

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Plaza Health at Red Road, Inc.
1800 NE 168 Street, Suite 200
North Miami Beach, Florida 33162

Authorized Representative: Ronald S. Lowy
(305) 917-0400

2. Service District/Subdistrict

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

B. PUBLIC HEARING

A public hearing was not held or requested regarding the proposed project.

Letters of Support

Plaza Health at Red Road, Inc. (CON application #10435): The Agency received various letters of support submitted by the applicant. The letters were composed by local physicians and local health care providers such as Seasons Hospice & Palliative Care, Easter Seal Disability Services, Larkin Community Hospital and Hematology & Oncology Associates of Alabama, LLC.

C. PROJECT SUMMARY

Plaza Health at Red Road, Inc. (CON application #10435), hereafter referred to as PHRR or the applicant, a development stage corporation and affiliate of not-for-profit Plaza Health Network, proposes to establish a new 134-bed community nursing home in District 11/Subdistrict 11-1, Miami-Dade County. The 134-beds will be delicensed from South Pointe

Plaza Nursing and Rehabilitation Center¹, a 230-bed community nursing home located in the same nursing home subdistrict (11-1). If approved, the proposed project will not add additional beds to the subdistrict. PHRR and South Pointe Plaza Nursing and Rehabilitation Center are both subsidiaries of parent company Plaza Health Network.

Plaza Health Network operates seven skilled nursing facilities (SNFs) in Florida listed below:

- Arch Plaza Nursing and Rehabilitation Center
- Aventura Plaza Nursing and Rehabilitation Center
- Jackson Plaza Nursing and Rehabilitation Center
- Ponce Plaza Nursing and Rehabilitation Center
- Sinai Plaza Nursing and Rehabilitation Center
- South Pointe Plaza Nursing and Rehabilitation Center
- University Plaza Nursing and Rehabilitation Center

The project involves 105,488 gross square feet (GSF) of new construction. The construction cost is \$21,000,000. The total project cost is \$28,661,250. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- A 40-bed memory care/Alzheimer’s unit as part of the 134-bed facility
- Dedicated space for on-site dialysis
- Medicaid participation, with 68 percent of patient days provided to persons eligible for Medicaid reimbursement

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

Total GSF and Project Costs of CON application #10435					
Applicant	CON #	Project	GSF	Costs \$	Cost Per Bed
Plaza Health at Red Road, Inc.	10435	New 134-Bed Community Nursing Home through Delicensure of 134 Beds	105,488	\$28,661,250	\$164,718

Source: CON applications 10435, Schedules 1 and 9

¹ Exhibit 1-1 of CON application #10435, page 1-21, includes a signed and notarized letter from Ronald Lowy, Chairman and authorized representative for South Pointe Plaza Nursing and Rehabilitation Center agreeing to delicense 134 beds in conjunction with the proposed project.

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, Brian Shoemaker 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. The reviewer provides the following analysis and review of CON application #10435 with regard to statutory and rule criteria.

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.**

The proposed project is not in response to the fixed need pool and does not add community nursing beds within Subdistrict 11-1 (Miami-Dade County). The project, if approved, will not change the total community nursing home bed count in the planning area.

In Volume 42, Number 64, of the Florida Administrative Register dated April 1, 2016 a fixed need pool of zero community nursing home beds was published for Subdistrict 11-1 for the July 2018 Planning Horizon.

As of May 25, 2016, nursing home Subdistrict 11-1 has 8,456 licensed and 344 approved community nursing homes beds. During the 12-month period ending December 31, 2015, Subdistrict 11-1 experienced 90.18 percent utilization at 54 existing community nursing homes. Below is a table illustrating nursing home patient days, total occupancy and Medicaid occupancy within Subdistrict 11-1, for the referenced time frame.

Miami-Dade County Nursing Home Patient Days, Medicaid Occupancy and Total Occupancy January 1, 2015-December 31, 2015

County/Facility	Comm. Nursing Home Bed Inventory	Bed Days	Patient Days	Total Occupancy	Medicaid Occupancy
Arch Plaza Nursing & Rehabilitation Center	98	35,770	32,563	91.03%	82.00%
Aventura Plaza Rehabilitation & Nursing Center	86	31,390	29,507	94.00%	82.90%
Claridge House Nursing & Rehabilitation Center	240	87,600	82,218	93.86%	82.67%
Coral Gables Nursing and Rehabilitation Center	87	31,755	28,910	91.04%	86.18%
Coral Reef Nursing & Rehabilitation Center	180	65,700	62,125	94.56%	60.52%
Cross Gardens Care Center	120	43,800	32,298	73.74%	85.46%
East Ridge Retirement Village, Inc.	50	18,250	11,535	63.21%	38.67%
Fair Havens Center	269	98,185	97,415	99.22%	71.99%
Floridean Nursing Homes, Inc.	90	32,850	31,924	97.18%	37.04%
Fountainhead Care Center	146	53,290	49,778	93.41%	83.02%
Franco Nursing & Rehabilitation Center	120	43,800	41,583	94.94%	64.57%
Golden Glades Nursing and Rehabilitation Center	180	65,700	65,134	99.14%	73.27%
Hampton Court Nursing & Rehabilitation Center	120	43,800	41,279	94.24%	60.66%
Harmony Health Center	203	74,095	73,876	99.70%	70.75%
Heartland Health Care Center Kendall	120	43,800	41,157	93.97%	20.44%
Heartland Health Care Center Miami Lakes	120	43,800	41,194	94.05%	22.30%
Hebrew Home of South Beach (Inactive 10/22/13)	104	37,960	0	0.00%	0.00%
Hialeah Nursing and Rehabilitation Center	276	100,740	94,193	93.50%	82.63%
Hialeah Shores Nursing and Rehab Center	120	43,800	36,557	83.46%	72.31%
Homestead Manor A Place Community	88	32,120	30,496	94.94%	83.31%
Jackson Memorial Long Term Care Center	180	65,700	62,077	94.49%	68.30%
Jackson Memorial Perdue Medical Center	163	59,495	49,693	83.52%	68.47%
Jackson Plaza Nursing & Rehabilitation Center	120	43,800	40,879	93.33%	76.29%
Miami Jewish Health Systems (16 beds inactive 12/10/13)	438	159,870	147,352	92.17%	67.95%
Miami Shores Nursing and Rehab Center	99	36,135	32,555	90.09%	74.86%
North Beach Rehabilitation Center	99	36,135	32,789	90.74%	53.57%
North Dade Nursing and Rehabilitation Center	245	89,425	72,140	80.67%	79.14%
Nursing Center at Mercy, The	120	43,800	42,781	97.67%	22.21%
Oceanside Extended Care Center	196	71,540	71,326	99.70%	72.70%
Palace at Kendall Nursing & Rehabilitation Center	180	65,700	62,920	95.77%	61.19%
Palm Garden of Aventura	120	43,800	39,971	91.26%	56.77%
Palmetto Rehabilitation and Health Center	90	32,850	30,569	93.06%	53.37%
Palmetto Sub Acute Care Center, Inc.	95	34,675	33,409	96.35%	36.60%
Pinecrest Rehabilitation Center	100	36,500	31,318	85.80%	69.91%
Pines Nursing Home	46	16,790	15,074	89.78%	85.91%
Ponce Plaza Nursing & Rehabilitation Center	147	53,655	51,232	95.48%	81.29%
Regents Park at Aventura	180	65,700	63,753	97.04%	65.00%
Riverside Care Center	120	43,800	43,136	98.48%	85.03%
Riviera Care Center	223	81,395	77,034	94.64%	46.43%
Signature Healthcare Center of Waterford	214	78,110	75,315	96.42%	69.73%
Signature Healthcare of Brookwood Gardens	180	65,700	41,627	63.36%	69.79%
Sinai Plaza Nursing & Rehab Center	150	54,750	50,701	92.60%	59.59%
South Dade Nursing and Rehabilitation Center	180	65,700	65,565	99.79%	70.61%
South Pointe Plaza Rehabilitation and Nursing Center	230	83,950	64,744	77.16%	87.36%
St Annes Nursing Center, St Annes Residence, Inc.	213	77,745	71,136	91.50%	75.53%
Susanna Wesley Health Center	120	43,800	38,784	88.55%	64.94%
Treasure Isle Health Center	176	64,240	56,015	87.20%	86.88%
Unity Health and Rehabilitation Center	294	107,310	97,299	90.67%	75.98%
University Plaza Rehab. & Nursing Center , Inc.	148	54,020	48,702	90.16%	73.79%
Victoria Nursing & Rehabilitation Center, Inc.	264	96,360	93,595	97.13%	66.10%
Villa Maria Nursing Center	212	77,380	70,476	91.08%	70.59%
Villa Maria West Skilled Nursing Facility	27	9,855	8,359	84.82%	0.00%
Watercrest Care Center	150	54,750	35,907	65.58%	80.35%
West Gables Health Care Center	120	43,800	41,215	94.10%	30.99%
Total	8,456	3,086,440	2,783,220	90.18%	67.90%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2016 Batching Cycle

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

**Current and Projected Population Growth Rate
Miami-Dade County, Subdistrict 11-1, District 11 and Florida
January 2016 and January 2019**

County/Area	January 1, 2016 Population			January 1, 2019 Population		
	0-64	65+	Total	0-64	65+	Total
Miami-Dade	2,255,014	401,670	2,656,684	2,312,516	436,617	2,749,133
District 11	2,312,793	417,034	2,729,827	2,368,434	453,522	2,821,956
Florida	16,204,533	3,751,848	19,956,381	16,656,554	4,147,180	20,803,734
County/Area	2016-2019 Increase			2016-2019 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Miami-Dade	57,502	34,947	92,449	2.55%	8.70%	3.48%
District 11	55,641	36,488	92,129	2.41%	8.75%	3.40%
Florida	452,021	395,332	847,353	2.80%	10.54%	4.25%

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

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

Beds per 1,000 Residents Age 65 and Older

County/Area	Community Beds	2016 Pop. Aged 65+	2016 Beds per 1,000	2019 Pop. Aged 65+	2019 Beds per 1,000
Miami-Dade	8,456	401,670	21	436,617	19
District 11	8,696	417,034	21	453,522	19
Florida	80,384	3,751,848	21	4,147,180	19

Source: Florida Agency for Health Care Administration Population Estimates, February 2015 and Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2016 Batching Cycle

PHRR proposes to locate a the new SNF at the corner of NW 57th Avenue and NW 7th Street in Miami in ZIP code 33126 (where no SNF currently exists) with a 40-bed Alzheimer’s unit and plans to contract for on-site dialysis—a service for residents who have renal disease and require skilled nursing care. The applicant states the following benefits of the proposed project include:

- Adds a new nursing home of all private rooms to the inventory of facilities within Miami-Dade County without adding any new beds
- Maintains parity within Nursing Home Subdistrict 11-1
- Adds a 40-bed Alzheimer’s unit to the inventory of services available to Miami-Dade residents and adds a SNF with an on-site dialysis suite
- Emphasizes quality in all the nursing homes with attainment of 5 STARs for the Plaza Health Network
- Provides experienced personnel and leadership within the broader community in adopting best practices for senior care

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

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

Population demographics and dynamics

PHRR indicates by 2021, the subdistrict's 65+ population will reach 490,489. The applicant examined the area within a five-mile radius of the proposed facility to determine the 65+ population and the number of SNFs within proximity to the proposed facility and found that the ZIP Code in which the facility will be located (33126) has a large concentration of persons 65+ (10,793 projected by 2021). The applicant provides a map on page 1-8 displaying the proposed facility's location. The map also shows a five-mile radius from the proposed facility which encompasses 12 nursing homes accounting for 2,062 beds. Red Road notes that nine of 18 ZIP Codes located within the five-mile radius around the proposed location have a SNF within their boundaries. The applicant states that the population of 65+ within the nine ZIP Codes is projected to be 64,338 by 2021.

The applicant states that Miami-Dade County will grow 1.2 percent by compound annual growth rate (CAGR), with the 65+ population growing at the rate of 3.1 percent per year as well as the 85+ population growing at a rate of 2.1 percent per year. The applicant provides the following table illustrating the current and estimated population for 2021 by age cohort with CAGR. See table below.

Current 2016 Population and Estimates for 2021 by Age Cohort with the CARG for Miami-Dade County

Factor	Number
2016	
Population: 65+	421,379
Population: 85+	59,279
Total Population	2,712,952
2021	
Population: 65+	490,489
Population: 85+	65,696
Total Population	2,886,369
Population Growth	
CAGR 65+	3.1%
CAGR 85+	2.1%
CAGR Total	1.2%

Source: CON application #10435, Page 1-13

Availability, utilization, and quality of like services

PHRR states that there are 54 licensed community nursing homes with a total of 8,456 licensed community nursing home beds in Subdistrict 11-1 (Miami-Dade County). Subdistrict 11-1 averaged 90.18 percent total occupancy for the 12-month period ending December 31, 2015.

The applicant states that the shift of 134 beds from South Pointe Plaza Rehabilitation and Nursing Center (ZIP Code 33139), which is located 11.5 miles² from the proposed facility, will provide greater access to a large number of elderly residing within a five-mile radius of the proposed PHRR location and also reduce over-bedding within this same area. The applicant provides the table below to illustrate the 65+ population within a five-mile radius of both PHRR and South Pointe Plaza Rehabilitation and Nursing Center.

Comparison of the Number of Elderly, Nursing Home Beds and Beds per 1000 Persons Aged 65+ and the Effect of 134 Beds

Area	ZIP Code	2016 Pop. 65+	Nursing Home Beds	Beds per 1,000 65+ Current	Beds per 1,000 65+ After the Project
5-Mile Radius Red Road	33216	112,402	2,062	18	18
5-Mile Radius South Pointe Plaza	33139	28,494	1,329	47	33
Subdistrict 11-1	County	421,379	8,456	20	18

Source: CON application #10435, Page 1-12

² The reviewer notes that per FloridaHealthFinder.gov, the distance from South Pointe Plaza Nursing and Rehabilitation Center to the proposed location is 11.1 miles. <http://www.floridahealthfinder.gov/facilitylocator>

The applicant notes the occupancy rate for the group of nursing homes that lie within a five-mile radius of the proposed Red Road facility is 95 percent for the most recent 12-month period ending December 31, 2015. The applicant indicates that the rate is high when compared to the subdistrict’s average of 90.2 percent and the state’s average of 88 percent³. PHRR contends that the high occupancy rates suggest that residents living within this geographic area who required skilled nursing care may have a difficult time accessing care that is located in proximity to their home. See tables below.

Community Nursing Homes, Licensed Beds and Occupancy Rates within 5 Mile Radius of Plaza Health at Red Road, CY 2015

Nursing Homes within 5 Mile Radius of Red Road	Licensed Beds	Occupancy
Coral Gables Nursing & Rehabilitation Center	87	91.0%
Fair Havens Center	269	99.2%
Floridean Nursing Home Inc.	90	97.2%
Hialeah Nursing & Rehabilitation Center	276	93.5%
Jackson Memorial Long Term Care Center	180	94.5%
Jackson Plaza Nursing & Rehabilitation Center	120	93.3%
Palmetto Sub Acute Care Center Inc.	95	96.4%
Ponce Plaza Nursing & Rehabilitation Center	147	95.5%
Riverside Care Center	120	98.5%
Unity Health & Rehabilitation Center	294	90.7%
Victoria Nursing & Rehabilitation Center Inc.	264	97.1%
West Gables Health Care Center	120	94.1%
Total	2,062	95.0%

Source: CON application #10435, Page 1-9.

Community Nursing Homes, Licensed Beds and Occupancy Rates within 5 Mile Radius of South Pointe Plaza Nursing and Rehabilitation Center CY 2015

Nursing Homes within 5 Mile Radius of South Pointe Plaza	Licensed Beds	Occupancy
Hebrew Home of South Beach	104	0.0%
Jackson Plaza Nursing & Rehabilitation Center	120	93.3%
Oceanside Extended Care Center	196	99.7%
Ponce Plaza Nursing & Rehabilitation Center	147	95.5%
Riverside Care Center	120	98.5%
University Plaza Rehabilitation & Nursing Center	148	90.2%
Victoria Nursing & Rehabilitation Center	264	97.1%
Total	1,099	96.1%

Source: CON application #10435, Page 1-11

The applicant states that Hebrew Home of South Beach has 104 licensed beds that are currently inactive and notes that South Pointe Plaza Nursing and Rehabilitation Center operates 230 beds within the above

³ The reviewer confirms that subdistrict and state total occupancy rates are accurate as reported by the applicant.

mentioned five-mile radius and had an occupancy rate of 77.16 percent for CY 2015. PHRR states the number of available beds within the five-mile radius of South Pointe Plaza Nursing and Rehabilitation Center is 1,329 with an overall occupancy rate for all beds of 85.3 percent—lower than the subdistrict (90.2 percent) and the state (88 percent).

PHRR states that the proposed ZIP Code has a large 65+ population but no SNFs. The applicant states South Pointe Plaza Nursing and Rehabilitation Center will continue to operate with 96 beds which will all be converted to private rooms. The applicant reiterates that the ZIP code in which South Pointe Plaza Nursing and Rehabilitation Center operates (33139) has fewer residents 65+ than the proposed ZIP Code for PHRR. See the table below.

Forecasted Utilization for Nursing Home Subdistrict 11-1 and PHRR’s Proposed 134 Community Nursing Home Beds

Baseline, CY 2015	Factor
Subdistrict Population 65+ (Midpoint)	396,709
Nursing Home Resident Days	2,783,220
Average Daily Census	7,625
Days per 1,000 Pop 65+	7,016
Licensed Community Beds	8,456
Beds per 1,000 Pop 65+	21
Forecast Year 2: 2020	
Subdistrict Population 65+ (Midpoint)	453,613
Days Per 1,000 Pop 65+	7,016
Expected Days per 1,000	3,182,446
Baseline Nursing Home Days	2,783,220
Difference in Expected and Baseline	399,226
PHRR Nursing Home Days, Year 2	41,687
Days Remaining for Other Nursing Homes	3,140,759

Source: CON application #10435, Page 1-15

Medical Treatment Trends

PHRR does not specifically speak about medical treatment trends, however the applicant does indicate the implementation of a 40-bed Alzheimer’s unit and will provide on-site dialysis. The applicant also states that all 134-beds will have all private rooms as well as the 96 remaining beds at South Pointe Plaza Nursing and Rehabilitation Center.

The applicant indicated a need for specific services based off of hospital discharges to nursing homes by Major Diagnostic Categories (MDC), the top seven are provided below.

**Subdistrict Elderly Discharges to Nursing Homes
by MDC, CY 2014 Elderly Population (Aged 65+)**

Major Diagnostic Category	Cases	Percent	Cumm.%	Rate
08- Musculoskeletal/Conn Tissue	4,029	20.5%	20.5%	10.39
05- Circulatory System	3,021	15.4%	35.9%	7.79
04- Respiratory System	2,610	13.3%	49.1%	6.73
11- Kidney & Urinary Tract	1,806	9.2%	58.3%	4.66
01- Nervous System	1,781	9.1%	67.4%	4.59
06- Digestive System	1,728	8.8%	76.2%	4.46
18- Infectious & Parasitic Disease	1,394	7.1%	83.3%	3.59
All Others	3,289	16.7%	16.7%	8.48
Total	19,658	100.0%	100.0%	50.70

Source: CON application #10435, Page 2-8

PHRR states that the seven above mentioned MDCs account for 83 percent of hospital discharges to nursing homes for the 65+ population in Miami-Dade County. The subtotal of 16,369 cases within the 83.3 percent produce a rate of 42.22 discharges per 1,000 elderly persons. The applicant states that combined, all MDCs produce a rate of 50.7 per 1,000 elderlies—yielding a demand of 22,707 elderly requiring post-acute nursing home placement in CY 2021 (an increase of 3,049 additional nursing home placements from the 2014 baseline data).

Market Trends

Market trends were not discussed in CON application #10435 specific to this criterion although general nursing home market trends were discussed throughout the application.

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.

This application was 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.**

PHRR proposes to provide both short term and long term care and to participate in both the Medicare and Medicaid programs. The applicant describes resident characteristics for each admission category (short stay, Medicare and long-term). The applicant defines a short-stay resident as elderly and recovering from a prior hospitalization for an acute episode or surgical procedure, for which a period of 24-hour skilled nursing is required with administration of medicines, dressing changes, and rehabilitation.

The applicant states that the Medicare resident is expected to have a prior three day or longer hospitalization. PHRR indicates the average length of stay (ALOS) for Medicare patients is approximately 40 days and states that therapies will be contracted. PHRR indicates that therapies will include physical, occupational, speech and respiratory. The applicant states that long-term or permanent residents will have the facility as their home and will be able to continue to participate in all civil activities, such as voting, and maintain the ability to pursue personal pursuits and leisure activities.

On pages 2-14 through 2-16 of CON application #10435, PHRR provided images of existing Plaza Health Network facilities services,

including photos of gyms, gym equipment, and resident rooms. The applicant provided a summary of services offered by Plaza Health Network affiliated facilities:

- Psychiatrist visits weekly
- Nurse practitioner on staff
- In house dialysis
- Evidence based services and measured outcome
- Aqua therapy
- Rehabilitative nursing
- Vestibular and balance rehabilitation
- Orthopedics/joint replacement recovery
- Spine surgeries
- Post-surgical care and recovery
- CVA/stroke recovery
- Defibrillator life vest
- Pain management
- Trauma recovery
- CPAP and BIPAP treatments
- Comprehensive wound care program
- Chronic heart failure
- COPD
- Orthotic and prosthetic therapy

PHRR asserts that resident and family councils assure that residents have all rights and actively exercise them, while still enjoying the activities in which they can participate and that their health status permits. The applicant describes the councils as being important in assuring that the facility and staff provide, offer or arrange services, activities, outings, participatory events, etc. PHRR describes the care plan as involving guest speakers, excursions and enrichment activities.

The applicant states the focus upon residents will include the following:

- Live free of pain
- Focus on well-being
- Adapt to functional limitations
- Identifying problems early, respond quickly, monitor progress to living a rich life
- Address the whole person, physically, emotionally, spiritually, and intellectually
- Identify additional services or providers and engage them with family and the nursing center personnel to meet each resident's wishes

PHRR indicates that upon admission nursing staff conduct an admission and behavior assessment that includes examining any of the resident's prescribed psychotropic drugs and identifies potential problem behaviors. The applicant states upon admission, social services assess the resident's education and activities level/preferences. The applicant indicates that once initial assessments have been completed, an interim care plan can be developed in consultation with the resident's family. PHRR states that each resident receives an admission packet which details the agreement between the facility representative and the resident, resident legal representative, or other responsible party.

The applicant notes that discharge planning begins at the initial assessment when patient and family needs, as well as attributes, are assessed and specifically addresses the admission diagnosis. PHRR asserts that upon discharge, aftercare plans will be discussed with the resident and his/her family and any other aftercare provider as appropriate. A detailed description of the applicant's admission and discharge plan is located on pages 2-3 through 2-7 of CON application #10435.

The applicant's Schedule 7 indicates ALOS will be 63.3 days for both year one and year two of operation. Schedule 6 illustrates the FTEs for year one (ending December 31, 2019) and year two (ending December 31, 2020) are 106.5 and 153.8 respectively. The facility's FTEs are shown in the table below.

Plaza Health at Red Road, Inc. (CON application #10435) Projected Year One and Year Two Staffing Patterns		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	2.0	2.0
Bookkeeper	1.0	1.0
Secretary	2.0	2.0
Medical Records Clerk	1.0	1.0
Other	1.0	1.0
Physicians		
Medical Director	1.0	1.0
Nursing		
RNs	3.0	4.5
LPNs	11.0	16.5
Aides	51.5	77.3
Ancillary		
Physical Therapist	1.5	2.3
Speech Therapist	1.0	1.5
Occupational Therapist	1.5	2.3
Dietary		
Dietary Supervisor	1.0	1.0
Cooks	3.0	4.5
Dietary Aides	6.0	9.0
Social Services		
Social Service Director	1.5	2.3
Activities Director	1.0	1.5
Activities Assistant	3.0	4.5
Housekeeping		
Housekeeping Supervision	1.0	1.0
Housekeepers	5.5	8.3
Laundry		
Laundry Supervisor	--	--
Laundry Aides	3.0	4.5
Plant Maintenance		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	1.0	2.0
Total	106.5	153.8

Source: CON application #10435, Schedule 6

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

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

PHRR states the proposed project is a newly created entity and therefore has not had a nursing facility license denied, revoked or suspended within the 36 months prior to the current application.

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

PHRR indicates it is a newly created entity and therefore this criterion does not apply.

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

PHRR 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.**

PHRR 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.**

PHRR indicates that this provision is not applicable.

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

patient days, which occurred in each month of the quarter, and the number of such days that were Medicaid patient days.

PHRR 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.

As of May 25, 2016, Nursing Home Subdistrict 11-1 has 8,456 licensed and 344 approved community nursing homes beds. During the 12-month period ending December 31, 2015, Subdistrict 11-1 experienced 90.18 percent utilization at 54 existing community nursing homes.

PHRR proposes to construct a new community nursing home of 134 beds voluntarily delicensed from South Pointe Plaza Nursing and Rehabilitation Center. Included with this application is a letter from Ronald Lowy on behalf of South Pointe Plaza Nursing and Rehabilitation Center, committing to the de-licensing of 134 beds upon the approval of the proposed project. The applicant proposes to locate the new SNF at the corner of NW 57th Avenue and NW 7th Street in Miami (ZIP Code 33126). PHRR proposes to have a 40-bed Alzheimer's unit and plans to contract for on-site dialysis—an important service for residents who have renal disease and require skilled nursing care.

The applicant provides bar graphs on pages 3-2 through 3-4 of CON application #10435 illustrating Miami-Dade County's and the state's annual growth rate, resident days and community nursing home occupancy rates for 2011-2015. Based on the data presented in the charts, the applicant states that the higher use of community nursing home beds within the subdistrict demonstrates the need for the proposed 134-bed community nursing home featuring all private rooms, a 40-bed Alzheimer's unit and dialysis support. The applicant indicates that delicensing beds at South Pointe Plaza Nursing and Rehabilitation Center will allow the subdistrict to add 230 private rooms to the inventory⁴ (134 beds at Plaza Health at Red Road and 96 beds at South Pointe Plaza Nursing and Rehabilitation Center). The applicant asserts that the proposed dialysis therapy area will provide additional access for Miami-Dade residents who require skilled nursing care after discharge from the

⁴ The reviewer notes that the total community bed inventory will not increase, though the availability of private rooms will increase per the proposed project.

hospital. PHRR notes that in 2014, there were 582 cases with renal failure discharged to area nursing homes.

The applicant states that Medicaid recipients at all of the Plaza Health Network's nursing homes generally exceed the subdistrict's Medicaid recipients. PHRR contends that as a not-for-profit corporation with a mission to care for seniors, the ability to add another facility with the same purpose enhances access and availability to the most vulnerable elderly.

- 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.**

PHRR states that its parent company, The Plaza Health Network, is a state-of-the-art rehabilitation and SNF network that serves the varied needs of Miami-Dade County's seniors by providing premium medical, rehabilitation and support services. The applicant states that Plaza Health Network is dedicated to the principle:

"The right care... At the right time... In the right place... With dignity and respect"

The applicant states that the Plaza Health Network offers facilities with five-star and four-star ratings and indicates these ratings reflect the organization's ongoing commitment to delivering the best possible care to each and every resident in a safe, pleasant, family-like environment. The applicant indicates the ratings for the Plaza Health Network's facilities show the performance of high quality in meeting the requirements for both the Medicare and Medicaid programs and states the PHRR facility will achieve the same standards of quality that facilities such as South Pointe Plaza Nursing and Rehabilitation Center (a five-star facility) achieve. The reviewer notes that two of the seven SNFs operated by the Plaza Health Network had five-star ratings (Jackson Plaza Nursing and Rehabilitation Center and South Pointe Plaza Nursing and Rehabilitation Center), according to the Agency's nursing home inspection ratings last updated May 2016.

PHRR states it has in place a Quality Assessment and Improvement (QAI) plan designed to involve everyone who has a role in the delivery of resident care at the facility. The plan encompasses a comprehensive approach that uses many sources to systematically monitor and evaluate the quality and appropriateness of resident care and pursue opportunities for improvement. The applicant states it will use several

methods available such as the Florida Health Care Association (FHCA) and Quality Credentialing Initiative, to ensure that high quality is consistently provided throughout the facility and reflected in all its services.

The applicant states that the objectives of all QAI programs focus on the following aspects:

- Maintain accountability to the consumer for services provided by our profession through ongoing public disclosure
- Continual improvement in services through the use of a dynamic quality improvement process which incorporates accepted standards of practice and best practices
- Recognition and celebration of achievement within our profession through a quality award program
- Enforcement of FHCA’s code of ethics through a peer review process, which expects services excellence amongst our membership

Agency records indicate that the applicant’s parent, Plaza Health Network, operates seven SNF’s in Florida. The most recent Agency inspection indicates affiliated nursing homes had 11 substantiated complaints for the three-year period ending May 25, 2016. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Plaza Health Network Affiliated Facilities Substantiated Compliant History Three Years Ending May 25, 2016	
Complaint Category	Number Substantiated
Quality of Care/Treatment	6
Admission, Transfer and Discharge Rights	3
Resident Rights	1
State Licensure	1

Source: Agency for Healthcare Administration Complaint Records

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

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 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 Hebrew Homes Health network (parent company) and where the two short term and long term measures fall on the scale (highlighted in gray) for the most recent year.

Hebrew Homes Health Network		
	Current Year	Previous Year
Current Assets	\$21,350,390	\$23,406,433
Total Assets	\$106,664,050	\$111,383,248
Current Liabilities	\$14,773,912	\$20,028,814
Total Liabilities	\$94,872,794	\$103,022,478
Net Assets	\$11,791,256	\$8,360,770
Total Revenues	\$93,019,449	\$84,427,893
Excess of Revenues Over Expenses	\$3,430,486	(\$9,578,525)
Cash Flow from Operations	\$2,124,838	\$610,570
Short-Term Analysis		
Current Ratio (CA/CL)	1.4	1.2
Cash Flow to Current Liabilities (CFO/CL)	14.38%	3.05%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	679.3%	992.7%
Total Margin (ER/TR)	3.69%	-11.35%
Measure of Available Funding		
Working Capital	\$6,576,478	\$3,377,619

Logic Table	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	FALSE	FALSE	FALSE	TRUE	FALSE
Cash Flow to Current Liabilities	FALSE	FALSE	FALSE	TRUE	FALSE
Debt to Equity	FALSE	FALSE	FALSE	FALSE	TRUE
Total Margin	FALSE	FALSE	FALSE	TRUE	FALSE

Capital Requirements and Funding:

The applicant provided audited financial statements for the years 2014 and 2015. The audit indicates that the applicant has a weak to moderately weak financial position. Furthermore, the audit identifies both a \$17,000,000 settlement agreement entered into 6/16/15 between Hebrew Home Health Network and the Department of Justice and subsequently filed whistle blower lawsuits that raise uncertainties and could hinder the ability to obtain funding. The applicant indicates on Schedule 2 capital projects totaling \$28,661,250 which includes this project. The applicant also indicates on Schedule 3 of its application that funding for the project will be provided by non-related financing. The applicant provided a letter of interest from City National Bank indicating an interest to provide funding for the project costs. A letter of interest is non-binding and does not constitute a firm commitment to lend. The applicant also indicates that intercompany financing is available to cover any operating deficits during the start-up period and provided a letter from Plaza Health Network (parent organization) indicating that funding would be provided for the applicant to cover any operating cash deficits.

Conclusion:

Funding for this project is in question.

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

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 (2014 and 2015 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 1st Quarter 2016, Health Care Cost Review).

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	13,579,669	326	442	343	247
Total Expenses	13,368,132	321	492	336	240
Operating Income	211,537	5	48	5	-118
Operating Margin	1.56%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	41,687	85.00%	99.81%	90.97%	62.55%
Medicaid/MDCD HMO	28,347	68.00%	79.87%	68.96%	60.87%
Medicare	8,754	21.00%	26.24%	14.07%	3.52%

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.**

Analysis:

Strictly from a financial perspective, 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.**

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

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

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

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

**Medicaid Patient Days and Medicaid Occupancy in
Miami-Dade County, District 11 and Florida
Five Years Ending December 31, 2015**

Medicaid Patient Days					
Area	Jan 2011- Dec 2011	Jan 2012- Dec 2012	Jan 2013- Dec 2013	Jan 2014- Dec 2014	Jan 2015- Dec 2015
Miami-Dade County	1,691,046	1,714,700	1,746,982	1,829,291	1,889,724
District 11	1,698,078	1,735,795	1,775,857	1,863,601	1,924,454
Florida	15,664,947	15,733,318	15,700,197	15,932,613	15,959,939
Medicaid Occupancy					
Area	Jan 2011- Dec 2011	Jan 2012- Dec 2012	Jan 2013- Dec 2013	Jan 2014- Dec 2014	Jan 2015- Dec 2015
Miami-Dade County	64..05%	64.53%	64.76%	66.98%	67.90%
District 11	63.95%	64.34%	64.71%	66.95%	67.78%
Florida	61.75%	61.85%	61.66%	62.17%	62.18%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, for each referenced year

The applicant provided the following Medicaid occupancy data for Plaza Health Network facilities for CY 2014 and CY 2015. See table below.

**Plaza Health Network Facilities Medicaid Occupancy Rates
CY 2014 and 2015**

Plaza Health Network Facility	Beds	2014		2015	
		M'caid Days	M'caid Occup	M'caid Days	M'caid Occup
Arch Plaza Nursing & Rehab Center	98	26,701	82.0%	28,242	85.2%
Aventura Plaza Rehab & Nursing Center	86	24,462	82.9%	23,583	80.8%
Jackson Plaza Nursing & Rehab Center	120	31,185	76.3%	29,666	73.4%
Ponce Plaza Nursing & Rehab Center	147	41,647	81.3%	41,345	80.9%
Sinai Pointe Plaza Nursing & Rehab Ctr.	150	30,214	59.6%	28,552	59.8%
South Pointe Plaza Rehab & Nursing Ctr.	230	56,586	87.4%	58,167	87.6%
University Plaza Rehab & Nursing Center	148	35,938	73.8%	21,255	65.8%
Total	979	246,733	77.5%	230,810	76.9%

Source: CON application #10435, Page 9-1

PHRR states that Plaza Health Network facilities accept all persons and do not discriminate with respect to income, ethnicity, race, or disability. The applicant indicates it will follow the same policies and will enroll in the Medicare and Medicaid programs meeting all federal requirements. The applicant states that looking at the most recent annual period, CY 2015, the Miami-Dade County reports Medicaid at 67.90 percent of the total days of care in the subdistrict's community nursing homes. The percentages for Plaza Health Network's nursing homes for the same period range from 73.79 percent to 87.36 percent according to the applicant and from 59.8 percent to 87.6 percent according to Agency data.

The applicant asserts it will provide both long term and short term care with an emphasis on rehabilitation and restorative care whether short term or long term. The applicant indicates that this objective will help residents reach their highest functional capabilities. The applicant provides the following forecast by payer:

**Forecasted Nursing Home Resident Days by Payer
First Two Years of Operation**

Payer	Year 1 Resident Days 2019	Year 2 Resident Days 2020	Percent of Days	Year 1 Average Daily Census	Year 2 Average Daily Census
Self-Pay	851	1,251	3.0%	2	3
Medicaid Managed Care	19,290	28,347	68.0%	53	77
Medicare	5,957	8,754	21.0%	16	24
Other Managed Care	2,269	3,335	8.0%	6	9
Total	28,367	41,687	100.0%	78	114
Occupancy Rate	58.0%	85.0%			

Source: CON application #10435, Page 9-2

PHRR asserts by seeking contracts with a variety of insurers, including managed care plans, access to care is promoted by increasing the number of persons who can be served. The applicant states it will accept the following payers:

- Medicaid
- Medicare
- United
- Humana
- Aetna
- WellCare
- Magellan

The reviewer notes that the applicant's Schedule 7 indicates that Medicaid Managed Care and self-pay represent 68.8 percent and 3.0 percent of year one and year two of annual total patient days.

F. SUMMARY

Plaza Health at Red Road, Inc. (CON application #10435), a development stage corporation and affiliate of not-for-profit Plaza Health Network proposes to establish a new 134-bed community nursing home in District 11/Subdistrict 11-1, Miami-Dade County. The 134-beds will be delicensed from South Pointe Plaza Rehabilitation and Nursing Center, a 230-bed community nursing home located in the same subdistrict. The applicant proposes to locate a SNF at the corner of NW 57th Avenue and NW 7th Street in Miami in ZIP code 33126. If approved the proposed project will add no additional new beds to the subdistrict, district or the state. PHRR and South Pointe Plaza Nursing and Rehabilitation Center are both subsidiaries of parent company Plaza Health Network.

Plaza Heath Network operates seven SNFs in Florida.

The project involves 105,488 GSF in new construction. The construction cost is \$21,000,000. Total project cost is \$28,661,250. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes three conditions on its Schedule C:

- A 40-bed memory care/Alzheimer's unit as part of the 134-bed facility
- Dedicated space for on-site dialysis
- Medicaid participation, with 68 percent of patient days provided to persons eligible for Medicaid reimbursement

Need

The proposed project is not in response to the fixed need pool and does not add community nursing beds to District 11, Subdistrict 11-1 (Miami-Dade County) or the state. The project, if approved, will not change the total community nursing home bed count in the planning area.

The applicant states the following benefits of the proposed project include:

- Adds a new nursing home of all private rooms to the inventory of facilities within Miami-Dade County without adding any new beds
- Maintains parity within Nursing Home Subdistrict 11-1
- Adds a 40-bed Alzheimer's unit to the inventory of services available to Miami-Dade residents and adds a SNF with an on-site dialysis suite
- Emphasizes quality in all the nursing homes with attainment of 5 STARS for the Plaza Health Network
- Provides experienced personnel and leadership within the broader community in adopting best practices for senior care

Quality of Care

PHRR describes its ability to provide quality care and states that Plaza Health Network offers facilities with five-star and four-star ratings. The applicant maintains that these ratings reflect their ongoing commitment to delivering the best possible quality of care to each and every resident in a safe, pleasant, family-like environment.

The applicant provides the Agency inspection rating from Florida Health Finder showing two facilities receiving a five-star rating, one facility receiving a four-star rating, three facilities receiving a three-star rating and one facility receiving a two-star rating. These ratings were for the review period October 2013 to March 2016.

The applicant's controlling interest had 11 substantiated complaints among its seven Florida SNFs during the three-year period ending May 25, 2016.

Financial Feasibility/Availability of Funds

Funding for this project is in question. This project appears to be financially feasible based on the projections provided by the applicant. Based on the information provided in Schedule 6, the applicant's projected staffing meets the statutory requirement.

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

Medicaid/Charity Care

PHRR conditions that Medicaid participation will be 68 percent of patient days provided to persons eligible for Medicaid reimbursement.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 68.8 percent and three percent, respectively, of year one and year two of the annual total patient days.

Architectural:

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 significant impact on either construction costs or the proposed completion schedule.

G. RECOMMENDATION

Approve CON #10435 to establish a new 134-bed community nursing home in District 11/Subdistrict 11-1, Miami-Dade County. The total project cost is \$28,661,250. The project involves 105,488 GSF of new construction and a construction cost is \$21,000,000.

CONDITIONS:

- A 40-bed memory care/Alzheimer's unit as part of the 134-bed facility
- Dedicated space for on-site dialysis
- Medicaid participation, with 68 percent of patient days provided to persons eligible for Medicaid reimbursement

AUTHORIZATION FOR AGENCY ACTION

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

DATE: _____

Marisol Fitch
Health Administration Services Manager
Certificate of Need