

RHP states that land acquisition and construction cost are projected to be approximately \$8,260,000 with a budgeted capital equipment cost of \$2,450,000. The applicant states that it will be partnering with MedxGroup and Empower HIS to provide initial case equity financing for the project. RHP indicates additional equipment financing needs and working capital will be funded utilizing existing bank relationships. The applicant states that additional funding may come from the sale of New Market Tax credits, which RHP states it is currently working with the Levy County Economic Development Authority.

RHP offers eleven ZIP Codes to account for the total proposed service area, with the following five ZIP Codes as the primary service area (PSA) and the remaining six ZIP Codes as the secondary service area (SSA).

PSA ZIP Codes:

- 32621 Bronson
- 32626 Chiefland
- 32693 Trenton
- 32680 Old Town
- 32628 Cross City

SSA ZIP Codes

- 32619 Bell
- 32648 Horseshoe Beach
- 32625 Cedar Key
- 34449 Inglis
- 32668 Morrison
- 34498 Yankeetown

The applicant states the proposed project will:

- Enhance access to health care services both directly and indirectly
- Provide emergency and urgent care services, community education and training for health care professionals and those in allied professions
- Establish a physical center for the practice of medicine in the proposed service area
- Be a catalyst and nucleus for addressing many of the problems and advancing many of the solutions for health care delivery and improved health status in Dixie, Levy and Gilchrist Counties

RHP states the primary benefit of the proposed project will be improved access to health care among the residents of the service area. The applicant states the proposed hospital will offer a full range of inpatient and outpatient services, which will be introduced by the facility on a gradual basis. RHP indicates that essential services will be provided in

the first year of the facility's operations and intends to expand hospital services over the first five years, growing the hospital into a full-service medical facility. RHP states the scope of services includes the following:

- Acute care (medical inpatients)
- Emergency services
- Surgical (general)
- Cardiac assessment services
- Oral surgery radiology/fluoroscopy imaging system (PACS)
- Ultrasonography gastroenterology
- Endocrinology
- Orthopedics (general)
- Occupational, respiratory and speech therapy
- Pain management
- Blood bank laboratory
- Computed tomography (CT) scan, magnetic resonance imaging (MRI), mammography
- Endoscopy services
- Pathology
- Podiatry
- Pharmacy
- Anesthesia

RHP proposes the following condition(s) to CON approval on the application's Schedule C:

- The parcel or address is as follows: State Road 26 and Hwy 19 Fanning Springs, Gilchrist County, Florida

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

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Sections 408.035 and 408.037, Florida Statutes; and applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code. These criteria form the basis for the goals of the review process. The goals represent desirable outcomes to be attained by successful applicants who demonstrate an overall compliance with the criteria. Analysis of an applicant's capability to undertake the proposed project successfully is conducted by evaluating the responses and data provided in the application, and independent information gathered by the reviewer.

Applications are analyzed to identify strengths and weaknesses in each proposal. If more than one application is submitted for the same type of

project in the same district (subdistrict), applications are comparatively reviewed to determine which applicant(s) best meets the review criteria.

Rule 59C-1.010(3) (b), Florida Administrative Code, prohibits any amendments once an application has been deemed complete; however, two exceptions exist regarding receipt of information concerning general hospital applications. Pursuant to Section 408.039(3)(c), Florida Statutes, an existing hospital may submit a written statement of opposition within 21 days after the general hospital application is deemed complete and is available to the public. Pursuant to Section 408.039(3)(d), Florida Statutes, in those cases where a written statement of opposition has been timely filed regarding a certificate of need application for a general hospital, the applicant for the general hospital may submit a written response to the Agency within 10 days of the written statement due date.

The burden of proof to entitlement of a certificate rests with the applicant. As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the certification of the applicant.

As part of the fact-finding, the consultant, Dwight Aldridge, analyzed the application in its entirety.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

The reviewer presents the following analysis and review of CON application #10448 regarding the identified statutory criteria of Section 408.035, Florida Statutes.

1. Statutory Review Criteria

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

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

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The existence of unmet need is not determined solely on the absence of a health service, health care facility, or beds in the district, subdistrict, region or proposed service area. Current and likely future levels of utilization are better indicators of need than bed-to-population ratios or similar measures, and, as such, the following table illustrates bed utilization levels in District 3, Subdistrict 3-2 for the 12-month period ending December 31, 2015.

Acute Care Hospital Utilization District 3/Subdistrict 3-2 12-Month Period Ending December 31, 2015				
Hospital	Beds	Bed Days	Patient Days	Utilization
North Florida Regional Medical Center	400	146,000	93,077	63.85%
UF Health Shands Hospital	813	296,745	242,012	81.58%
Shands Starke Regional Medical Center	25	13,517	5,345	40.21%
Regional General Hospital-Williston	40	14,600	507	3.47%
Lake Butler Hospital	25	9,125	90	0.99%
Subdistrict 3-2 Total	1,303	476,054	341,121	71.66%
District 3 Total	4,070	1,480,438	1,000,744	67.60%
Statewide	50,888	18,432,010	10,613,962	57.58%

Source: Florida Hospital Bed and Service Utilization by District, published July 15, 2016

As of July 15, 2016, District 3, Subdistrict 3-2 had 1,303 licensed acute care beds with an occupancy rate of 71.66 percent during the 12-month period ending December 31, 2015. As shown above, the subdistrict occupancy rate (71.66 percent) was more than that of District 3 (67.60 percent) and the statewide occupancy rate (57.58 percent). There are five general hospitals located in District 3, Subdistrict 3-2. UF Health Shands Hospital (81.58 percent) had utilization rates higher than District 3 overall. North Florida Regional Medical Center (63.85 percent) had an occupancy rate lower than District 3 overall and the remaining three hospitals had occupancy rates lower than the state overall for CY 2015.

Acute care utilization in Subdistrict 3-2 over the past three years is shown in the chart below.

District 3/Subdistrict 3-2 Acute Care Hospital Utilization Three Years Ending December 31, 2015			
	Jan 2013 Dec 2013	Jan 2014 Dec 2014	Jan 2015 Dec 2015
Number of Acute Care Beds	1,313	1,303	1,303
Percentage Occupancy	69.60%	68.29%	71.66%

Source: Florida Bed Need Projections and Services Utilization, published July 2014-July 2016

As shown above, Subdistrict 3-2 had a 2.06 percent increase in acute care bed utilization from 69.60 percent (12 months ending December 31, 2013) to 71.66 percent (12 months ending December 31, 2015). Subdistrict 3-2 had 326,109 acute care patient days for the 12 months ending December 31, 2013 which increased to 341,121 (or by approximately 4.6 percent) by the 12 months ending December 31, 2015.

This occupancy rate increase is with a decrease in acute care bed count of 1,313 to 1,303 beds for the three-year period.

Below is a chart showing District 3 population estimates for July 2015 and January 2022.

District 3 Total Population and Population Age 65+ Estimates and Percent Change by County From July 2015 to January 2022 for District 3 and Florida						
County/Area	Total July 2015	Total January 2022	Percent Change	Age 65+ July 2015	Age 65+ January 2022	Age 65+ Percent Change
Alachua	253,202	270,169	6.28%	32,919	44,018	25.21%
Bradford	27,528	28,596	3.73%	4,679	5,655	17.26%
Citrus	144,345	156,169	7.57%	47,775	55,475	13.88%
Columbia	69,145	74,190	6.80%	11,872	14,993	20.82%
Dixie	16,675	17,879	6.73%	3,562	4,440	19.77%
Gilchrist	17,246	18,533	7.46%	3,329	4,315	29.62%
Hamilton	14,784	15,319	3.49%	2,361	3,063	22.92%
Hernando	181,190	203,944	11.16%	47,860	57,060	16.12%
Lafayette	8,797	9,336	5.77%	1,203	1,433	16.05%
Lake	318,884	368,922	13.56%	77,651	97,436	20.31%
Levy	41,432	45,207	8.35%	8,766	10,831	19.07%
Marion	348,762	391,371	10.89%	93,945	115,963	18.99%
Putnam	72,840	73,466	0.85%	14,868	16,830	11.66%
Sumter	114,944	146,513	21.55%	55,806	76,517	27.07%
Suwannee	44,973	48,423	7.12%	8,832	10,665	17.19%
Union	16,141	16,726	3.50%	1,846	2,281	19.07%
District Total	1,690,888	1,884,763	10.29%	417,274	520,935	19.90%
State Total	19,816,176	21,618,641	8.34%	3,691,561	4,515,707	18.25%

Source: Agency for Health Care Administration Population Projections, published February 2015

As shown above, Gilchrist, the proposed project location, total population is projected to increase from 17,246 to 18,533 or by 7.46 percent and age 65+ population from 3,329 to 4,315 or by 29.61 percent from July 2015 to January 2022. The applicant plans to locate the facility in Gilchrist County, ZIP Code 33626. The reviewer notes ZIP Code 33626 is not listed in among applicants PSA or SSA and that the Zip Code for the proposed facility is actually 32693.

The Service Area

RHP states the proposed hospital’s service area will consist of Levy (excluding ZIP Code 32696 located in Williston), Dixie and Gilchrist Counties, collectively referred to as the Tri-County area. The reviewer notes that ZIP Code 32696 is the location of Regional General Hospital-Williston. The applicant provides population data for the proposed service area on page 13 of CON application #10448. The applicant notes that the Tri-County area is presently home to over 75,336 persons with 15,300 (20.3 percent) over the age of 65. RHP states that by 2019 Tri-County’s population is expected to increase to 80,682 persons or 7.1 percent above the 2014 levels. During this same time period RHP states

the age 65+ population is expected to grow to 18,401 persons or 20.3 percent over the 2014 levels. The reviewer notes that the population data presented by the applicant is from July 2014 and that the applicant did not provide current data to justify the proposed project.

The applicant discusses bed inventory in the Tri-County service area and states that a vast majority of the subdistrict's acute care beds are located in Alachua County's two hospitals: North Florida Regional Medical Center and UF Health Shands Hospital.

RHP notes that of the subdistrict's total inventory of 1,303 beds—only 40 are located in the Tri-County area with 1,213 beds or 93 percent of the subdistrict's beds being located in Gainesville. The reviewer confirms that Alachua County has the highest single concentration of acute care beds (1,213) among Gilchrist County's contiguous counties, followed by Columbia (190 beds), Levy (40 beds) and Suwannee (25 beds) Counties.

In regards to utilization the applicant states that since 2009, total inpatient days at the subdistrict's acute care hospitals have grown from 307,058 to 325,859. During this same time period, RHP states the subdistrict's bed inventory has declined slightly from 1,336 to 1,259. The average occupancy rate of the subdistrict's acute care beds has increased from 63 percent in 2009 to 70.9 percent in 2013. The reviewer notes that the population and utilization data provided by the applicant is from 2013 and more current population and utilization data is available.

Accessibility

RHP states that analysis of the road system in North Central Florida reveals that the hospitals in Citrus and Marion Counties do not provide a compelling alternative for residents of Levy, Dixie and Gilchrist Counties to the Alachua County hospitals. The applicant states that for most residents in the Tri-county area, travel times to the hospitals in Marion or Citrus Counties are longer than travel times to Alachua county.

The applicant discusses 2013 acute patient destination patterns for residents of the Tri-County area on page 16 of CON application #10448 and refers to its Tables 6 and 7 for statistical data which illustrates that approximately 80 percent of the acute care discharges of the Tri-County service area occur at North Florida Regional Medical Center or UF Health Shands Hospital. RHP states that the information contained in Table 8 is entirely consistent with the patterns of inpatient migration shown in Tables 6 and 7. The reviewer notes that although the applicant referenced its Tables 6 and 7, these tables were not provided by the applicant in CON application #10448. RHP discusses patient destination information and references its Table 8 as the source for statistical data in

which the Agency’s outpatient database for residents of Levy, Dixie and Gilchrist Counties. The reviewer notes that Table 8 nor the above mentioned data was provided.

The applicant presents CY 2013 acute care hospital discharges among total proposed service area residents and payor sources. RHP notes that there were 8,101 discharges from the service area in 2013, excluding normal newborns and specialty discharges such as psychiatric and substance abuse. See the table below.

2013 Service Area Acute Care Discharges by Payor		
Payor	2013 Acute Care Discharges	Percent of 2013 Acute Care Discharges
Medicare	3,599	44.4%
Medicare Managed Care	698	8.6%
Medicaid	1,615	19.9%
Medicaid Managed Care	189	2.3%
Commercial Health Insurance	1,033	12.8%
Workers Compensation	24	0.3%
TriCare or Federal Govt (CHAMPUS)	65	0.8%
VA	36	0.4%
Other State/Local Government	54	0.7%
Self-Pay	670	8.3%
Other	9	0.1%
Non-Payment	38	0.5%
KidCare	8	0.1%
Commercial Liability Coverage	63	0.8%
Total	8,101	100.0%

Source: CON application #10448, page 42

The applicant states it is important to note that the impact of the project overall service area extends beyond diversion of patients from one facility to another. The applicant manages Regional General Hospital Williston and states it has already been instrumental in bringing 24/7 ED coverage to Regional General Hospital’s Emergency Department. RHP asserts that opportunities to share resources, especially human resources will be fully explored and implemented to a feasible extent allowing the applicant to enhance the medical infrastructure of its service area.

RHP states that the residents of the proposed service area currently only have access to the most basic health care services. The applicant states that Levy, Dixie and Gilchrist Counties are underserved with respect to inpatient care facilities and beds but even more underserved with respect to major outpatient services. RHP states that Levy County is served by one major highway, US 19-98 (divided four-lane highway) that runs from the southeast to northwest through the middle of the county. The applicant states that travel from west to east in the county is accommodated only by secondary roads and that travel to and from Gainesville from Levy County typically involves accessing State Route 24,

although residents of Williston and Morrison can access Gainesville via US 41-27. RHP indicates the proposed project will help rectify this situation.

The applicant asserts that as with Levy County, US 19-98, Alt US 27 is the major highway serving Dixie County with access to Gainesville available via one of two reasonable routes: traveling southeast on US19-98, Alt US 27 to State Route 24 in Levy County to Gainesville or State Route 26 out of Fanning Springs. Gilchrist County is served by US 129 as a north-south corridor with access to Gainesville available via County Road 232, State Route 26, or ALT US 27 to State Road 24 in Levy County. According to RHP, most of the population in the Tri-County area lives along the US 19-98 corridor in Dixie and Levy Counties and along the US 129 corridor in Gilchrist County.

RHP presents “Drive Time” data, according to google maps, and states that 63.7 percent of the proposed service area’s population currently lives within 30-minute drive time of Fanning Springs (proposed site location) and the remaining 36.3 percent live within 31 to 45-minute drive time of Fanning Springs. The applicant provides a map on page 20 Figure 5 of CON application #10448, which the applicant uses to illustrate that apart from the residents of Williston, virtually none of the Tri-County population lives within 30 miles of Gainesville. The applicant states that very few residents of Dixie County, Cedar Key, Yankeetown or Inglis live within an hour drive time of Gainesville.

Role of the Project in the Service Area’s Delivery System

RHP provides the socio-economic data for Gilchrist, Dixie and Levy Counties. The applicant states the data presented shows the median household in the service area counties range from approximately 60 to 70 percent of the state-wide average, with the average household income per capita showing deficits as compared with state wide averages. See the table below.

Comparison of Health County Socio-Economics Characteristics				
Indicator	Gilchrist County	Dixie County	Levy County	Florida
Per Capita Income (\$)	20,536	16,954	19,655	26,499
Median Household Income (%)	40,984	35,000	35,383	47,212
Percent of Persons Below 100 % of the FPL (%)	24.9	18.9	24.0	16.7
Percent of Persons Below 200 % of the FPL (%)	43.8	47.7	49.0	38.1
Students Eligible for Free/Reduced Lunch (%)	51.5	99.8	59.9	60.2
Unemployment Rate (%)	5.5	6.1	5.7	5.4
Percent of Businesses with <50 Employees (%)	98.2	97.2	98.4	95.6
Percent with High School Diplomas	80.7	79.1	80.8	86.5
Percent with College Diplomas (%)	19.5	13.2	18.4	35.9

Source: CON application #10448, pages 21-22

RHP references statistics published by the Well Florida 2012 Mobilizing for Action through Planning and Partnership (MAPP) Health Needs Assessment report for Dixie, Levy and Gilchrist Counties issued by WellFlorida Council, Inc. The applicant states that the most alarming statistic in the report is the age-adjusted mortality rate reported for each of the three counties, especially when considered in comparison with the statewide average. The applicant notes that in 2010 the age-adjusted mortality rate for all of Florida is 666.7 deaths per 100,000 residents. In Levy and Gilchrist Counties, RHP states the corresponding figures are 826.3 and 778.6 respectively while Dixie County is 866.0. The applicant asserts that these high death rates clearly indicate that there are problems in the health care delivery system. RHP states there is a shortage of both physicians and dentists in the Tri-County area. The applicant notes that in 2010, there were approximately 300.6 physicians in Florida for every 100,000 residents. The applicant states that corresponding ratios the Tri-County service area are Levy (34.3), Gilchrist (39.0) and Dixie (12.4). The reviewer notes that the applicant utilized mortality data from 2010 when more current data was available.

RHP declares that the data published in the MAPP for 2012 illustrates how the issue of access extends much deeper than travel times to hospitals or outpatient centers in neighboring counties. RHP presents data charts on pages 24-25 of CON application #10448 from the University of Wisconsin's Population Health Institute, which collects data on health factors and health outcomes for states and counties across the United States. RHP indicates the health outcomes data incorporates metrics related to life expectancy, infant birth weight and health quality. The applicant states that the Tri-County service area has a severely under-developed health care delivery system which correlates with the poor health outcomes and health factors reported by the University of Wisconsin. RHP states health factors also collect information on behavioral and environmental factors that contribute to good or poor health within populations which include but are not limited to the following: smoking, diet and exercise, alcohol and drug use, sexually

transmitted diseases, low birth weights, access to care, education, income and environmental pollution.

The applicant indicates the following University of Wisconsin “2014 Health Outcomes and Health Factors Rankings” for the 67 counties in Florida in “Health Outcomes”:

- Dixie County ranked 62nd
- Gilchrist County ranked 33rd
- Levy County ranked 49th

In “Health Factors”:

- Dixie County ranked 66th
- Gilchrist County ranked 41st
- Levy County ranked 51st

In “Clinical Care Access”:

- Dixie County ranked 59th
- Gilchrist County ranked 51st
- Levy County ranked 46th

RHP asserts that the above rankings and data show that there is a consistent pattern of poor health outcomes and poor health factors in the planned service area.

Role of the Project in Enhancing Access

The applicant maintains that the proposed project will enhance access to health care services both directly and indirectly with the direct role being to provide a local, accessible site at which service area residents will be able to obtain needed inpatient and outpatient interventions. RHP declares that the proposed project will provide emergency and urgent care services, community education and training for health care professionals and those in the allied professions. A stated indirect benefit is for the proposed site to establish “a physical center for the practice of medicine”.

RHP asserts that the proposed hospital will be a catalyst and nucleus for addressing many of the access problems and advancing many of the solutions for health care delivery and improved health status in the proposed service area. The applicant contends that it presented in CON application #10448, the intent, track record in other rural communities, demonstrated consistency with research, policy and planning at the local (Tri-County) and national level.

The applicant indicates that there is an extensive body of literature that addresses the problems associated with health delivery and health status

in rural areas. RHP cites *Access to Quality Health Services in Rural Areas: Primary Care, A Literature Review*, in which the authors highlight several key problems associated with health services in rural areas that the proposed Suwannee River Community Hospital (*sic*) will alleviate:

- Access to quality health services
- Shortages of primary care providers including physicians and mid-level providers such as nurse practitioners and physician assistants
- Avoidable hospitalizations, particularly those associated with ambulatory care sensitive conditions such as pediatric asthma, uncontrolled diabetes and immunization of preventable pneumonia

The reviewer notes that the applicant is seeking approval for Tri-County Community Hospital. On page 25 of CON application #10448 the applicant misstated that Suwannee River Community Hospital (CON application #10232) will help alleviate the abovementioned problems. The applicant referenced the proposed project as Suwannee River Community Hospital several times on page 27 of CON application #10448.

RHP states it plans to develop a relationship with the University of Florida School of Medicine in multiple residency programs under which Medicaid residents can utilize the hospital for their rotations. The applicant notes that the university has an existing program located in Old Town (Dixie County) which is 15 minutes from the proposed hospital site. RHP indicates that the hospital management will work directly with the medical school and the residents to recruit physicians to the service area. The reviewer notes that applicant did not condition the approval of the proposed project to partner with University of Florida School of Medicine and no informal or formal agreement or agreement shell was submitted with this application indicating collaborative efforts between the applicant and the University of Florida School of Medicine.

The applicant expects that its newly constructed space will provide an unusually attractive site for physicians to practice. RHP assures that the hospital will have new equipment and information infrastructures. The applicant indicates that the proposed hospital's recruiting strategy will be designed to attract physicians who:

- Have roots in the community
- Perform charitable efforts, such as those who volunteer time on medical missions either in or outside the county
- Are looking to start a practice and have greater control on its development

RHP states plans to have physicians in the following specialties on its staff:

- Family practice
- Pediatrics
- Internal medicine
- Allergist
- Dermatology
- Cardiology
- Psychiatry
- General surgeons
- Gastroenterology
- Orthopedics
- Podiatry
- Ophthalmology
- Plastic surgery
- Oral
- Radiology
- Anesthesia
- Pathology
- Hospitalist/ED

The applicant indicates that some areas of specialty such as psychiatry or allergy will be provided on an episodic basis via cooperative agreements with larger area hospitals such as UF Health Shands Hospital. The reviewer notes that no letters of support were submitted on behalf of UF Health Shands hospital for the proposed project.

RHP states that the three counties in the planned service area are federally designated medical shortage areas and that recruiting can also target Foreign Medical Graduate Program, including those with H1B status or those that qualify under the Conrad-30 J-1 Visa Waiver Foreign Physician Program. The applicant notes that International Medical Graduates (foreign physicians who attend medical school and receive their medical degrees in foreign countries) are allowed to travel to the United States for additional training (residency and fellowship programs) on a J-1 Visa. The reviewer confirms that per the US Department of Health and Human Services, Dixie, Gilchrist and Levy Counties are federally designated Health Professional Shortage Areas (HPSAs) for primary care and dental health. The reviewer also confirmed that Dixie and Gilchrest Counties are also mental health HPSAs and are designated as Medically Underserved Areas (MUAs).

The applicant states that demand for additional physicians in the service area is evident and contends that if the proposed project is approved physicians will be drawn to the area. RHP states that local physicians and other health providers have expressed strong support for the

proposed hospital. The reviewer notes that the applicant did not submit, nor did the Agency received letters of support for the proposed project.

Nursing and Other Clinical Staff Recruiting

RHP asserts that the development of the proposed hospital will include recruitment to ensure adequate numbers of employees with appropriate skills, certifications and licenses will exist to meet the staffing requirements. The applicant indicates that success in recruiting a well-qualified and competent work force includes such factors as a competitive salary structure, a competitive benefits package, a well-equipped work place, recognition and reward for meritorious service and longevity.

The applicant states approval of the proposed hospital will represent an important first step in addressing and correcting the health care access issues that afflict the service area's population. RHP indicates that project approval will provide for a modern, properly equipped and professionally managed hospital in the heart of the service area. Furthermore, the applicant asserts that the proposed project will contribute meaningfully to the development of a full array of health care services and support for the service area's population.

- b. Will the proposed project foster competition to promote quality and cost-effectiveness? Please discuss the effect of the proposed project on any of the following:**
- **applicant facility;**
 - **current patient care costs and charges (if an existing facility);**
 - **reduction in charges to patients; and**
 - **extent to which proposed services will enhance access to health care for the residents of the service district.**
- ss. 408.035(1)(e) and (g), Florida Statutes.**

RHP indicates the proposed project will have a material and sustained impact on quality and access to health care services among the residents of the proposed service area. The applicant maintains that approval of the project will result in cost savings to the residents of the service area, primarily related to the reduction of travel and transportation costs. RHP states the proposed project will have an indirect impact on long-term cost associated with improving timely access to primary and sub-acute care services to residents in the service area as well as provide a high-quality resource for emergency services, outpatient diagnostic and surgical services and inpatient care. The reviewer notes that a Certificate of Need is not required for a freestanding emergency department nor for outpatient services, including ambulatory surgery centers, pursuant to 408.036 (1), F.S.

The applicant states that Table 12 illustrates the payor distribution for all patients residing in the proposed service area who are discharged from acute care hospitals for all MS DRGs, excluding 795 (normal newborns). RHP states that approximately 74.9 percent of the patients were either Medicare/Medicare HMO patients. The reviewer notes that Table 12, referenced by the applicant, was not included with the application.

RHP states that commercial insurers and other third party payors make up an additional 16.1 percent. The applicant states that reimbursement for Medicare/Medicaid and government –reimbursed patients is largely established by law or the availability of funds provided to contracting managed care providers. According to the applicant patient charges are ultimately irrelevant to reimbursement. Reimbursement for these providers is normally established through the contracting process between the provider and the insurer per RHP. See the table below.

2013 Acute Inpatient Payor Mix Tri-County Hospital Service Area Residents		
Payor	2013 Discharges	2013 Percent of Discharges
Medicare/Medicare Managed Care	2,173	63.4%
Medicaid/Medicaid Managed Care	547	15.9%
Commercial Health Insurance	317	9.2%
Self-Pay/Non-pay	316	9.2%
Other	77	2.2%
Total	3,430	100%

Source: CON application #10448, page 34

*The reviewer notes the sum of the discharge percentages is 99.9%

The applicant notes that the percentage of Medicare/Medicare Managed Care and Medicaid/Medicaid Managed Care patients increases to 79.3 percent while commercial insurance and other third party payors drops to 11.4 percent. RHP states under either scenario the ability to affect reimbursement levels will be marginal. The applicant indicates that Tri-County Hospital will be the only acute care provider in its proposed service area and that this might suggest a negotiating advantage. Additionally, the applicant states that a 28-bed hospital is in no real position to attempt to extract monopoly rents from insurers and the proposed hospital will have to accept the customary reimbursement rates that prevail in the service area. The reviewer notes that previously the applicant stated the bed complement for the proposed project would be 25-beds, above the applicant refers to a 28-bed complement. In addition, the applicant submitted 2013 inpatient payor mix data for analysis when calendar year 2015 data was available.

RHP asserts that the proposed project will result in savings to third party payors and will also have a direct impact on the reduction of Emergency Medical Service (EMS) expenses. The applicant provides the following

charts illustrating the volume of EMS cases by patient complaint calls for Levy, Dixie and Gilchrist Counties' EMS:

Dixie County EMS Primary Patient Complaints 2010-2013				
Complaint	2010	2011	2012	2013
Cardiac Arrest	32	33	26	31
Cardiac Rhythm Disturbance	75	76	74	94
Chest Pain/Discomfort	324	302	377	387
Respiratory Arrest	3	4	27	5
Traumatic Injury	626	584	550	520
Other	2,298	2,098	2,025	2,575
Total	3,358	3,097	3,079	3,612

Source: CON application #10448, page 35-Dixie County Emergency Services

Levy County EMS Primary Patient Complaints 2013				
Complaint	2010	2011	2012	2013
Cardiac Arrest	59	56	46	37
Chest Pain/Discomfort	664	625	644	592
Traumatic Injury	187	190	265	359
Other	5,513	5,674	5,363	5,197
Total	6,423	6,545	6,318	6,185

Source: CON application #10448, page 35-Levy County Emergency Services

Gilchrist County EMS Primary Patient Complaints 2010-2013				
Complaint	2010	2011	2012	2013
Cardiac Arrest	21	23	18	19
Cardiac Rhythm Disturbance	57	74	52	65
Chest Pain/Discomfort	221	302	283	285
Respiratory Arrest	2	1	2	--
Traumatic Injury	456	511	483	486
Other	1,696	1,617	1,755	1,643
Total	2,453	2,528	2,593	2,498

Source: CON application #10448, page 36-Gilchrist County Emergency Services

RHP notes that in 2013 Dixie, Levy and Gilchrist Counties had a combined 12,295 EMS calls. The applicant states that any patient complaint that cannot be treated at the scene must be transported to an acute care hospital in which a vast majority of cases will be located in Gainesville. RHP asserts that such trips are time consuming and take scarce emergency vehicle resources out of service for prolonged periods of time. The applicant states the nature of the complaints for which EMS vehicles are summoned indicates that a very large portion of patients who require transport to acute care hospitals could be appropriately cared for in the Emergency Department (ED) of the proposed Suwanee River Community Hospital. The reviewer notes that name of the proposed project (Tri-County Community Hospital) was misstated and referred to as Suwanee River Community Hospital by the applicant. In addition, the reviewer notes that the data provided by the applicant is outdated.

The applicant states the proposed project would also would reduce travel times for most of the service area patients, corresponding with decreases in EMS charges. RHP notes that the vast majority of ED complaints are cardiac, traumatic injury or other types of cases that would properly be referred to a tertiary care facility. The applicant maintains that the existence of a hospital in the Fanning Springs area would enable some portion of the emergency care patients to drive themselves or be driven by family members. RHP affirms that the approval of the proposed project would offer a more cost-effective alternative to current practices.

Enhanced Access and Quality of Care

The applicant maintains that the primary benefit of the approval of the proposed application will pertain to the improved access to health care for the service area. RHP states that approval of the proposed hospital will create an opportunity to establish a physical locus for the development of a wide array of medical and health care services.

RHP states that along with their associated partners, they are committed to developing a high quality hospital (Tri-County Community Hospital). The applicant asserts that quality management is a key component of its operational philosophy. The applicant expresses that it is committed to the establishment of a collaboration among insurers, patients, physicians and hospital staff to improve patient care. RHP states it provides a broad scope of services that include:

- Strategic planning
- Physician alignment
- Physician recruitment and retention
- Growth strategies
- Operational performance
- Electronic Medical Records
- Capital funding
- Facility development
- Physician services

The applicant discusses RHP's Quality Assessment and Performance Improvement and Patient Safety Plan and states the plan addresses all areas of patient care, including those delivered through contracted services such as laboratory and pharmacy services if applicable. RHP states the guiding principles of the Quality Plan include excellence of service, continuous quality improvements and development of collaborative strategies for efficiency in process in clinical outcomes. The applicant provides further detail the Quality Assessment and Performance Improvement and Patient Safety Plan on pages 38-39 of CON application #10448. The reviewer offers as a reminder, item E.1 of this report which identifies the criteria that the Agency shall consider in

proposed general hospital projects and which precludes the quality of care portion of 408.035 (1) (b), F.S.

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

RHP states it has developed a strong historical record of care for Medicaid and indigent patients at its owned or managed hospitals and other health care facilities. The applicant states it has conditioned the approval of the proposed project to provide a combined 19 percent of its admissions to Medicaid/Medicaid Managed Care, self-pay and charity patients which the applicant states is consistent with the number of such patients in the service area.

The reviewer notes that the applicant did not condition the approval of the proposed project to provide a combined 19 percent of its admissions to Medicaid/Medicaid Managed Care, self-pay and charity patients. The only condition predicated in Schedule C was the location of the proposed project in which the applicant indicated that the parcel or address is as follows: State Road 26 and Hwy 19 Fanning Springs, Gilchrist County, Florida.

RHP states that the health care facilities and hospitals that it owns or manages have been located in rural areas primarily in smaller, poorer counties such as Williston, Florida and Danbury, North Carolina. RHP states the owned and managed facilities do not discriminate against patients on the basis of payor source or because the patient was unable to pay for needed services. The applicant asserts that Medicaid and indigent patients have been well-represented in these service areas and RHP understands that its business model must incorporate care for these populations.

The applicant discusses its strategic commitment to recruit new physicians to the service area and expresses that most of RHP's previous hospital ventures have included a major physician recruitment component, which has been consistently and successfully implemented. RHP states its commitment to recruit new physicians represents a major initiative in which the primary purpose and intended effect, is to enhance access of the poor and medically underserved populations to acute care services and basic medical care. RHP states that there are currently only 40 acute care beds licensed in the three county service area that contains over 75,00 people and 15,000 seniors. The reviewer notes that those 40 acute care beds reported utilization of 3.47 percent for calendar year 2015, an average daily census of one bed. The ratio of physicians per 100,000 persons in the service are counties ranges between 12 and

39, the statewide average exceeds 300. The applicant indicates that it is currently not possible for most of the service area residents to obtain an endoscopy or a simple surgical procedure without having to travel to Gainesville. The reviewer notes that outpatient services and ambulatory surgery centers are not regulated by the Certificate of Need program pursuant to 408.036 F.S.

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

RHP states the proposed project will be located in Fanning Springs, Florida in ZIP Code 33626. The applicant notes there are no existing acute care hospitals in any of the ZIP Codes included in the PSA and SSA proposed for the new facility. The reviewer notes that the Zip Code for Fanning Springs, Florida is 32693.

The applicant reiterates the proposed 75 percent PSA and 25 percent SSA. RHP offers eleven ZIP Codes to account for the total proposed service area.

PSA ZIP Codes:

- 32621 Bronson
- 32626 Chiefland
- 32693 Trenton
- 32680 Old Town
- 32628 Cross City

SSA ZIP Codes

- 32619 Bell
- 32648 Horseshoe Beach
- 32625 Cedar Key
- 34449 Inglis
- 32668 Morrison
- 34498 Yankeetown

F. Written Statement(s) of Opposition

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

The Agency received one written statement of opposition (WSO) to CON application #10448 on November 4, 2016. This WSO was signed by R. David Prescott of Rutledge Ecenia, Professional Association, Attorneys and Counselors at Law, on behalf of North Florida Regional Medical Center. The reviewer notes that North Florida Regional Medical Center, is located in District 3/Subdistrict 3-2 (Alachua County) and the proposed project being opposed is also located in District 3/Subdistrict 3-2 in adjacent Gilchrist County.

North Florida Regional Medical Center (NFRMC), submitted a detailed letter of opposition to the proposed project. NFRMC contends that RHP is a newly-formed entity with no track record and no documentation in the application of any ability or experience in building and operating a hospital. NFRMC notes that the company's home address provided in CON application #10448, is located in a Publix shopping center in Kendall in SW Miami-Dade County. Opposition states that on pages 37-38 of CON application #10448, the applicant discusses the ability and experience in providing quality care, either directly, via management agreement or through associated partners. NFRMC states that the applicant provided no details/documentation, such as management contracts, substantiating these claims.

NFRMC states that the proposed facility indicated it will serve a prospective service area of 11 ZIP Codes that comprise the Tri-County area with the exception of the Williston ZIP Code (32696) in Levy County. The opposition asserts that no analysis of the Agency's discharge data or any other information is provided justifying the service area definition. NFRMC maintains that the Williston ZIP Code is arbitrarily excluded because it is the location of Regional General Hospital (40-beds), and there are no other grounds given for excluding this ZIP Code. NFRMC states that the applicant's proposed service area includes other ZIP Codes such as Inglis (34449) and Morriston (32668) that are more proximate to existing hospitals than to Fanning Springs.

NFRMC asserts that there is ample case law, extending back several decades, establishing and reconfirming that adverse impact upon an

existing provider or providers, is adequate and proper justification for denial of new projects. The opposition indicates that the applicant did not provide analysis to assess the impact of the proposed Tri-County Hospital upon NFRMC or any other existing alternative providers of similar services to residents of the identified service area. Below is NFRMC's justification to warrant proposed project denial

Need

The opposition asserts that CON application #10448 has failed to meet the need threshold requirement. NFRMC states that the applicant provided only a cursory discussion of these factors. The opposition contends that in the case of population demographics, the applicant relies on outdated information from 2013-2014 and makes no attempt to analyze population trends on any sub-county level (such as ZIP Codes). NFRMC indicates it has analyzed current population data obtained from The Nielsen Company. NFRMC states that from 2015-2020 the adult (15+) population of the Tri-County area is expected to increase from 56,525 to 56,921, an increase of only 0.7 percent. The opposition states that while the applicant claims that the older population is expected to realize a significant growth, a review of the actual data show that the number of additional persons age 65+ will number approximately 1,500 which opposition states is not indicative of the robust population growth claimed by the applicant. NFRMC states that over the same time period (2015-2020), the age 15-64 population is actually projected to decline by 1,100 persons. The opposition also indicates that the same ZIP Code level projections show that the applicant's home ZIP Code (32626), is projected to decline in population age 15+ between 2015 and 2020. NFRMC provides detailed population data in Attachment 1 of the WSO. Opposition notes that beyond outdated population data, the applicant did not provide utilization forecast, related assumptions regarding market share, nor the proposed project's starting date.

The opposition asserts that other factors enumerated in Rule 59C-1.008(2) (e) 2 F.A.C. are given scant attention. NFRMC contends that the applicant failed to provide the following:

- Evaluation of the quality of like and existing services
- Explicit discussion of "medical treatment trends" or "market conditions"
- Letters of support from community members, affiliated providers, referral sources, health education programs
- Sample agreement or letter of support indicating plans to develop a relationship with Shands/UF for multiple residency programs

NFRMC maintains that the applicant's sole need argument for the proposed Tri-County Hospital is that the project is needed because the primary hospitals utilized by the residents of the area are located in

Gainesville, and this entails excessive travel times for area residents. The opposition presents Rule 59C-1.008 (2) (e) 3, to support the denial of the proposed project, which states:

“The existence of unmet need will not be based solely on the absence of a health services, health care facility, or beds in the district, subdistrict, region or proposed service area”

NFRMC affirms that pursuant to the above mentioned rule, RHP has failed to meet this additional threshold requirement.

Extent of Utilization

The opposition reiterates the absence of need for an additional hospital in the identified service area to meet the needs of the service area population now or in the foreseeable future. NFRMC points out that there are seven hospitals currently providing meaningful levels of care to area residents. NFRMC indicates that each of these hospitals have excess bed capacity and are able to absorb additional service demand for inpatient utilization arise within the geographic area and are able to meet service area acute care needs through 2020 and beyond. The opposition presents the following table illustrating Tri-County area hospital’s levels of excess capacity.

Acute Care Hospitals Bed Utilization Primary Hospital Serving the Tri-County Area January-December 2015					
Hospital	Acute Beds	Bed Days	Patient Days	Percent Occupancy	Empty Beds
NFRMC	400	146,000	93,077	63.75%	145
Shands/UF	813	296,745	242,012	81.56%	150
Munroe Regional Medical Center	421	153,665	94,575	61.55%	162
West Marion Community Hospital	94	31,430	26,935	85.70%	13
Ocala Regional Medical Center	222	74,494	62,406	83.77%	36
Seven Rivers Regional Medical Center	112	40,880	25,128	61.47%	43
Regional General Hospital-Williston	40	14,600	507	3.47%	39
Area Hospital Utilization	2,102	757,814	544,640	71.87%	591

AHCA, Florida Hospital Bed Need Projections & Service Utilization by District July 15, 2016
Source: WSO, page 5

Accessibility

NFRMC states that the applicant discusses travel times but fails to cite sources as well as references Tables 6, 7 and 8 within the application as

depicting patient destination information for Tri-County residents, however no such tables are contained within the application. The opposition notes that once again the applicant utilized outdated data from 2013 when referencing DRG's commonly delivered by smaller rural hospitals. NFRMC points out that the applicant references in text to 3,430 discharges, however the numbers presented on pg. 43 of CON application #10448 are summed to 2,319. The opposition indicates it examined patient destination and utilization by Tri-County residents of various hospitals serving the area and provides data depicting inpatient discharges on page 6 of the WSO. NFRMC states the data presented is restricted to the DRG's present in CON application #10448.

The opposition notes that during CY 2015 there were 3,206 discharges of Tri-County residents to various hospitals in North Central Florida and beyond. NFRMC indicates it was the preferred destination for 50 percent of patients followed by UF Health Shands Hospital which are both located in Gainesville, an approximate 45-minute drive from Fanning Springs.

NFRMC states that Regional General Hospital in Williston is more accessible to Tri-County residents, especially Levy County residents, than either NFRMC or Shands in Gainesville. NFRMC asserts that when analyzing only the most basic medical/surgical services, Regional General Hospital has a lower market share (17 percent) in its home ZIP Code than either NFRMC (39 percent) or Shands (36 percent). NFRMC declares that this analysis would indicate that travel/access issues are clearly not an impediment to Tri-County residents receiving basic hospital services. The WSO states that during CY 2015, the 40-bed Regional General Hospital had only a 3.47 percent occupancy rate. NFRMC questions why the applicant believes a 25-bed general hospital in Fanning Springs will be more successful.

Availability/Other Issues Related to Lack of Need

Opposition states that in addition to the 3,206 Tri-County resident discharges during CY 2015, there were 780 obstetrical (OB) discharges. NFRMC states that if OB discharges were factored, they would represent 20 percent of the total, yet OB services are not proposed to be offered at Tri-County Hospital. NFRMC expresses that OB services are a critical need for a rural hospital such as the one proposed by RPH, yet this need will not be met by the applicant.

In response to the claim made by the applicant, that there are shortages of physicians and nurses in the Tri-County area and that the proposed hospital will draw physicians and nurses to the area, NFRMC states that physician recruitment is touted by the applicant yet RHP did not provide any documentation supporting this claim. Opposition also notes that

despite the applicant's lengthy discussion in regards to morbidity and mortality problems facing the rural population in the Tri-County area, the applicant again failed to provide documentation supporting arguments that the proposed project will improve the health status of area residents.

NFRMC notes that RHP does not indicate nor address availability or accessibility issues regarding Medicaid patients or the medically indigent. Opposition states that the applicant proposes a 19 percent Medicaid/Medicaid HMO/self-pay condition based on service area discharges by payer; however, this data is outdated (2013) and copied from Suwannee River Community Hospital's application. NFRMC contends that the applicant failed to utilize available 2015 data.

Adverse Impact

NFRMC states that the applicant provides no assessment of the impact of its proposed project on existing providers and offers no estimate of its expected market share or projected utilization. Opposition states successful implementation of the proposed project would have an adverse effect on NFRMC. NFRMC states in 2015, it accounted for 1,614 adult discharges and a 50 percent market share. Holding these figures constant and assuming Tri-County Hospital were to achieve 76 percent annual occupancy, the opposition states the proposed project would have an average daily census (ADC) of 19 patients which translates to 6,935 (19/365) inpatient days. NFRMC states that the 3,206 discharges reported by area residents receiving care for only those conditions identified by the applicant represented 12,035 inpatient days of care equating to an ADC of 3.75 days. Opposition estimates that 6,935 patient days generated by Tri-County Hospital would have represented 1,849 discharges (12,035/3.75). The opposition presents the assumption that 50 percent of these discharges would have been provided service at NFRMC given its historic market share. This represents a loss of 925 discharges under this scenario. When using the average length of stay of 3.75, NFRMC anticipates the loss of 3,469 patient days to Tri County Hospital, or 3.72 percent of its overall acute care patient days of 93,077 as reported by the Agency's Certificate of Need Office.

The opposition reiterates the following factors:

- During 2015, the 40-bed Regional General Hospital, which is physically located in the Tri County, had a mere 3.47 percent occupancy rate indicating it is severely under utilized
- No documentation of how the proposed hospital will improve health status of area residents was offered

- Tri County residents bypass the closest hospital (Regional General Hospital) in favor of larger but more distant facilities in Gainesville and Ocala
- The applicant fails to document any tangible cost savings or quality enhancements that the proposed Tri County hospital will confer
- RHP is a newly formed corporate entity and has no demonstrable history of providing health care services to Medicaid patients and the medically indigent

The opposition concludes by asserting that the application submitted by RHP meets none of the statutory criteria for approval of a CON for a new acute care hospital and should be denied.

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

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

The Agency did not receive a response to the written statement of opposition from the applicant.

H. SUMMARY

Rural Health Partner (CON #10448), proposes to establish a new 25-bed general acute care hospital to be located in Gilchrist County, Florida, District 3/Subdistrict 3-2. RHP offers eleven ZIP Codes to account for the total proposed service area.

PSA ZIP Codes:

- 32621 Bronson
- 32626 Chiefland
- 32693 Trenton
- 32680 Old Town
- 32628 Cross City

SSA ZIP Codes

- 32619 Bell
- 32648 Horseshoe Beach
- 32625 Cedar Key
- 34449 Inglis
- 32668 Morrison
- 34498 Yankeetown

RHP conditions approval of the proposed project to be located as follows: State Road 26 and Hwy 19 Fanning Springs, Gilchrist County, Florida

Need:

As of July 15, 2016, District 3, Subdistrict 3-2 had 1,303 licensed acute care beds with an occupancy rate of 71.66 percent during the 12-month period ending December 31, 2015. The subdistrict occupancy rate (71.66 percent) was more than that of District 3 (67.60 percent) and the statewide occupancy rate (57.58 percent). There are five general hospitals located in District 3, Subdistrict 3-2. UF Health Shands Hospital (81.58 percent) had utilization rates higher than District 3 overall. NFRMC (63.85 percent) had an occupancy rate lower than District 3 overall and the remaining three hospitals had occupancy rates lower than the state overall for CY 2015.

The applicant states the proposed project will:

- Enhance access to health care services both directly and indirectly
- Provide emergency and urgent care services, community education and training for health care professionals and those in allied professions
- Establish a physical center for the practice of medicine in the proposed service area
- Be a catalyst and nucleus for addressing many of the problems and advancing many of the solutions for health care delivery and improved health status in Dixie, Levy and Gilchrist Counties

Written Statement(s) of Opposition

The Agency received one written statement of opposition from Professional Association, Attorneys and Counselors at Law, on behalf of NFRMC. Opposition stated that the proposed project should be denied based on the following reasons:

- During 2015 the 40-bed Regional General Hospital, which is physically located in the Tri County, had a mere 3.47 percent occupancy rate indicating it is severely under utilized
- No documentation of how the proposed hospital will improve health status of area residents was offered
- Tri County residents bypass the closest hospital (Regional General Hospital) in favor of larger but more distant facilities in Gainesville and Ocala
- The applicant fails to document any tangible cost savings or quality enhancements that the proposed Tri County hospital will confer
- RHP is a newly formed corporate entity and has no demonstrable history of providing health care services to Medicaid patients and the medically indigent

NFRMC contends that the applicant failed to provide the following:

- Evaluation of the quality of like and existing services
- Explicit discussion of “medical treatment trends” or “market conditions”
- Letters of support from community members, affiliated providers, referral sources and health education programs
- Sample agreement or letter of support indicating plans to develop a relationship with Shands/UF for multiple residency programs

The Agency finds that the application failed to demonstrate the criteria specified in 408.035 (2), F.S., for a general acute hospital. The Agency has determined that within the context of the criteria, need for the project nor a lack of availability or accessibility of health care facilities to the residents of the subdistrict was not established by the applicant in order to merit approval of the proposed project. The Agency notes that the applicant did not provide current statistical evidence or provide underlying data for the arguments presented in CON application #10448. In addition, the applicant did not provide data to illustrate past provision of health care services to Medicaid patients and the medically indigent populations and did not show the extent to which financial access to the residents of the subdistrict.

Competition:

RHP indicates the project will have a material and sustained impact on quality and access to health care services among the residents of the proposed service area. The applicant maintains that approval of the project will result in cost savings to the residents of the service area, primarily related to the reduction of travel and transportation costs.

RHP states the proposed project will have an indirect impact on long-term costs associated with improving timely access to primary and sub-acute care services to residents in the service area as well as provide a high-quality resource for emergency services, outpatient diagnostic, surgical services and inpatient care.

Medicaid/charity care:

RHP states it has developed a strong historical record of care for Medicaid and indigent patients at its owned or managed hospitals and other health care facilities.

I. RECOMMENDATION:

Deny CON #10448

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