly twice the rate (12.3 percent) of the total population.

The applicant indicates that additional analysis was conducted to determine what services, programs and facility features would most benefit area residents in need of skilled nursing care. Seminole SNF identified two special programs-Alzheimer/memory care and electronic health record and telemedicine program. The applicant states it researched causes of death for residents' age 65+ and found that the percent of Collier County residents dying from Alzheimer's disease was significantly higher than the state-wide average.

Seminole SNF states that area residents could benefit from special Alzheimer's, dementia and memory care programs. The applicant notes the Florida Department of Elder Affairs (DOEA) estimates there are 20,487 probable Alzheimer's cases in Lee County and 12,772 in Collier County. The applicant notes there are currently six facilities in Lee County with secure Alzheimer's units, and only one facility in Collier County.



**VOA Lee County Health Care Facility (CON #10411)** states the proposed project will be a two-story, 82,714 square feet facility with all private suites and will offer a dedicated memory care household of 18 beds, transitional care/rehabilitation household will consist of 19 beds, and two additional 19-bed long-term care households.

The applicant asserts the proposed project provides several benefits to residents of Lee County, these include:

- An architectural plan of all private rooms/suites and in-suite baths
- A dedicated memory support household of 18 suites, with its own memory support courtyard
- Each “household” area includes screened porches, private patios, neighborhood living rooms, bistros, activity and dining areas
- Specialized therapy areas, including an aquatic therapy room, outdoor space dedicated to therapy as well as an activities of daily living (ADL) apartment to better enhance therapeutic interventions
- A location in one of two identified ZIP Codes which currently have only one skilled nursing facility between them

### **Quality of Care**

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

**Lee Healthcare Group, LLC (CON #10408)** states that it does not have a history of providing quality of care in a nursing home setting because it is a newly formed entity.

The applicant assures that it will develop quality initiatives and improvement programs consistent with CMS’ QAPI programs to ensure that quality care is delivered to all residents and that quality improvement process are continually monitored to improve outcomes. Lee Healthcare states that the proposed facility will implement a comprehensive QAA plan to ensure optimal standards of patient care are maintained.

**Lee Senior Services, LLC (CON #10409)** states is will put in place a QAPI plan, based upon a similar approach in place at The Lodge and has a focused commitment to ensuring that it is using appropriate benchmarks, closely monitoring performance, and making appropriate adjustment quickly when warranted to assure that the quality of care provided at the facility continuously improves. Lee Senior Services states that the QAPI Committee will meet at least once quarterly to identify risks/areas of concern and develop plans of action.

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Agency complaint records indicate, for the three-year period ending November 18, 2015, the applicant's controlling interest (Lee FP, Inc.) had one substantiated complaint at The Lodge at Cypress Cove.

**Seminole SNF, LLC (CON #10410)** maintains that at the core of all its policies, procedures and programs are QAPI structures, as well as RCA. The applicant states that Consulate's policies for QAPI are organized and structured to provide a snapshot of the conditions of the various clinical, operational and ancillary services throughout the year.

Agency complaint records indicate, for the three-year period ending November 18, 2015, the applicant's controlling interest (Consulate) had 692 substantiated complaints at 76 facilities.

**VOA Lee County Health Care Facility (CON #10411)** assures that all staff will be educated in QAPI and their specific role in the program upon hire, annually and as needed. VOA Lee County states the QAPI process will include quality control and the PDSA methodology to achieved performance goals. In addition to PDSA methodology, the applicant indicates the QAPI process will also utilized "root cause analysis". Agency complaint records indicate that there were no substantiated complaints at the affiliated nursing home, Gulf Coast Village, associated with VOA (managing company), for the three-year period ending November 18, 2015.

### **Financial Feasibility/Availability of Funds**

**Lee Healthcare Group, LLC (CON #10408):** Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant meets the nursing staff requirement and meets the nursing assistant requirement if nursing staff are utilized for these duties. This project appears to be financially feasible based on the projections provided by the applicant.

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

**Lee Senior Services, LLC (CON #10409):** Funding for this project and all capital expenditures are in question. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

**Seminole SNF, LLC (CON #10410):** Funding for this project is not guaranteed but appears likely. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

**VOA Lee County Health Care Facility (CON #10411):** Funding for this project is likely but not guaranteed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

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

#### **Medicaid/Charity Care**

**Lee Healthcare Group, LLC (CON #10408)** does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 37.5 percent and 6.0 percent, respectively, of year one and 45.0 percent and 4.0 percent of year two annual total patient days.

**Lee Senior Services, LLC (CON #10409)** proposes to condition the project approval on providing a minimum of 2.5 percent of the patient days in the 75-bed community nursing home to charity patients.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 0.0 percent and 40.0 percent, respectively, of year one and 0.0 percent and 40.0 percent of year two annual total patient days.

**Seminole SNF, LLC (CON #10410)** does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 35.0 and 4.9 percent, respectively, of both year one and year two annual total patient days.

**VOA Lee County Health Care Facility (CON #10411)** proposes to condition the project approval on Medicaid managed care to be 50 percent of total resident days of care.

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The applicant's Schedule 7 indicates that Medicaid and self-pay represent 50.0 and 8.0 percent, respectively, of both year one and year two annual total patient days.

**Architectural:**

**Lee Healthcare Group, LLC (CON #10408)** A review of the architectural plans, narratives and other supporting documents did reveal possible deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Deficiencies:

A-1 Provide additional drawings as per application requirements. The only drawing received was A2.1 Floor Plan.

A-2 Provide FBC & NFPA Construction type.

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

**Lee Senior Services, LLC (CON #10409):** The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

**Seminole SNF, LLC (CON #10410):** The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

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**VOA Lee County Health Care Facility (CON #10411):** The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

**G. RECOMMENDATION**

Approve CON #10411 to establish a new 75-bed community nursing home in District 8, Subdistrict 5, Lee County. The total project cost is \$28,905,000. The project involves 82,714 GSF of new construction and a construction cost of \$15,000,000.

**CONDITIONS:**

- An 18-bed household offering memory support
- Medicaid managed care to be 50 percent of total resident days of care
- Inclusion of an indoor aquatic therapy area
- All private rooms/suites with private baths for the 75 community nursing home beds
- An activities of daily living designated area for occupational therapy

Deny CON #10408, CON #10409 and CON #10410.

**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: \_\_\_\_\_

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Marisol Fitch  
**Health Administration Services Manager**  
**Certificate of Need**