

STATE AGENCY ACTION REPORT

CON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number:

East Florida-DMC, Inc./CON #10432

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

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

**The Public Health Trust of Miami-Dade County, Florida d/b/a
Jackson Hospital West/CON #10433**

1611 NW 12th Avenue
Miami, Florida 33136

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

2. Service District/Subdistrict

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

B. PUBLIC HEARING

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

Letters of Support

East Florida-DMC, Inc. (CON application #10432) submitted over 146 unduplicated letters of support. Many of the letters were individually composed and the majority of the letters received were form letters. The letters were composed by community members, local healthcare staff and faculty. Numerous physicians, nurses and specialists expressed their support for the proposed project. Letters of support were signed by

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

- Anitere Flores, State Senator, District 37
- Bruno A. Barrerio, Miami-Dade County Board of County Commissioner, District 5
- Esteban Bovo, Jr., Miami-Dade County Board of County Commissioner District 13
- Zavier M. Garcia, Mayor, Miami Springs
- Ana Maria Rodriguez, Councilwoman, City of Doral

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

- Given Doral's current population, projected growth, isolation from the rest of the county and lack of local healthcare options—the area needs its own community hospital and East Florida-DMC is the best applicant to meet the needs of the community
- The proposed hospital is in the midst of the residential hub of Doral near the Ronald Reagan Turnpike. This location is highly appealing and convenient to the residents of Doral
- HCA has extensive experience in developing new community hospitals and has the financial resources to accomplish this endeavor
- A hospital in Doral would benefit the citizens, and allow seamless and efficient delivery of quality care
- Health Corporation of America (HCA) would provide faster access to top quality care for our children and families and provide greater access to better care for all
- Due to Doral's significant population growth in recent years, existing demographics, and lack of proximity and access to comprehensive healthcare facilities, the area needs its own community hospital
- Doral residents are geographically isolated from the rest of Miami-Dade making travel for health care services difficult
- HCA has the financial resources to develop the proposed hospital without tax payer burden

Supporters of the proposed project also included associates for:

- Baroma Health Partners
- Sunshine Health
- Optimum HealthCare, Inc.
- Simply Healthcare Plans, Inc.
- Mercy Hospital
- Kendall Pediatric Specialists
- Miami Dade Surgical Group
- Miami International Cardiology Consultant

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The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) submitted over 600 unduplicated letters of support, many were form letters of support and were submitted previously in support of CON application #10395. The proposed project received numerous letters from state and local officials, including State Senators, State Representatives, county commissioners and Mayors. The letters received from local and state officials included:

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

The main points expressed in letters are as follows:

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

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regional employment center hosting an estimated 150,000 people daily

- The proposed medical facility which includes pediatric and other medical services is an essential facility that the city does not have within its geographical boundaries
- The proposed facility would bring desperately needed quality healthcare to working families
- Residents need and deserve a modern, inpatient treatment facility where they can access Jackson Memorial's exceptional healthcare.
- The availability of more affordable housing in western Miami-Dade County has attracted young families and an elderly population who require more extensive medical care. Limited accessibility to transportation often isolates those elderly residents from the quality medical services and current standards of excellence offered by Jackson Health System at its other locations

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

C. PROJECT SUMMARY

East Florida-DMC, Inc. (CON application #10432), will be referred to as DMC or the applicant, proposes to establish an 80-bed acute care hospital in Miami-Dade County, Florida, District 11/Subdistrict 11-1. The proposed hospital will be located in the southwestern region of Doral, which the applicant states will be accessible to the City of Doral and suburban areas of the county, including Sweetwater, Fontainebleau, Miami Springs, and others.

The applicant indicates that the proposed hospital will be located in ZIP Code 33126 and will serve the growing population of Doral, along with residential areas to the north and south of Doral. The reviewer notes that throughout the rest of the application DMC states that the hospital will be located in ZIP Code 33178. The applicant states that the proposed project will be located on NW 41st Street between NW 109th Avenue to the east and NW 112th Avenue to the west in the heart of Doral. The applicant provides an aerial map of the proposed location on page six of CON application #10432.

DMC states that the new facility will have a complement of 80 licensed acute care beds including 72 medical/surgical and eight obstetrics (OB) beds. The applicant notes that the proposed acute care hospital will be privately owned by DMC (a division of HCA East Florida) and will be fully accredited by The Joint Commission as well as licensed by the State of

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Florida. The applicant asserts that no public funds will be utilized in construction of the hospital. DMC indicates that it will offer a full range of non-tertiary services, including emergency, imaging, surgery intensive care, cardiac catheterization, women's services (including an obstetrics unit) and pediatric care.

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

- East Florida-DMC, Inc.'s new hospital will be located in the City of Doral on NW 41st Street between NW109th Avenue to the east and NW 112th Avenue to the west
- East Florida-DMC, Inc. will provide care to non-pay classified patients at not less than 3.2 percent of discharges
- East Florida-DMC will provide care to Medicaid and Medicaid Managed Care classified patients at not less than 22 percent of discharges

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) also referenced to as Jackson West, JHW or the applicant, an affiliate of Jackson Health Systems (JHS), proposes to establish a 100-bed acute care hospital in Miami-Dade County, Florida, District 11/ Subdistrict 11-1. The proposed hospital will be established on the Jackson West Campus--an ambulatory campus that is currently under development in the Doral area of western Miami-Dade County. The proposed 100-bed community hospital will include a mix of general medical/surgical beds, intensive care and general obstetrics.

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

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

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

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

The reviewer notes that the applicant previously filed CON application #10395 to construct a 100-bed hospital at this same location, in the previous hospital batching cycle. CON application #10395 was approved on 12/4/2015 and is currently pending an administrative hearing.

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

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of the review process. The goals represent desirable outcomes to be attained by successful applicants who demonstrate an overall compliance with the criteria. Analysis of an applicant's capability to undertake the proposed project successfully is conducted by evaluating the responses and data provided in the application, and independent information gathered by the reviewer.

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

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

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

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

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

The reviewer presents the following analysis and review of CON application #10432 and #10433 regarding the identified statutory criteria of 408.035, F.S.

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1. Statutory Review Criteria

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

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

The existence of unmet need is not determined solely on the absence of a health service, healthcare facility or beds in the district, subdistrict, region or proposed service area. The reviewer composed the following table to show the utilization of existing facilities in the subdistrict for the 12-month period ending June 30, 2015. See the table below.

Acute Care Hospital Utilization District 11/Subdistrict 11-1 – Miami-Dade County 12-Month Period Ending June 30, 2015				
Hospital	Beds	Bed Days	Patient Days	Utilization
Anne Bates Leach Eye Hospital	100	36,500	305	0.84%
Aventura Hospital & Medical Center	351	128,115	97,442	76.06%
Baptist Hospital of Miami	621	231,081	169,915	73.53%
Coral Gables Hospital	245	89,425	34,901	39.03%
Doctors Hospital	281	102,585	30,199	29.44%
Douglas Gardens Hospital	32	11,680	1,864	15.96%
Hialeah Hospital	368	134,320	50,059	37.27%
Homestead Hospital	142	51,830	33,229	64.11%
Jackson Memorial Hospital	1,053	384,025	228,452	59.49%
Jackson North Medical Center	325	118,625	47,850	40.34%
Jackson South Community Hospital	198	72,270	25,737	35.61%
Kendall Regional Medical Center	381	138,303	100,612	72.75%
Larkin Community Hospital	100	36,500	18,192	49.84%
Mercy Hospital A Campus of Plantation General Hospital	420	152,880	66,374	43.42%
Metropolitan Hospital of Miami	146	53,290	0	0.00%
Mount Sinai Medical Center	502	183,230	107,300	58.56%
Nicklaus Children's Hospital	218	79,570	45,124	56.71%
North Shore Medical Center	299	109,135	55,436	50.80%
Palm Springs General Hospital	247	90,155	28,718	31.85%
Palmetto General Hospital	297	108,405	86,812	80.08%
South Miami Hospital	403	146,692	63,282	43.814
University of Miami Hospital	456	166,440	108,732	65.33%
University of Miami Hospital & Clinics	40	14,600	11,679	79.99%
West Kendall Baptist Hospital	133	48,545	30,035	61.87%
Westchester General Hospital	96	35,770	17,024	47.59%
Subdistrict 1 Total	7,456	2,723,816	1,459,273	53.57%
District 11 Total	7,663	2,781,121	1,478,541	53.16%
Statewide	50,971	18,94,796	10,649,141	57.27%

Source: Florida Hospital Bed Need Projections & Services Utilization by District, January 2016

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As of June 30, 2015, District 11/Subdistrict 11-1 had a total of 7,456 licensed acute care beds. District 11/Subdistrict 11-1's acute care beds averaged 53.57 percent occupancy during the 12-month period ending June 30, 2015. For this same period, overall, District 11 had a 53.16 percent occupancy rate and overall, statewide, the occupancy rate was 57.27 percent.

East Florida-DMC, Inc. (CON application #10432) is an affiliate of Hospital Corporation of America (HCA). The applicant asserts that HCA is the largest provider of acute care hospital services in the world, operating three acute care hospitals in Miami-Dade County—Aventura Hospital and Medical Center, Kendall Regional Medical Center and Mercy Hospital. The applicant notes that HCA has 46 affiliated hospitals, 31 affiliated ambulatory surgery centers and employs over 45,000 employees including 300 physicians at its Florida facilities.

DMC maintains that HCA currently operates 46 hospitals in Florida and has ample experience in developing new facilities—both in Florida and nationally. The applicant states that HCA is committed to the care and improvement to human life and strives to deliver high quality and cost-effective healthcare in the communities it serves. The applicant indicates that at HCA, patients are put first with a commitment to constantly improve the care it gives them by implementing measures that support caregivers, help ensure patient safety and provide the highest possible quality. DMC notes that Nashville-based HCA was one of the nation's first hospital companies and at present is the nation's leading provider of healthcare services. The applicant states that HCA is a company comprised of locally managed facilities including: 166 hospitals, 113 freestanding surgery centers and employing approximately 225,000 people. DMC states that HCA provides approximately four to five percent of all inpatient care delivered in the country today in HCA facilities.

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

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

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to local vendors) in CY 2014. DMC indicates that in 2014, HCA's Miami-Dade facilities served 340,033 patients with 65,895 hospital admissions and 205,024 emergency room visits-providing \$85,602,000 in charity and uncompensated care. The reviewer notes that the applicant did not update the above statistics for CY 2015 and kept the same statistics submitted for CON application #10394 for the establishment of a new 80-bed acute care hospital.

A description of programs, awards and initiatives can be found on pages 52-57 of CON application #10432. Below the applicant notes awards and certifications from its Miami-Dade County acute care hospitals:

Kendall Regional Medical Center

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

Aventura Hospital & Medical Center

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

Mercy Hospital

- Recipient of the American Nurses Credentialing Center's (ANCC) prestigious Magnet performer on key quality measures by The Joint Commission
- Comprehensive Stroke Center by the State Agency for Health Care Administration
- Accredited by the American College of Surgeons' Commission on Cancer

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- Accredited by the American College of Radiology in the following modalities: MRI, mammography, PET/CTCAT scan, ultrasound, nuclear medicine

DMC indicates that the proposed project will have its own management team and will initially receive development, training and operational assistance from EFD. The applicant states that HCA will provide ongoing management assistance to DMC and notes that the following will be provided by EFD:

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

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

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

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

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DMC indicates that Doral continues to experience exponential population growth. The applicant maintains that according to the U.S. Census data, the City of Doral had 54,116 residents-approximately 3,899 residents per square mile. DMC notes that Midtown Doral is a four-phase development will include a residential tower, charter school, three-acre park, restaurants, retail and office space. Phase one is more than 60 percent pre-leased and is estimated to be complete by November 2016.

The applicant asserts that Doral citizens lack adequate access to healthcare facilities. Their only option for hospital acute care and other healthcare services is to drive into more populated areas with crowded traffic conditions to utilize a highly occupied Kendall Regional Medical Center (an HCA affiliate), travel south to Baptist Hospital or east to Westchester General Hospital. DMC contends that residents of Doral have to negotiate the concrete plant, the canal, the industrial complexes, the airport, the railyard and encounter difficult travel and traffic to obtain medical care from these existing facilities. DMC maintains that given the expected population growth in the area, a community hospital focused on the residents of Doral and surrounding areas is an appropriate and a needed resource.

DMC notes that in 2015 there were 10,839 discharges (a 1.49 percent increase from 2014) from the primary service area (PSA). The average length of stay (ALOS) for the PSA was 4.7 days, yielding 50,422 patient days in the PSA. The applicant states that the total average daily census (ADC) for the PSA was 138.1. The applicant provides the chart to illustrate discharges, ALOS, patient days and ADC for the primary service area based on 2015 utilization.

**2015 Non-Tertiary Average Daily Census
And Acute Care Beds Required
Proposed Service Area**

ZIP Code	Discharges	ALOS	Patient Days	ADC
33172	2,881	4.7	13,426	36.8
33178	1,771	4.5	7,996	21.9
33182	1,012	4.6	4,669	12.8
33174	3,078	4.9	15,004	41.1
33184	<u>2,097</u>	4.4	9,327	25.6
PSA Subtotal	10,839	4.7	50,422	138.1
Bed Need at 75% Occupancy				184.1

Source: CON application #10432, page 18

DMC presents 2015 Obstetrics (OB) discharges, ALOS, patient days, and ADC for patients from the proposed service area. There were 1,853 discharges from the PSA with an ALOS of 2.7 for 4,998 OB patient days. The applicant reports that there was a total OB ADC of 13.7 for the PSA, which again, DMC states is based on a 75 percent target occupancy, yields a need for 18.3 OB beds in the PSA. See chart below.

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**2015 OB Average Daily Census & Acute Care Beds Required
Proposed Service Area**

ZIP Code	Discharges	ALOS	Patient Days	ADC
33172	519	2.7	1,388	3.8
33178	699	2.7	1,877	5.1
33182	120	2.7	328	0.9
33174	299	2.7	813	2.2
33184	<u>216</u>	<u>2.7</u>	<u>592</u>	<u>1.6</u>
PSA Subtotal	1,853	2.7	4,998	13.7
Bed Need at 75% Occupancy				18.3

Source: CON application #10432, page 19

DMC indicates that the JHW proposed facility will be located only seven miles away from Jackson Memorial’s main campus, however it is unclear how the proposed facility will improve access to healthcare for the citizens living in Doral. The applicant asserts that the proposed site for JHW is an industrious commercial area of southeastern Doral and is distant from the largest residential area in Doral (significantly more than DMC’s proposed site).

The applicant identifies a PSA comprised of ZIP Codes expected to provide 75 percent of its projected patients and a secondary service area (SSA) comprised of ZIP Codes equating to 20 percent of patients with five percent of discharges comprised from other parts of Florida and the country in recognition of Miami-Dade’s role as a tourist destination. The applicant provides a chart illustrating the ZIP Codes representing the anticipated market share capture with market shares expected to be highest in Zone 1 ZIP Codes with decreases in each subsequent zone. The applicant indicates that it has grouped ZIP Codes into four different “zones” to recognize that the proposed hospital will achieve different levels of market penetration based on factors such as population density, geographic barriers to care and locations of existing hospitals. A color coded version of the chart below can be found on page 63 of CON application #10432.

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

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

Source: CON application #10432, page 63

DMC states the population of the entire service area is projected to grow from 645,412 in 2016 to 685,357 in 2021 (6.19 percent). The applicant notes that the population in the PSA is projected to grow at a faster rate than the SSA, increasing from 165,421 in 2016 to 178,485 in 2021 (7.90 percent). DMC projects the SSA will increase at a rate of 5.60 percent. The applicant maintains that in ZIP Code 33178, the proposed hospital location, the total population is expected to grow faster (12.64 percent) than in any of the other service area ZIP Codes. The applicant indicates that residents 45-64 will increase by 10.48 percent and residents 65+ will increase by 13.33 percent during the same five-year period. The applicant suggests that the growth in the older age cohort is significant because older individuals utilize healthcare resources at a higher rate than other age cohorts.

The applicant states that the proposed project will include an OB unit with eight beds with a target population of females in the service area between the ages of 15 and 44. DMC indicates that the service area female population in this age cohort is expected to increase from 122,378 in 2016 to 123,327 in 2021 (one percent). The applicant highlights that the PSA is expected to increase by 1.6 percent during this time period with the female population increasing by 4.9 percent in the ZIP Code where the proposed hospital is to be located, 33178. DMC maintains that while the service area growth is not significant, the absolute number of female resident ages 15-44 is more than sufficient to support the proposed OB unit. The table below shows the projected service area female population ages 15-44 between 2016 and 2021:

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2016 Service Area Female Population, Ages 15-44

ZIP Code	2016	2021	Percent Change
33172	8,239	8,209	-0.4%
33178	11,810	12,384	4.9%
33182	2,939	2,954	0.5%
33174	6,968	6,927	-0.6%
33184	3,708	4,138	0.9%
PSA Subtotal	34,058	34,612	1.6%
33194	1,686	1,748	3.7%
33126	9,269	9,193	-0.8%
33144	4,613	4,554	-1.3%
33185	6,561	6,832	4.1%
33010	8,478	8,496	-0.2%
33012	12,814	12,593	-1.7%
33016	10,034	10,302	2.7%
33018	10,311	10,532	2.1%
33165	9,713	9,577	1.4%
33166	4,464	4,438	-0.6%
33175	10,377	10,450	0.7%
SSA Subtotal	88,320	88,715	0.4%
Total	122,378	123,327	0.8%

Source: CON application #10432, page 67

DMC also provides a table on page 68 of CON application #10432 illustrating population growth by race in the proposed service area. The applicant notes that the population of Doral is predominately Hispanic. DMC maintains that HCA’s EFD facilities have significant experience in serving the Hispanic community and will make use of this experience by developing services and outreach programs that reflect the unique needs of this population.

The applicant asserts that its proposed project is superior to the competing application filed by Jackson Memorial (CON application #10433) noting that the JHW’s proposed site is in the heart of the Doral commercial district, close to one end of the Miami International Airport. DMC provides a map on page 22 of CON application of #10432 noting JHW’s proposed location in a “sparsely” populated area of the Doral area and appears to be rather inaccessible from adjacent State Road 826. DMC contends that there are few routes to travel to reach the Jackson Memorial site—given its relationship to major roadways east of the Doral residential section.

The applicant reinforces its sentiment that DMC has the superior proposal by noting that Jackson’s site is between two main roadways—Highway 836 (Dolphin Expressway) and Highway 826 (Palmetto Expressway)—with the Palmetto Expressway heavily traveled by commuters and trucks. The applicant expresses concern that Jackson

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hospital beds would be overlooking this traffic route, forcing patients to listen to truck and car traffic 24 hours a day, as well as arriving and departing flights at the Miami International Airport, located just a couple of blocks east of the Jackson site. DMC indicates that patients at Jackson hospital would also be affected by the noise from rail cars from the railway switching yard just north of the airport.

The applicant indicates that HCA's EFD hospitals have increased utilization between 2013-2015 in Miami-Dade County—from a cumulative occupancy rate of 54.8 percent to 62.9 percent during this period. The reviewer notes that the three Miami-Dade HCA facilities had a three-year occupancy rate of 63.7 percent. DMC states that during the same time period the occupancy rates for the county's hospitals as a whole have increased from 53.2 percent to 53.6 percent—illustrating a patient preference for HCA EFD facilities. DMC notes that the proposed facility will be able to rely on HCA's experience developing new hospitals along with Kendall Regional Medical Center's (KRMC) high market share in the area and physicians in the service area to gain referrals and quickly ramp up utilization.

DMC notes that the non-tertiary service use rate for the Doral area has declined over the past several years, based on the analysis of use rates in the service area from 2013 to 2015. DMC assumed a slight reduction in market share for non-tertiary services in all of its service area ZIP Codes by one percent per year for the interim years as well as the first three years of operation for the hospital (2018, 2019 and 2020). The applicant indicates that while Miami-Dade County and DMC's service area show declines in use rates recently, the continuation of this trend has not yet been established and other factors serve to offset this trend such as the expansion of health insurance coverage under the Affordable Care Act.

DMC provides utilization projections for the first three years of operation of the proposed hospital based on population growth by ZIP Code, age and use rates by age using data from the Agency's Florida Inpatient Database. The applicant provides the following table in which DMC projects 2,508 service area discharges in year one (2018), 3,291 in year two (2019), and 3,940 in year three (2020). DMC projects its non-tertiary bed need at 75 percent occupancy to be 46 beds in year one, 61 beds in year two, and 73 beds in year three.

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Projected DMC Non-Tertiary Discharges

ZIP Code	2019	2020	2021
33172	758	922	1,058
33178	495	611	713
33182	264	320	367
33174**	237	398	546
33184	164	276	379
PSA Subtotal	1,918	2,525	3,063
33194	30	41	70
33126*	93	108	123
33144	59	69	78
33185	37	57	66
33010	72	87	93
33012	85	103	110
33016	41	50	54
33018	37	45	49
33165	59	89	101
33166	22	34	39
33175	54	82	93
SSA Subtotal	591	764	877
Service Area Discharges	2,508	3,291	3,940
In-Migration	132	173	207
Total DMC Discharges	2,640	3,464	4,148
Projected ALOS	4.84	4.84	4.84
Projected Days	12,768	16,751	20,057
Projected ADC	34.98	45.89	54.95
Bed Need at 75%	46.64	61.19	73.27

Source: CON application #10432, page 109

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

**Note 33174 consists of 33174 and unique ZIP 33199²

The applicant indicates it used a similar methodology to project the utilization for its OB beds, based largely on the market share zone assumption made along with the use rate trend between the years 2013-2015. DMC projects 468 service area OB patients in year one (2019), 595 in year two (2020) and 798 in year three (2021) of operation. The applicant then assumes a five percent in-migration, equaling OB patients of 493 in year one, 626 in year two and 734 in year three. The applicant projects its OB bed need at 75 percent occupancy to be five beds in year one, seven beds in year two and eight beds in year three. See chart below:

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

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

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Projected DMC OB Discharges

ZIP Code	2019	2020	2021
33172	135	163	182
33178	189	231	273
33182	31	38	42
33174**	23	39	55
33184	17	29	44
PSA TOTAL	395	500	595
33194	6	9	11
33126*	13	14	16
33144	6	7	7
33185	6	10	11
33010	6	7	7
33012	9	11	11
33016	6	7	7
33018	5	7	7
33165	7	10	11
33166	3	5	6
33175	6	9	11
SSA Subtotal	73	95	108
Service Area Discharges	468	595	698
In-Migration	25	31	37
Total DMC Discharges	493	626	734
Projected ALOS	2.73	2.73	2.73
Projected Days	1,343	1,707	2,003
Projected ADC	3.68	4.68	5.49
Bed Need at 75%	5.26	6.68	7.84

Source: CON application #10432, page 111

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

**Note 33174 consists of 33174 and unique ZIP 33199

DMC states utilization projections are very achievable and explains that the applicant will be affiliated with KRMC, which has the largest market share among all hospitals serving the Doral area. The applicant states it will encourage physicians on the medical staff of KRMC (which many of whom have offices in the DMC's proposed service area) to join its medical staff. DMC indicates this will facilitate the growth in its patient volumes. The applicant contends that its projects of utilization were based on a reasonably defined service area and realistic projections of market share by ZIP Code. DMC cites the strong utilization of HCA's other Miami-Dade County facilities as bolstering its own utilization projections. The applicant provides a utilization for all Miami-Dade Hospitals from 2013-2015 on page 100 of CON application #10432. DMC also provides the following utilization chart illustrating occupancy at HCA's EFD hospitals compared to Jackson Health Systems hospitals for the years 2013-2015:

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HCA East Florida Division and Jackson Occupancy Rates

Facility	2013	2014	2015
Aventura Hospital and Medical Center	78.0%	78.4%	76.1%
Kendall Regional Medical Center	70.0%	66.1%	72.3%
Mercy Hospital	21.5%	43.6%	43.3%
EFD System Total	54.8%	61.7%	62.9%
Jackson Memorial Hospital	66.3%	57.1%	59.4%
Jackson North Medical Center	40.0%	40.3%	40.3%
Jackson South Community Hospital	37.4%	34.5%	36.0%
Jackson System Total	57.2%	50.8%	52.6%

Source: CON application # 10432, page 43

Based on the utilization in the previous utilization chart, DMC argues that Jackson has significant excess capacity at its existing locations and lacks sufficient cause for Jackson to build a new hospital when it has other underutilized hospitals distributed throughout Miami-Dade County. The applicant expresses concern that the addition of beds to the Jackson system in Doral would likely cause underutilization and be an inefficient use of healthcare resources.

In regards to market share, the applicant states that Miami-Dade County is a highly competitive market with four major systems and a number of independent hospitals. DMC states that patients from the Doral area travel to many different hospitals. The applicant indicates that KRMC is a patient preferred hospital and DMC insists that the proposed project would provide a more accessible hospital for patients who are now traveling through congested areas to reach KRMC for care. DMC contends that approval of the hospital operated by Jackson would offer the community a hospital operated by a provider that more than 90 percent of residents currently do not choose to utilize. The applicant provides a chart illustrating market share for all Miami-Dade acute care facilities on page 97 of CON application #10432.

DMC discusses the proposed project's impact on existing providers and states for the overall service area on pages 115-119 of the application. DMC states there is a projected incremental growth of 2,965 in 2021 (third year of operation) for non-tertiary patients. The applicant notes this growth is projected to occur despite the fact that the use rates in 2021 for service are projected to decline throughout the service area. DMC indicate that approximately 71.5 percent of the non-tertiary patient discharges will be attributable to the incremental growth of the service area and also notes that approximately 67.5 percent of DMC's OB patient discharges are also due to the incremental growth in the service area. DMC further states that by 2021, there is a projected incremental growth of 496 discharges for OB patients. The applicant indicates that this incremental growth is more significant due to the increasing female population in combination with the increasing use rates in the service area. DMC projects to serve 698 service area OB discharges in 2021. In

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total, the applicant expects to see 4,638 discharges in the service area by year three of operations. DMC indicates that approximately 70.9 percent of its total service area patient discharges are due to incremental growth solely within the service area.

The applicant anticipates that KRMC will be impacted the most by the proposed project, with a 3.7 percent impact on discharges. DMC contends that the impact only considers the proposed service area and not KRMC's total service area. DMC states the impact analysis does not take into account the population growth in other portions of KRMC's service area. The applicant notes the remaining facilities located near or within DMC's service area all experience an impact of 1.5 percent or less on discharges. DMC maintains that the benefits of having accessible hospital services in an area that is currently underserved, far outweigh the minimal impact that the proposed project will have on existing providers. The applicant provides the following chart and states it does not reflect any growth in markets outside of the target area. See chart below:

**Calculation of Potential Adverse Impact of
Doral Medical Center Year 3 2021**

Service Line	HCA Doral Medical Center	Baptist Hospital of Miami	Hialeah Hospital	Jackson Memorial Hospital	Kendal Regional Medical Center	Palm Springs General Hospital
Non-Tertiary PSA	3,063	391	18	101	860	4
Non-Tertiary SSA	877	65	94	55	132	68
Non-Tertiary Impact	3,390	326	76	46	728	64
OB PSA	590	78	10	26	85	--
OB SSA	108	28	28	12	30	0
OB Impact	698	50	18	14	56	0
Total Impact	4,638	376	94	60	784	64
2014 Facility Total*	-	30,119	12,397	25,566	21,170	5,043
Percent Impact	0.0%	-1.2%	0.8%	-0.2%	-3.7%	1.3%

Service Line	Palmetto General Hospital	Westchester General Hospital	South Miami Hospital	All Other	Total
Non-Tertiary PSA	53	46	97	603	890
Non-Tertiary SSA	303	27	30	424	2,075
Non-Tertiary Impact	250	18	68	180	2,965

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OB PSA	25	1	81	128	156
OB SSA	45	0	28	61	339
OB Impact	21	1	53	67	496
Total Impact	271	19	121	246	3,460
2014 Facility Total*	16,397	4,443	13,965	--	--
Percent Impact	1.7%	-0.4%	-0.9%	--	--

Source, CON application #10432, page 116.

Note: Excludes DRGs 1-10, 14-42, 183-185, 215-239, 246-251, 652, 789-795, 849, 876-887, 894-897, 901-914, 927-935, 945-946, 955-965, 998-999. Facility total excludes DRG 795: Normal Newborns

DMC states with no acute care inpatient option in the proposed PSA, the development of the proposed project will enhance the availability of healthcare services in the Doral area. DMC indicates it will offer service area residents convenient access to high quality healthcare services and eliminate the need for residents to leave their community to access these services. The applicant states that KRMC (an affiliated facility) has established a presence in the Doral area and DMC will provide important access to healthcare services for community residents through contracts with major HMO's and PPO's. DMC provides a list of current managed care contracts for EFD facilities in Attachment 10 of CON application #10432.

DMC maintains that it is dedicated to contributing to the future of the Doral community by developing a facility that will provide safe, accessible, consistent and high quality health care. The applicant indicates that the proposed project will expand the continuum of care to residents of the proposed service area by appropriately positioning services to maximize access as well as improve the distribution of health services in the area. DMC affirms that the need for the proposed project is driven by the growing population and the necessity of a community hospital to meet the increasing demand for health care services. The applicant indicates it will have the ability and capacity to accommodate this increasing demand for services by the residents in Doral.

In regards to utilization, the applicant states the service area is growing and aging, thus acute care service is growing as well. DMC notes that in 2015, there were 56,490 discharges (0.2 percent increase from 2014) from the service area for non-tertiary services and 7,123 for OB services (5.7 percent increase from 2014). DMC states on average, these patients filled over 748.3 non-tertiary and 53.2 OB beds on a daily basis.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) JHS is a not-for-profit, public academic health system located in Miami-Dade County, owned and supported by the taxpayers of Miami-Dade County and is governed by The Public Health Trust of Miami-Dade County, Florida. JHS notes that in nearly 100 years, Miami City Hospital grew from a 13-

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bed hospital to a comprehensive health system with several hospitals and clinics. JHS asserts that it ensures that all residents of Miami-Dade County receive a single high standard of care regardless of their ability to pay. JHS indicates that it provided more than \$788 million in bad debt and charity care in the fiscal year (ending September 2014).

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

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

JHS indicates that it has become a renowned healthcare provider recognized for its highly-trained physicians and cutting-edge care. The applicant provides a historical timeline on page five of CON application #10433, illustrating JHS' evolution. The applicant maintains that JHS' services continue to be a vital part of the south Florida community, providing state-of-the-art compassionate care to people from all walks of life. The applicant provides a list of JHS' hospitals, specialty hospitals, community facilities and services:

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

The applicant notes that JHS is a safety-net hospital system in Miami-Dade with a mission to provide care to all patients, regardless of payment status. The applicant provides data from the Florida Hospital Uniform Reporting System (FHURS) for the fiscal year ending September 30, 2015, indicating that JHS's three acute care hospitals admitted more than 58,000 patients, provided more than 405,000 patient days, handled more than 215,000 ED visits and performed more than 50,000 cardiac catheterization procedures, approximately 389,000 diagnostic imaging procedures and 22,000 radiation therapy procedures.

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

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

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

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

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

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

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

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

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

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

Source: CON application #10433, page 17

JHS provides a map on page 18 of CON application #10433 of the proposed PSA. The applicant notes, for purposes of illustration of population base and because it is largely a commercial/industrial area, 33122 (the proposed location of Jackson West) will be combined with 33172, which is the Doral ZIP Code immediately to the west of the proposed location.

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

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County population by 2020. The applicant provides a chart on page 19 of CON application #10433 representing the population growth mentioned above.

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

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

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

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

Source: CON application #10433 page 24

The applicant states that there are no operational hospitals located within the proposed eight-ZIP Code primary service area. The applicant points out that Metropolitan Hospital Miami, while located in 33126, is currently closed. JHW further notes that Metropolitan Hospital Miami was sold in 2014, closed for renovations and is set to re-open as physician-owned facility with limited services sometime after the license becomes effective on May 1, 2016. The applicant notes that according to

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licensure records, The Miami Medical Center will not operate an Emergency Department. JHS also notes that Centers for Medicare and Medicaid Services (CMS) moratorium on certification of physician-owned inpatient hospital beds precludes The Miami Medical Center from participating in the Medicare and Medicaid programs for its inpatient services and limits the ability of the hospital to provide services that will be comparable to those proposed by JHW.³ The applicant also discusses the residential developments in the proposed PSA and SSA, noting the increase of 3,200 new residential units in 2014 and 4,000 additional units planned for 2015 along with the announcement in 2016 that Miami-based Codina partners and Lennar Corp. won a joint bid to purchase the now closed White Course golf course in Doral, with plans to develop single-family and townhomes on half the land.

JHW discusses the median household income and provides a chart on page 25 of CON application #10433 which displays the current (2015) and projected (2020) median household income for the projected service area. The applicant states that the diverse socioeconomic status of the population in the proposed service area will be favorable for the proposed 100-bed hospital and will help ensure that the JHS can continue its charitable mission.

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

- For the first six months of 2015, JHS hospitals' average daily census of service area patients was 16.7, which would be an increase of a little more than five patients over 2014 (33.4 patients versus 28.1) when annualized for the full year
- A reasonable portion of JHS discharges would likely choose to be treated at the proposed JHS West, given its geographic proximity to their homes
- Jackson West campus will include primary care, specialty care and emergency services, which the applicant maintains will ensure patients in the area will have access to most, if not all, of the non-tertiary services that they currently utilize on the other JHS campuses

JHW states that there were 48,321 total acute care discharges of service area residents from Florida hospitals and 37,391 non-tertiary discharges in CY 2014. The applicant indicates that of those service area discharges, 21.6 were Medicaid, 4.2 percent were self-pay and 3.2

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

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

The applicant projects that in the first year of operation (2020), it will treat 3,141 non-tertiary discharges from the proposed service area. Using the actual 2014 ALOS for the proposed 12-ZIP Code service area, and assuming it will remain constant through the first two years of operations, JHW projects the proposed project will experience an occupancy rate of 36.9 percent in the first year of operation (2020), increasing to approximately 57.4 percent occupancy in year two (2021). The charts below detail the current and projected market share as well as the projected utilization of the proposed hospital during the first two years of operation.

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

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

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

Source: CON application #10433 page 54, Figure 37

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Projected Utilization, Years One and Two Jackson Hospital West

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

Source: CON application #10433, page 54, figure 38

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

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

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

Source: CON application #10433 page 38. Figure 18

JHW indicates that the large existing number of service area discharges from JHS facilities accounts for a significant census of service area patients. The applicant notes that service area resident patients at JHS hospitals represent a wide range of diagnoses and Major Diagnostic Categories (MDCs) and provides data on pages 43-44 of the application illustrating the non-tertiary discharges by MDC for 2014. The applicant states that JHS hospitals admitted patients in 19 of 25 MDC's, demonstrating the diversity of patient needs within the inpatient setting.

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

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

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

Source: CON application #10433, page 46

JHW notes that while KRMC has the majority of overall market share in the PSA, it does not have the primary market share in three of the eight identified PSA ZIP Codes (33126, 33144, and 33166). The applicant states that these three ZIP Codes are home to over 100,000 residents and account for 42 percent of the PSA population. In addition, JHW contends that KRMC's high market share of the combined PSA and SSA is primarily a result of the hospital's discharges and market share in three ZIP Codes within the SSA, as opposed to the PSA. The applicant indicates the proposed project's utilization will be less reliant on the SSA than the PSA. Jackson Hospital West projects that it will receive nearly 77 percent of its year one and year two discharges from the proposed eight-ZIP Code PSA. JHW asserts that based on projections, KRMC's market share would decrease from 29.5 percent in 2014 to 26.2 percent in 2021, a decline of 3.2 percent in a seven-year period.

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

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

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

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

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

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

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

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

East Florida-DMC, Inc. (CON application #10432) states that competition is in part based on how easy it is for a resident of the service area to drive to a hospital. DMC notes that at present, there are no hospitals in the PSA. The applicant states that the proposed development will foster competition in the service area by providing a more accessible alternative for healthcare services for service area residents. DMC maintains that the proposed project will spur innovation, induce efficiency, reduce cost, enhance quality and extend all other benefits of competition to the proposed service area.

DMC asserts that the approval of the proposed project will further foster competition in the service area by providing a more accessible alternative for health care services in the service area. The applicant indicates that population growth trends and increasing geographic barriers to access for residents of the service area indicate that there is clearly a need for a hospital. The applicant states the development of the proposed facility will allow for reasonable geographic access for the significant and growing service area population and will strengthen competition—ensuring disperse market competition.

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

DMC suggests that its co-batched applicant, like many public safety net hospitals, is in a tenuous financial position and unlikely to receive further increases in its public funding in order to construct and maintain the proposed facility in CON application #10433. The applicant asserts, that unlike JHW who receives significant subsidies, DMC will provide additional support to local and state governments through tax revenue.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) states that the proposed facility was planned in response to the needs of the West

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Miami-Dade community and to ensure accessibility of high quality inpatient and outpatient services for residents of the area. The applicant notes that JHS, in partnership with the Health Council of South Florida, develops the 2015 Community Health Needs Assessment. JHW indicates that JHS participates in an evaluation and planning process to identify specific services needed in Miami-Dade communities and what type of continuum of care would be the most coordinated, efficient and cost-effective for patients, payers and the system.

JHW asserts that the outpatient services for the developing Jackson West campus were planned as an initial component for a long-range strategy to improve the coordination of care and health status for the community surrounding the facility. According to the applicant, the inclusion of primary care (both acute and chronic), specialty clinics, diagnostics, treatment and a freestanding ED will provide unprecedented access to services for residents of the proposed service area. JHW asserts that the residents currently have to travel outside of the immediate community, in heavy traffic congestion, to receive care. The applicant states that the challenges in accessing care outside of the Doral area currently act as a deterrent for preventive care and chronic disease management for residents. Excerpts from the 2015 Jackson Health System Community Health Needs Assessment and the full 2015-2018 Community Health Needs Assessment Implementation Plan are provided in Exhibit M of CON application #10433.

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

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

JHW states that all of the above mentioned goals have a direct impact on the cost-effectiveness of care. The applicant maintains that increased access to preventative care and chronic disease management in the earlier stages of illness are crucial to the management of costs and

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charges for patient care. The applicant ensures that the Jackson West campus and the proposed JHW will enhance access to healthcare for the residents of the service district and will promote quality of care and cost-effectiveness.

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

East Florida-DMC, Inc. (CON application #10432) states HCA's three affiliated hospitals in the service area have a history of providing care to Miami-Dade County residents regardless of payor source. The applicant asserts that Miami-Dade affiliates served 8,213 Medicaid patients in 2015 (the reviewer notes this is a two percent decrease from 2014), accounting for 15.2 percent of its total patient days (a 0.2 percent decrease from 2014). Additionally, DMC notes that EFD facilities served 4,378 self-pay patients (the reviewer notes this a seven percent decrease from 2014), approximately 8.1 percent of its total patients. The applicant provides the following table to show payor mix for HCA Miami-Dade County hospitals for CY 2015.

2015 HCA Miami-Dade County General Acute & OB Payor Mix

Payor	Discharges	Percentage
Medicare/Medicare HMO	29,133	54.0%
Medicaid/Medicaid HMO	8,213	15.2%
Commercial/HMO/PPO	10,627	19.7%
Self-Pay	4,378	8.1%
All Other	1,620	3.0%
Total	53,971	100.0%

Source: CON application #10432, page 128

The applicant reports that HCA EFD facilities provided \$291,643,000 in charity and uncompensated care and served 268,139 Medicaid patients and 163,240 uninsured patients in 2014. HCA's EFD facilities in Miami-Dade County provided \$85,602,000 in charity and uncompensated care for 2014. The reviewer notes that the applicant did update these figures to show 2015 data. Below, the applicant provides the projected payor mix for the first year of operation (2021) of the proposed facility.

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East Florida DMC Projected 2021 Non-Tertiary Payor Mix Percentage

ZIP CODE	Medicare	Medicaid	Commercial	Self/Non-Pay	Other	Total
PSA Subtotal	48%	15%	21%	7.0%	8.0%	100.0%
SSA Subtotal	48%	16%	20%	9.0%	7.0%	100.0%
Total	48%	16%	21%	8.0%	8.0%	100.0%

East Florida DMC Projected 2021 OB Payor Mix Percentage

ZIP CODE	Medicare	Medicaid	Commercial	Self/Non-Pay	Other	Total
PSA Subtotal	0.0%	56%	38%	2.2%	3.0%	100.0%
SSA Subtotal	0.0%	65%	33%	2.0%	0.0%	100.0%
Total	0.0%	58%	37%	2.0%	3.0%	100.0%

**East Florida DMC Projected 2021 Non-Tertiary
And OB Payor Mix Percentage**

ZIP CODE	Medicare	Medicaid	Commercial	Self/Non-Pay	Other	Total
PSA Subtotal	40%	22%	24%	7.0%	7.0%	100.0%
SSA Subtotal	42%	21%	22%	9.0%	6.0%	100.0%
Total	41%	22%	23%	7.0%	7.0%	100.0%

Source: CON application #10432, page 130

The applicant indicates that HCA affiliates consider patients with income less than 200 percent of the Federal Poverty Level who are having non-elective procedures to be eligible for charity care. In addition, DMC maintains that HCA affiliates also offer discounts to uninsured patients who are not eligible for charity care or Medicaid. The applicant notes that all self-pay patients, excluding those receiving elective cosmetic procedures, hospital designated self-pay flat rate procedures and scheduled/discounted procedures for international patients, will receive a managed care like discount. DMC indicates that the proposed facility will serve any Medicaid/Medicaid HMO, charity care and uninsured patients who require healthcare services and will utilize the same Charity Care Policies and Uninsured Discount Policies as other HCA affiliated facilities.

DMC states it is conditioning this application on providing care to Non-pay classified patients at not less than 3.2 percent of discharges and care to Medicaid and Medicaid Managed Care classified patients at not less than 22 percent of discharges. The applicant affirms it will seek to serve all patients who are currently experiencing problems accessing hospital care or OB hospital services in Doral and the projected service area.

Jackson Hospital West (CON application #10433) contends that JHS is one of the most financially accessible health systems in Florida—providing significant amounts of care to patients covered under Medicaid and those who are unable to pay all or a portion of their healthcare bills. JHW indicates that JHS is the clear leader in provision of care to underserved patients among acute care providers in Miami-Dade County. The applicant notes that in fiscal year ending September 2014, JHS provided approximately \$471 million in bad debt, \$317 million in charity care and \$1,054.0 million in Medicaid services—nearly five times the bad

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debt and twice the charity care of the next leading provider (Baptist Hospital of Miami) and more than twice the Medicaid services than Nicklaus Children’s Hospital (f/k/a Miami Children’s Hospital). The applicant provides a chart on page 29 of CON application #10433 illustrating the provision of bad debt, charity and Medicaid services charges by Miami-Dade County facilities for fiscal year 2014.

The applicant indicates that JHS’ three existing acute care hospitals provided a disproportionate amount of its service area discharges to Medicaid (38.3 percent), self-pay (10.4 percent) and non-payment (8.9 percent) payer classes in 2014. JHS notes it ranked second only to Nicklaus Children’s Hospital in services covered under Medicaid for CY 2014. The applicant provides the following payor mix data.

CY 2014 Service Area Acute Care Provider Payer Mix

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

Source: CON application #10433, page 33

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The applicant indicates that it will maintain its charitable mission with the proposed 100-bed new hospital by providing a significant amount of care to populations that are uninsured or underinsured. JHW notes again that JHS currently serves a large number of indigent and Medicaid patients who reside within the proposed 12-ZIP Code service area. The applicant provides the chart below which details the five-year financial access history of JHS--Jackson Memorial Hospital, Jackson South Community Hospital and Jackson North Medical Center. See the table below.

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

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

Source: CON application #10433, page 90

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

East Florida-DMC, Inc. (CON application #10433) indicates that it has provided a detailed and complete description of the proposed 80-bed facility in the previous sections of the application.

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

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project discharges rates in the PSA and SSA during the first three years of operation. See the table below.

Projected DMC Non-Tertiary Discharges			
ZIP CODE	2019	2020	2021
33172	758	922	1,058
33178	495	611	713
33182	264	320	367
33174**	237	398	546
33184	164	276	379
PSA TOTAL	1,918	2,527	3,063
33194	30	41	70
33126*	93	108	123
33144	59	69	78
33185	37	57	66
33010	72	87	93
33012	85	103	110
33016	41	50	54
33018	37	45	49
33165	59	89	101
33166	22	34	39
33175	54	82	93
SSA Subtotal	591	764	877
Service Area Discharges	2,508	3,291	3,940
In-Migration	132	173	207
Total DMC Discharges	2,640	3,464	4,148
Projected ALOS	4.84	4.84	4.84
Projected Days	12,768	16,751	20,057
Projected ADC	34.98	45.89	54.95
Bed Need at 75%	46.64	61.19	73.27

Source: CON application #10432, page 109

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON #10433) provided a thorough and complete description of the proposed 100-bed facility in the previous sections of the application.

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

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Jackson Hospital West Projected Year One Discharges

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

Source: CON application #10433, page 92

F. Written Statement(s) of Opposition

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

East Florida-DMC, Inc. (CON application #10432): The Agency received three written statements of opposition to East Florida-DMC, Inc. (CON application #10432). All documents were received timely pursuant to 408.039 (3) (c), Florida Statutes. The statements were received from:

- A joint letter of opposition was submitted by Chief Executive Officers from Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital and also included individual composed letters of opposition
- April Andrews-Singh, Esq., General Counsel and Senior Vice President of Legal Affairs at Variety Children’s Hospital d/b/a Nicklaus Children’s Hospital in Miami, Florida
- Carlos A. Migoya, President and C.E.O. for The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West.

Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital (all affiliates of Tenet Healthcare, also referenced as Tenet) submitted a joint statement of opposition. The statement included one attachment containing 48 letters from local healthcare providers, numerous physicians and community members collectively opposing any

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new hospital in Doral. The opposition provides a summary of opposition to the proposed project and offers statistical data including charts, graphs and maps to illustrate that there is no need for the proposed project.

The opposition states that this is the East Florida-DMC's second attempt at applying to establish a hospital in Doral⁴ and notes that East Florida-DMC's previous CON application (#10394) was preliminarily denied by the Agency. The opposition states the arguments made by East Florida-DMC in both the original and current CON application are similar with the only difference being updated data for the six-month passage of time. Therefore, Tenet's opposition is similar to the detailed statement to CON application #10394. The opposition maintains that the primary argument made by DMC for approval of this hospital is to serve the growing population of Doral along with residential areas to the north and south of Doral. The opposition provides the following statements against the approval of the proposed project:

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

⁴ The reviewer notes that both co-batched applicants previously submitted CON applications to establish a new acute care hospital in the City of Doral, in the August 2015 hospital batching cycle.

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- Despite population increases--medical treatment trends for inpatient services are continuing to decrease at a rate greater than the population increase.
- DMC will not offer anything different than what is already readily available at multiple hospitals throughout the service area including HCA's Kendal Regional Medical Center, which is within the applicant's defined service area.

Palmetto General Hospital, Coral Gables Hospital and Hialeah Hospital, state that they individually and collectively oppose the proposed project and indicate that each of these hospitals will be materially, substantially and adversely affected with the approval of CON application #10432. The opposition states the examples below are just a few cases not included in the baseline which will ultimately impact existing Tenet hospitals. The opposition maintains that this will result in significantly more impact on existing Tenet facilities.

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

The opposition states that East Florida-DMC has not proposed to offer anything different than what is already readily available at multiple hospitals throughout the area, including anything different than what is already readily available at HCA's KRMC within the applicant's defined service area. While none of the three Tenet hospitals are physically located in the East Florida-DMC's primary service area, all three are accessible to some or all of the defined service area residents. The opposition concludes by noting that East Florida-DMC modified two conditions from the CON application #10394 and has conditioned

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approval to provide a minimum of 3.2 percent of its discharges to non-pay patients as well as provide a minimum of 22 percent discharges to Medicaid and Medicaid Managed Care patients. Opposition states the combined 25.2 percent is slightly less than the actual service area experience of 27.9 percent of total non-tertiary and obstetrics discharges that fell within these payor categories for the 12 months ending June 30, 2015. The opposition indicates that these two modified conditions were updated from CON application #10394 in an effort by East Florida-DMC to appear more competitive with Jackson West and meet the service area average.

The opposition noted that East Florida-DMC did not condition its application on the provision it would limit the size of this hospital to 80 beds or that it would limit its scope of services, therefore HCA is not precluded from adding beds, services or providing tertiary and quaternary services thus further impacting Tenet hospitals. Opposition concludes by stating the applicant's limiting the CON approval to just three condition further supports the theme that nothing new is being added to the community by HCA that is not already available to residents of this vast service area.

In summary, the East Florida-DMC CON application #10432 for an 80-bed hospital in the Doral area does not meet the intent of the statutory and rule criteria and should therefore be denied.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West submitted a detailed statement of opposition to the proposed project. The opposition was signed by Carlos A. Migoya, President and C.E.O of JHS. Attachments include excerpts from co-batched CON applications #10432 and #10433, as well as excerpts from the State Agency Action Report for CON applications #9764 and #9675. Also included are Jackson Health System Executive Team biographies, maps, strategic and financial planning documents and news articles.

JHS notes that its previous CON application #10395 to construct a 100-bed hospital at the same location, was approved and is currently pending an administrative hearing. JHS states there have been no material changes to the market conditions in the Doral area since the filings of CON applications #10394 and #10395. The opposition indicates that DMC's current application (#10432) does not contain any new information that is supportive of the approval of its application and contends that DMC's application is misleading and is a manipulative representation of data. JHS states that DMC's application contains updated data to account for the two additional quarters of Agency data that became available between the filing of the first and second CON applications. JHS contends that DMC fails to mention that the updated

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data shows little to no change from data previously presented in CON application #10394. The opposition cites the following examples:

- Exhibit 30 on page 82 of DMC's initial CON application (#10394) showed a total of 56,399 non-tertiary discharges generated by its proposed service area in calendar year 2014, while Exhibit 35 on page 102 of DMC's current CON application (#10432) shows a total of 56,480 non-tertiary discharges generated by its proposed service area for the year ended June 30, 2015. The negligible difference of 81 discharges has no effect on DMC's analysis.
- In Exhibit 38 on page 93 of CON application #10394, DMC projected 4,886 total non-tertiary discharges in Year 3 of operation. In Exhibit 44 on page 112 of the current CON application, DMC projects 4,882 discharges in Year 3, a difference of four discharges compared to the original CON. The updated data presented throughout DMC's CON application has no material impact on its analysis.

JHS states it analyzed more recent data for its 12-ZIP service area which confirms that there was no material change and that the data trend was accurate and supportive of JHW's analysis and position. JHS indicates in lieu of using updated service area analysis in its current application, it used the updated data as added supportive documentation. JHS questions DMC's level of commitment to the population it proposes to serve and cites CON application #9675 submitted by Kendal Healthcare Group (an HCA affiliate), to build an 80-bed facility in the western portion of Miami-Dade County. JHS notes that despite HCA being awarded a CON for this project, the CON was never implemented or constructed. JHS maintains that the fact that HCA did not build the awarded facility and now chooses to re-file to build a hospital in the same area calls into question HCA's true commitment to serve the needs of the residents of the Doral/Kendall community.

The opposition notes that DMC maintains that it is a superior applicant to build a hospital in western Miami-Dade. JHS adamantly disagrees with DMC's assessment and finds much of its justification for approval is superficial and misconstrued. JHS specially addresses claims made by DMC and counters with the following:

- JHW's site is an easily accessible location for a hospital and is well-positioned to serve the large and growing population in and around Doral.
- JHW will be established through a transfer of existing licensed bed capacity within the JHS, thus resulting in efficient use of operational capacity.
- JHS' management team has brought unprecedented expertise and leadership to the System that has resulted in a significant financial turnaround and a new system-wide focus on strategic growth and long-term viability.

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- JHS is the best candidate to serve all residents of the western Miami-Dade area and is the most financially accessible health system in the county, as well as one of the most financially accessible systems in the state.
- JHW has an infrastructure, affiliated physicians with primary offices in the proposed 12-ZIP Code service area and has a commitment from the University of Miami's Miller School of Medicine to collaborate on expansion of specialty and sub-specialty presence in the area.
- HCA charity and indigent care historical experience pales in comparison to JHS.
- DMC's project will have negative impact on existing providers while JHW will not.
- Development of JHW will have no material impact on existing providers.
- DMC's project lacks positive impact on local economy/development and community benefit.
- DMC's CON application failed to meet 408.037(2) Florida Statutes as it relates to the definition of the service area for a new hospital.

JHS provides a detailed comparison of each co-batched applicant's Conditions Predicated Upon Award in its opposition statement. The opposition addresses the fact that DMC significantly changed its Conditions from CON application #10394. JHS states that the significant changes to DMC's CON conditions related to financial accessibility again calls into question DMC's real commitment to the population of the proposed service area. In contrast, JHS indicates that its financial accessibility conditions are consistent between the first and second CON applications, thus highlighting JHS' continued and consistent commitment to the provision of care to the under and uninsured residents of the communities it serves.

JHS states contrary to DMC's claims that Jackson Hospital West will add burden to tax payers, JHS indicates that expanding the JHS network will actually lower its dependence on public funds, not increase it. Unlike for-profit HCA, JHS has proven that healthcare systems do not have to ration care to the uninsured in order to have sound financial operations.

JHS concludes its opposition statement by stating that by any measure, JHW offers a superior plan to address the urgent needs of the Miami-Dade communities. The opposition maintains that JHS has committed to placing its hospital on a full service campus, enhancing continuity of care by co-locating outpatient specialty care, walk-in treatment, diagnostic, imaging and other comprehensive services. JHS maintains that it is committed to serving the full range of patients equally, including contracting with all managed Medicaid providers and will

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accomplish a single high standard of care for all patients. JHS notes that its application is committed to expanding healthcare access in an underserved part of Miami-Dade by using its new facility to lower taxpayer cost by increasing access to the historically underserved.

Variety Children's Hospital d/b/a Nicklaus Children's Hospital (NCH) submitted a detailed opposition statement to CON application #10432 signed by April Andrews-Singh, General Counsel of NCH. NCH provides a summary of opposition to the proposed project and offers statistical data in several categories indicating that the proposed project would create duplication of pediatric services. NCH states to have previously opposed East Florida-DMC's initial application (CON application #10394) to establish an 80-bed acute care hospital in Doral and continues to oppose the applicant's proposal.

NCH states that it is located in ZIP Code 33155, which is adjacent to the applicant's SSA and presumes that DMC purposely did not include ZIP Code 33155 in its defined service area so that NCH would not be included in the applicant's boundaries. NCH indicates that the proposed project by DMC will be a duplication of readily available and accessible pediatric services. NCH states in regards to pediatric services, there is a direct correlation between quality and volume, noting that NCH is the only freestanding specialty children's hospital in Miami-Dade County. As a specialized pediatric hospital, NCH states it currently has a 50 percent market share of inpatient volume originating from DMC's defined service area, 39 percent of outpatient emergency department market share and 66 percent of outpatient surgery market share. NCH indicates that it will be severely impacted with the approval of East Florida-DMC because of its high market share in the applicant's proposed service area.

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

- NCH is one of only three pediatric hospitals in the nation and the only one in Florida to have all three of its intensive care units receive either a Gold Beacon Award or Silver Beacon Award from the American Association of Critical Care Nurses.
- NCH has more pediatric programs ranked among "America's Best" by *U.S. News and World Report* from 2011-2015, than any other Florida hospital.
- The Heart Program at NCH provides care for more children with congenital heart disorders than any other hospital in Florida. It is consistently ranked among the best programs in the nation for cardiology and heart surgery.

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- Florida Blue has recognized NCH with a Blue Distinction Center designation for delivering quality bone marrow transplant care as part of the Blue Distinction Centers for Specialty Care program.
- NCH's Brain Institute is the first and largest pediatric neuroscience collaborative in the nation. The program is recognized for excellence in treatment of children with brain tumors, intractable epilepsy and other brain anomalies, and offers the latest minimally invasive methods, including Visualase, and image-guided laser technique for epilepsy surgery in children. The NCH Brain Institute is proud to be ranked 8th in the nation in pediatric neurology and neurosurgery. No other program in the southeastern U.S. ranks higher.
- NCH's Neonatal Intensive care unit is proud to be ranked as one of the top 10 programs in the nation in neonatology. No other program in Florida ranks higher.
- NCH's Cancer Center is the largest provider of pediatric cancer services in the region. The center participates in research protocols, offering the latest interventions for children receiving treatment for all forms of cancer and blood disorders.
- NCH's Research Institute is one of the largest providers of pediatric research in the region. The institute has earned full accreditation from the Association of Human Research Protection Programs (AHRPP). The hospital is the first pediatric facility in the state and one of the few in the nation to achieve this standing.
- NCH's LifeFlight Critical Care Transport team provides transport of critically ill children from referring hospitals to NCH critical care units. The program features ground ambulances, and fixed-wing and the only pediatric roto-wing aircraft in Miami-Dade County. The LifeFlight program offers air transport via helicopters operated by PHI, Inc., one of the world's most experienced aircraft operators and the holder of a Part 135 Certificate issued by the Federal Aviation Administration, and through contracted fixed-wing aircraft charters. Even though NCH loses significant dollars on the program each year, NCH feels it is the organization's obligation to provide this service.
- For the third time in a row, NCH has been designated an Association of American Nurses Credentialing Center (ANCC) Magnet facility, the nursing profession's most prestigious institutional honor. The hospital was the fifth pediatric hospital in the nation to achieve this recognition.
- NCH is proud to be ranked among the top 125 training organizations in the nation by *Training Magazine*, the leading publication for learning and development professionals. The hospital has been included in the ranking annually since 2006.

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The opposition cites the depth and impact of its outreach program and provides several examples of their dedication to serving pediatric patients throughout South Florida and the State. NCH also notes that it provides primary care and a medical home to the Medicaid population through its Pediatric Care Center. The opposition states that the hospital provides dental services for approximately 22,000 patients per year through its Pediatric Dental Residency program and houses Early Steps Southernmost Coast- an early intervention program for children at risk of developmental delays (which evaluates over 2,000 children annually). NCH contends that it is the leading provider of healthcare services for medically needy children and contributes between \$20 to \$32 million annually in uncompensated care.

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

The opposition provides statistical data illustrating high utilization of its outpatient center as well as high utilization of urgent care services. NCH states it has a significant reliance on the proposed East Florida-DMC service area—including inpatient, ED and ambulatory surgery service categories. NCH notes that its inpatient reliance on the proposed service area is 21.8 percent. NCH indicates it has a greater reliance on the service area for its outpatient ED visits (33 percent) and relies on the service area for its ambulatory surgery volume (25 percent). NCH notes that its ambulatory surgery reliance will increase as the new Miami Children's Hospital Ambulatory Surgery Center at FIU's cases are included in AHCA's database and as the ASC continues to serve the community steadily increasing its case load on a monthly basis. NCH affirms that the data provided in the opposition statement, clearly supports NCH as the primary pediatric service provider in the DMC defined service area. The opposition states the development of any pediatric services at the proposed hospital will materially impact NCH, as currently between 40 to 66 percent of children in the area utilize NCH's services.

The opposition contends that, based on the application submitted by DMC, the applicant failed to meet the CON Statutory Review Criteria as provided in Section 408.035 for new general acute care hospitals and also failed to demonstrate the need to receive approval for a new hospital in Doral. NCH notes that the applicant also failed to provide a need methodology and only provided estimated future use rates—those use rates do not support the addition of licensed beds within the subdistrict. The opposition also questions why the applicant failed to include the contiguous ZIP Code of 33155 which has the majority of pediatric admissions from its defined service area.

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NCH concludes with the following summary:

- East Florida-DMC did not demonstrate that it would meet the requirements of the Florida Statutory and Rule Criteria and that the proposal is based solely on competitive positioning as well as protection of market share, and not the need of the community.
- The applicant's rationale for approval is not supported by the facts and circumstances evidenced with the subdistrict
- The proposed project neither fosters competition, nor will it increase quality and cost effectiveness.
- Another provider will dilute the work force resulting in upward pressure on salaries and benefits, thereby increasing costs.
- The extent of utilization at existing hospitals in the subdistrict does not support the approval of a new hospital—with approximately 53 percent occupancy across the subdistrict and 57 percent at the subdistrict's only specialty children's hospital. NCH indicates that a low volume pediatric and obstetrics program does not promote quality.

The reviewer notes that NCH is a Class II Specialty Children's Hospital—one of only four in the state and the only one located in South Florida. It is unclear to the reviewer the significance of the impact on such specialized children's services by the community hospital it opposes.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433): The Agency received three written statements of opposition to The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433). All documents were received timely pursuant to 408.039 (3)(c), Florida Statutes. The statements were received from:

- A joint letter of opposition was submitted by Chief Executive Officers from Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital and also included individual composed letters of opposition
- April Andrews-Singh, Esq., General Counsel and Senior Vice President of Legal Affairs at Variety Children's Hospital d/b/a Nicklaus Children's Hospital in Miami, Florida
- R. David Prescott of Rutledge Ecenia Professional Association Attorneys and Counselors at Law on behalf of Kendall Regional Medical Center

Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital (all affiliates of Tenet Healthcare, also referred to as Tenet) submitted a joint statement of opposition. The statement included one attachment containing 48 letters from local healthcare providers and community members opposing a new hospital in Doral. The opposition provides a summary of opposition to the proposed project and offers

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statistical data including charts, graphs and maps to illustrate that there is no need for the proposed project. The opposition states that this is the applicants second attempt at applying to establish a hospital in Doral and notes that Jackson Health System's previous CON application (#10395) was preliminarily approved by the Agency. The opposition notes that the decision to preliminarily approve the project has been challenged by five parties:

- Palmetto General Hospital
- Hialeah Hospital
- Coral Gables Hospital
- Nicklaus Children's Hospital
- Kendall Regional Medical Center

The opposition states the arguments made by Jackson Health System in both the original and current CON application are identical. The opposition states that nearly all data is identical as most of it was not updated for six months and therefore the critiques and rationale for denying the applicant based on Tenet's opposition herein are very similar to the original detailed statement of opposition for CON application #10395.

Tenet's opposition states that the primary argument made by Jackson Health System for approval of Jackson West is to boost its financial position. The opposition maintains that the Doral market has a desirable payor mix and indicates JHS would benefit from acquisition in a lucrative capacity. The opposition provides the following statements against the approval of the proposed project:

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

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tertiary services, pediatric services, OB services or emergency services in the subdistrict.

- Jackson West does not provide any information, data, anecdotes or substantive facts which demonstrate the residents of Doral do not have reasonable access to existing hospitals in the subdistrict.
- Data and substantive facts prove there are available and nearby quality hospitals which are reasonably accessible to residents of the service area.
- The applicant failed to meet the CON Statutory Review Criteria as provided in Section 408.035, Florida Statutes for new general acute care hospitals.
- Jackson West will not enhance access as reflected in the opposition.
- The hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as no barriers to access were demonstrated by the applicant.
- The hospital will not foster competition that promotes cost-effectiveness or quality of care.
- Despite population increase--medical treatment trends for inpatient services are continuing to decrease at a rate greater than the population increase.
- The applicant did not update historical services area data for the new six months of data that was available at the time of this updated filing. Updated data would have shown discharge use rate have declined further, resulting in decreased demand in the applicants proposed service area.
- The existing area providers are sufficiently equipped, staffed and operate the necessary services to the entirety of the subdistrict, including the applicant's defined service area.
- Jackson West's objective of admitting a better quality payor mix indicates its proposed provision for Medicaid/medically indigent does not meet the intent of the statutory provision nor does it meet the intent of the Health Care Access Criteria.

Palmetto General Hospital, Coral Gables Hospital and Hialeah Hospital, individually and collectively oppose the proposed project and indicate each of these hospitals will be materially, substantially and adversely affected with the approval of CON application #10433. The opposition states that the examples below are just a few cases not included in the baseline which will ultimately impact existing Tenet hospitals. The opposition maintains that this will result in significantly more impact on existing Tenant facilities. The opposition indicates the following:

- If use rates decline further than estimated by Jackson West, which is likely given current patterns, then Jackson West market share must increase to meet the same market forecast. Increased

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market shares at Jackson West further increase the negative impact at the existing Tenet hospitals.

- Consideration for tertiary services and referral are not included in the baseline. Both Hialeah Hospital and Palmetto General Hospital have neonatal intensive care units (NICUs). Diversion or loss of OB cases will result in some loss of NICU cases.
- Palmetto General has an extensive invasive cardiology program. Loss of non-tertiary cases or medical cardiology cases could result in loss of these incremental cases as the patient will likely be referred within JHS.
- Both Palmetto General and Hialeah Hospital have psychiatric units. While not proposed for Jackson West, any presenting cases in the ED will likely be referred within the JHS.
- Inclusion of the Hialeah community in the Jackson West service area definition would have resulted in a greater case impact from what is presented in the opposition statement.
- If market share estimates are understated, then the impact on Tenet hospitals would increase accordingly.

The opposition states that Jackson West is inconsistent with the information contained within the CON application which claims that there is an access issue illustrated by “fragmented care”, the fact that residents utilize several different hospitals is no different than any other large metropolitan city with a number of different hospital operators in each and every direction. The opposition declares that Jackson West has not proposed to offer anything different than what is already readily available at multiple hospitals throughout the area.

Tenet facilities conclude by stating the proposed project, CON application#10433, does not meet the intent of the statutory and rule criteria and failed to prove that the residents of the area do not have reasonable access to existing hospital services in the subdistrict and should therefore be denied.

Variety Children’s Hospital d/b/a Nicklaus Children’s Hospital (NCH), submitted a detailed opposition statement to CON application #10433. The opposition was signed by April Andrews-Singh, General Counsel of NCH. NCH provides a summary of opposition to the proposed project and offers statistical data in several categories indicating that the proposed project would create duplication of pediatric services. NCH states to have previously opposed The Public Health Trust of Miami-Dad County, Florida’s initial application (CON application #10395) to establish a 100-bed acute care hospital in Doral and continues to oppose the applicant’s proposal.

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NCH states that it is located in ZIP Code 33155, within JHW's defined SSA—an unnecessary duplication of readily available and accessible pediatric service. NCH indicates that in regards to pediatric care, there is a direct correlation between quality and volume. NCH declares that it is the only freestanding specialty children's hospital in Miami-Dade County. The opposition maintains that it has a 55 percent market share of inpatient volume originating from JHW's defined service area, 49 percent of outpatient emergency department market share and 69 percent of outpatient surgery market share. NCH states that with a high market share in the applicant's proposed service area, NCH will be severely impacted with the approval of the Jackson Health West's proposed hospital.

The opposition argues that CON application #10433 does not meet the intent of the Florida Statutory and Rule Criteria governing new general hospitals. NCH contends that the nexus between quality and volume as well as the resulting impact on Nicklaus Children's Hospital, could negatively affect the community standard of care with the approval Jackson West hospital.

NCH conveys that it is a renowned pediatric healthcare provider nationally, locally and throughout Florida. NCH expresses that it is unique because of its dedicated physicians and nurses who are passionate about providing innovative care to children. NCH notes that its programs are ranked among the top 10 in the nation and provides the following achievements to reiterate being one of the best children's hospitals in the country:

- NCH is one of only three pediatric hospitals in the nation and the only one in Florida to have all three of its intensive care units receive either a Gold Beacon Award or Silver Beacon Award from the American Association of Critical Care Nurses.
- NCH has more pediatric programs ranked among "America's Best" by *U.S. News and World Report* from 2011-2015, than any other Florida hospital.
- The Heart Program at NCH provides care for more children with congenital heart disorders than any other hospital in Florida. It is consistently ranked among the best programs in the nation for cardiology and heart surgery.
- Florida Blue has recognized NCH with a Blue Distinction Center designation for delivering quality bone marrow transplant care as part of the Blue Distinction Centers for Specialty Care program.
- NCH's Brain Institute is the first and largest pediatric neuroscience collaborative in the nation. The program is recognized for excellence in treatment of children with brain tumors, intractable epilepsy and other brain anomalies, and offers the latest minimally invasive methods, including Visualase, and image-guided laser technique for epilepsy surgery in children. The NCH Brain

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Institute is proud to be ranked 8th in the nation in pediatric neurology and neurosurgery. No other program in the southeastern U.S. ranks higher.

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

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

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services for medically needy children and contributes between \$20 to \$32 million annually in uncompensated care.

NCH attests that it plays a role in the Doral area and has its comprehensive outpatient center located in Doral ZIP Code 33178, within the same ZIP Code area as the proposed DMC campus (just 3.6 miles to the west of the proposed Jackson West campus).

The opposition provides statistical data illustrating high utilization of its outpatient center as well as high utilization of urgent care services. In the opposition statement, NCH provides a list a pediatric services the Doral campus. NCH states it has a significant reliance on the proposed JHW service area—including inpatient, ED and ambulatory surgery service categories. The opposition notes that it has 55 percent market share of pediatric inpatient volume, nearly 50 percent of outpatient ED visits and a 69 percent market share of all pediatric outpatient surgical volume for JHW's proposed defined service area.

NCH states it has a significant reliance on the proposed Jackson West service area—including inpatient, ED and ambulatory surgery service categories. NCH notes that its inpatient reliance on the proposed service area is 15 percent and indicates it has a greater reliance on the service area for its outpatient ED visits (25 percent) and also relies on the service area for its ambulatory surgery volume (17 percent). NCH states that its ambulatory surgery reliance will increase as the new Miami Children's Hospital Ambulatory Surgery Center at FIU's cases are included in AHCA's database and as the ASC continues to serve the community steadily increasing its case load on a monthly basis.

NCH affirms that the data provided in the opposition statement, clearly supports NCH as the primary pediatric service provider in the DMC defined service are. The opposition states the development of any pediatric services at the proposed hospital will materially impact NCH, as it currently between 49 to 66 percent of children in the area utilize NCH's services.

NCH provides the following summary:

- JHW did not demonstrate that it would meet the requirements of the Florida Statutory and Rule Criteria and that the proposal is based solely on competitive positioning as well as protection of market share, and not the need of the community.
- The applicant's rationale for approval is not supported by the facts and circumstances evidenced with the subdistrict
- The proposed project does not foster competition, nor will it increase quality and cost effectiveness.
- Another provider will dilute the work force--resulting in upward pressure on salaries and benefits, thereby increasing costs.

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- The extent of utilization at existing hospitals in the subdistrict does not support the approval of a new hospital—with approximately 53 percent occupancy across the subdistrict and 57 percent at the subdistrict’s only specialty children’s hospital. NCH indicates that a low volume pediatric and obstetrics program does not promote quality.

NCH concludes reiterating that based on the application submitted by JHW, the applicant failed to demonstrate need for a new hospital in Doral nor did JHW demonstrate that it will enhance access or improve accessibility or availability. In addition, NCH maintains that JHW is targeting the City of Doral population because it has a better payor mix. The opposition contends that any disproportionate admissions by JHW of better paying patients would have a disproportionate result and would adversely affect NCH because of NCH’s high utilization by the Medicaid population. NCH asserts that JHW’s proposal is solely based on institution specific wants and not the needs of the community it proposes to serve.

The reviewer notes that NCH is a Class II Specialty Children’s Hospital—one of only four in the state and the only one located in South Florida. It is unclear to the reviewer the significance of the impact on such specialized children’s services by the community hospital it opposes.

Kendall Health Group, Ltd. d/b/a Kendall Regional Medical Center (KRMC or Kendall Regional) submitted a detailed statement of opposition to this project addressing issues KRMC believes should be considered in evaluation of the merits of the proposed project. The opposition was signed by R. David Prescott of Rutledge Ecenia Professional Association Attorneys and Counselors at Law on behalf of KRMC. The statement included one attachment: Leapfrog Hospital Ratings and Comparison.

The opposition provides a *summary of opposition* to the proposed project and offers statistical data including charts, graphs and maps to support the arguments against the proposed project. KRMC states that JHW has failed to demonstrate claims made within CON application #10433 or that the proposed project will address the needs of residents of the Doral area. The opposition states that JHW and DMC both filed applications for new hospitals in 2015 (CONs #10395 and #10394, respectively). AHCA approved the JHW project and denied the DMC project. KRMC expresses the sentiment that AHCA erred in its decision and DMC has challenged the approval.

The opposition maintains that JHW failed to satisfy the statutory review criteria applicable to general hospital projects and should be denied. KRMC states that the bases for JHW’s approval were not exhibited by the

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applicant as JHW failed to demonstrate the validity of its claims and more importantly, failed to address the needs of residents of the Doral area. KRMC provides several arguments to support its claim that JHW is not the appropriate applicant to serve the needs of the residents of the City of Doral. The opposition addresses four key factors:

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

The opposition indicates that JHW has unreasonably defined the service area for its project as it extends to the east of the proposed site into areas that are unlikely to be served given geographic barriers and the presence of established larger facilities. KRMC indicates for citizens of the City of Doral, the JHW location is neither convenient nor accessible. KRMC states that ZIP Codes 33172, 33178, and 33182 comprise most of the City of Doral the citizens will not be well served by a hospital located in the southeastern quadrant of Doral.

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

The opposition references CON application #10433 noting that JHW states that the Tamiami community has a need for a local hospital, but KRMC maintains that the JHW proposal is not positioned to serve that need. KRMC indicates that the Tamiami community is situated to the west of the Ronald Regan Turnpike, just south of the City of Doral with KRMC on the southern edge of the Tamiami community. The opposition asserts that KRMC is readily accessible off the Florida Turnpike--more easily accessed and has an established presence for the Tamiami community. KRMC also notes that the University Park community will not be well served by the proposed hospital by JHW, as patients will continue to travel to existing providers such as KRMC or Westchester General Hospital.

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The opposition indicates that JHS has overstated its historical presence in the Doral area by “dramatically” overstating its historical patient base and physician presence in Doral through the inclusion of ZIP codes east of JHW’s proposed site as discussed previously. KRMC cites JHW’s notation that JHS hospitals served 1,391 non-tertiary inpatient discharges from its proposed PSA in 2014 and an additional 702 non-tertiary discharges from its proposed SSA for a total 2,093 discharges. KRMC contends that this base is not a large volume of patients on which to draw for the development of a new hospital. According to KRMC the three eastern ZIP Codes inappropriately included in its PSA (33126, 33144 and 33166) constitute 785 of these discharges or 56 percent of the total. The opposition maintains that only 606 non-tertiary discharges went to JHS’ facilities from the remaining four-ZIP Codes that comprise the core of the Doral population, which opposition states is a minimal presence illustrated by the applicant in CON application #10433.

The opposition maintains that KRMC is the largest provider of non-tertiary services to JHW’s proposed PSA with a 23.4 percent share of non-tertiary discharges and 36.2 percent market share within JHW’s proposed SSA. KRMC further notes that within the ZIP Codes that encompass the City of Doral, the KRMC market shares exceed 40 percent. The opposition concludes that its facility and medical staff are providers of choice for Doral residents and indicates JHW will not be able to achieve the level of utilization it projects and the proposed hospital would operate at low rates of occupancy as do the other JHS’ facilities in Miami-Dade County.

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

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

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The opposition highlights additional factors to support denial of CON application #10433:

- JHW has not demonstrated the need for 100 beds—with a projected year two utilization of only 57.8 percent.
- JHS proposed “transfer” of 100 beds to JHW is not meaningful—as the 100 beds can be reopened at any time. JHW offered no condition that would preclude reopening these beds.
- JHS’ medical home initiative does not require a hospital in Doral—there is nothing about the applicant’s proposed initiative that require the presence of a community hospital.
- Financial access is not a basis to approve the JHW application. KRMC does not refute that JHS serves an important role in Miami-Dade but KRMC notes that JHS receives significant public support to offset its services to indigent patients.
- JHS’ hope that JHW will enhance its financial performance is unfounded.
- JHW will not foster competition that promotes quality.
- The proposed project is not consistent with 408.035(1)(g), F.S.
- JHW’s impact will be greater than DMC and will fall heavily on KRMC as JHW will have a much higher market share than assumed in the proposed application.
- There is no specific condition regarding teaching activities.
- HCA’s decision 12 years ago not to construct its West Kendall hospital is irrelevant to this review. KRMC states that JHW is wrong if it is implying that HCA somehow lacks the commitment to develop a new hospital in Doral based on the West Kendall decision.
- JHW has failed to demonstrate that its project is consistent with the CON statutory review criteria for new general hospitals. KRMC counters each of the applicant’s responses to review criteria in the opposition statement.

KRMC concludes by stating JHS’s inexperience in developing and operating smaller hospitals, as well as the underutilization of its hospitals in Miami-Dade, it is likely that the proposed hospital will increase the burden on the taxpayers of Florida. KRMC maintains that DMC is the superior applicant to serve Doral and sites several reasons such as patient preference, site location, utilization of affiliate hospitals, experience to develop and operate the proposed facility successfully, physician presence and the cost to taxpayers to support the approval of DMC’s proposed project.

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

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hospital, the applicant for the general hospital may submit a written response to the Agency. Such response must be received by the Agency within 10 days of the written statement due date. ss. 408.039(3)(d), Florida Statutes.

East Florida-DMC, Inc. (CON application #10433), responded to the three statements of opposition received by the Agency. The applicant chose to provide a single response to Jackson Health System (JHS), Variety Children's Hospital d/b/a Nicklaus Children's Hospital (NCH), Coral Gables Hospital (Coral Gables), Hialeah Hospital (Hialeah) and Palmetto General Hospital (Palmetto General), addressing relevant issues that were raised collectively by the opposition. DMC may also refer to Coral Gables, Hialeah and Palmetto as "Tenet Hospitals" or "Tenet".

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

The applicant responds to Tenet's claim that Hialeah ZIP Code 33031 should be included in DMC's service area. DMC indicates that there are two major barriers to service—patients seeking care at facilities to the northeast of the service area—the rail switching yard to the east and Federal Highway 27 to the northeast. The applicant states that there are limited ways in which patients can traverse these obstacles and notes that patients from ZIP Code 33013 would be unlikely to travel north and then west around the railyard to the limited roads that traverse the canal/Federal Highway 27. Similarly, patients from DMC's PSA do not currently travel the opposite direction to Hialeah for hospital care as indicated by Hialeah Hospital's one percent market share of the PSA in 2014.

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

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Westchester General Hospital's 0.1 percent market share of proposed PSA non-tertiary and OB patients in 2014.

The applicant contends that the industrial area identified for JHS's proposed site is a poor location choice and the applicant states DMC's focus is to provide a local community hospital for Doral while the focus of JHS' application is to open a new hospital some nine miles to the west to serve numerous areas of Miami-Dade County, including the City of Doral ZIP Codes. DMC maintains that the JHS' proposed hospital does not focus on being a community hospital for the growing Doral community. DMC asserts that the proposed service area is appropriately defined by statute and reasonably demonstrated to reflect local travel patterns, demographic trends and distribution of population.

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

The applicant responds to the claim that it did not provide bed need by referencing Exhibit 2, page 18 of CON application #10432, in which DMC provides a calculation of bed need for non-tertiary patients. DMC declares that need calculations it provided, show the PSA encompassing Doral communities, has a gross need for more than 202 beds to serve non-tertiary and OB patients without any consideration of population growth.

DMC notes that several opponents proclaim that the approval of DMC will not enhance competition as there is already ample hospital competition in Miami-Dade County for non-tertiary and OB services. DMC refutes this claim and presents a market share analysis for the year ending June 30, 2015, for the existing providers in Miami-Dade County. DMC maintains that approval of the proposed project would provide a more accessible hospital for patients who are now traveling through congested areas to KRMC (current patient preference in the Doral area) for care and would not suppress choice for the residents of the county. In contrast, the applicant states approval of JHW's project would offer

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the community a hospital operated by a provider that more than 90 percent of residents currently do not choose to utilize.

DMC compares the projected utilization of the two co-batched applicants. The applicant notes that despite JHS presenting a somewhat similar utilization projection for the first two years of operation, this does not address the reliability of JHS's projections. DMC states there is no reason to believe that a new hospital developed by JHS could or would achieve the level of utilization projected by DMC. The applicant notes that while DMC projects a one percent annual decline in use rates from 2014-2020, JHW uses constant use rates for multiple age groups, which results in more optimistic projections. DMC indicates that it presents a more conservative projection of need and demonstrates its ability to serve that need.

The applicant presents a detailed response to opponents' statements regarding financial accessibility and adverse impact on existing providers. DMC states the main focus of NCH's opposition is adverse impact. DMC notes that NCH relies on the proposed PSA for only a small percentage of its total admissions, and any impact on NCH will be minimal. DMC contends that when only non-tertiary patients are considered, NCH relied on DMC's PSA from only 463 patients or 4.2 percent of patient volume in 2015. DMC notes that it is not proposing a dedicated pediatric unit and contends that NCH's own adverse impact calculation shows minimal reductions in volume. NCH calculates that it would lose between 147 and 192 discharges to DMC (assuming the same pediatric and adult market share). This calculation presented in NCH's opposition statement, represents 1.5 percent and 1.9 percent respectively of the 9,992 patient discharges, reported by NCH, for the year ending June 30, 2015.

The applicant states that when presenting this volume estimate, NCH did not consider any offsetting growth in the markets it serves. Utilizing the Agency's patient discharges data, DMC indicates that NCH actual discharges for the year ending June 30, 2015 were 10,946, which DMC notes is slightly higher than NCH's figure. DMC argues that NCH's own adverse impact calculation is over stated, and based on data obtained from the Agency, adverse impact results in a 1.3 percent to 1.75 percent loss of inpatient volume. Accepting NCH's worst case scenario projections, DMC counters that it will not have any meaningful adverse impact on NCH as a result of developing the proposed hospital and it's unlikely that DMC will capture the same market share of pediatric patients as it projects to capture of adult patients.

DMC responds to the JHW claim that the applicant's project will adversely impact existing providers by noting HCA's affiliate KRMC has been the leading provider of service in Doral, while Jackson has

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historically served few patients in the Doral area. DMC states that Jackson fails to provide any market share or ZIP Code analysis to support its adverse impact analysis and fails to incorporate declining use rates across all ages consistent with actual Miami/Dade trends. The applicant states that JHW attempts to minimize its impact on other providers and also assumes a disproportionate shift in patients from other Jackson facilities before assessing the impact on existing providers. DMC adds that JHW impact analysis, in its application, is fatally flawed at the outset. In regards to volume impact, the applicant states that DMC will have a minimal impact on providers other than its affiliate KRMC, while JHW will draw patients primarily from unaffiliated hospitals. DMC indicates that its projections are realistic and do not assume that there will be unusual shifts in market share from its HCA affiliates to offset adverse impact, in contrast to JHW's project. DMC asserts that the proposed project would not have an adverse impact on existing providers from a payor perspective, as indicated by JHW. The applicant insists that HCA's affiliated hospitals serve more than three times the number of patients from the service area than Jackson, underscoring the much greater impact that JHW's project would create.

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

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

DMC concludes that it has demonstrated the proposed project will have a minimal impact on existing providers. The applicant concludes by stating it met all required statutory criteria within CON application #10432 and itemizing these points from the submitted application.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) responded to three opposition statements received by the Agency. The applicant provided individual responses to Tenet Health (Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital), Kendall Regional Medical Center and Nicklaus Children's Hospital.

The reviewer notes although Jackson submitted individual responses to each of the above mentioned entities, the responses were identical from pages 1-21 and addressed all opposition statements collectively. A detailed summary responding to each opposition individually was provided at the end of each response statement.

The applicant responds to the three main arguments presented by Tenet's opposition to the proposed project. Tenet makes the following claims:

- *Charity care is JHS' Best Payer:* The applicant notes while it received approximately \$365 million in funding from county tax sources in FY 2014, the sources are essentially fixed and are not calculated based on JHS volume or charity care charges. The applicant states that Tenet's representation does not provide an accurate picture the care provided to the medically indigent population served at JHS. JHS notes that in addition to the \$365 million in charity care in FY 2014 it also wrote off approximately \$471 million in charges (bad debt) therefore, the net excess of care provided to indigent populations was significantly more than any funding received. JHS refutes the opposition claim and expresses that the attempt to insinuate that JHS is profiting from the provision of care to the underinsured and uninsured patients is a nonsensical argument.
- *The Development of JHW Will Not Improve Financial Access:* JHS indicates that it had previously provided statistical figures which explicitly illustrate that the non-newborn discharges generated by the proposed service area have a payer mix that is consistent with the county average whereas Tenet intentionally excludes obstetrics discharges as to present the guise of a more favorable payor mix in the area as compared to the Miami-Dade average. JHS states it is unreasonable to assume that it will not continue to attract a disproportionately needy population, when JHW will be located in a geographic area where these patients live and work.
- *Physician and Other Opposition Letters Support the Denial of JHW:* The applicant counters this claim by noting that the majority of the letters were written by physicians who are employed by Tenet or practice exclusively within the Tenet network of hospitals and additional letters were written by Board members (both physicians

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and non-physicians) at Coral Gables Hospital, Hialeah Hospital, and Palmetto General Hospital.

JHS maintains that the Tenet statement of opposition did not raise any substantive issues or provide sufficient contrary data that undermined the validity of the proposed JHW. JHW maintains that no provider will experience material impact on inpatient volume after the proposed facility becomes operational. The applicant contends that Tenet's statement of opposition relies on misrepresentation of data within CON application #10433 as well as statements taken out of context within the application. The applicant affirms that the development of JHW will benefit residents of the City of Doral and the surrounding communities—with minimal impact on existing providers and refutes claims made by Tenet's opposition statement indicating that the statement presented no substantial evidence of adverse impact.

NCH presents two main arguments, the first being that JHW will be a low-volume pediatric provider thus negatively impacting quality. JHS indicates this claim is unsupported as the studies provided by NCH to support the statement that low volume results in low quality are not representative of services offered at JHW. The applicant states the studies presented by NCH are related to advanced pediatric cardiac procedures including, but not limited to cardiac catheterization, cardiac surgery and heart transplant. The applicant states that NCH attempts to misrepresent JHW's proposed services and connect JHW to the nexus between volume and quality, particularly with regard to complex care, specific illness amongst pediatric patients and cases involving specialist and subspecialist (NCH opposition statement page 14). The second argument is that the development of JHW will have a negative effect on NCH's payer mix. In response, JHS notes that it provides a staggering amount of care to Medicaid patients and will continue to do so in Doral, where its Medicaid percentage is significantly higher than all general acute care hospitals (38.3 percent) and nearly double the service area average (21.6 percent). Assuming JHW treats a larger commercial or Medicare population from the area, the impact of the enhanced payer mix within the pediatric population is not likely to be a major contributor, as the population ages 0-17 accounts for only 18.3 percent of the total population (less than the Miami-Dade County and Florida averages). JHS also states that the pediatric population is projected to increase by 2.8 percent between 2015 and 2020, which is significantly less than the Miami-Dade projected pediatric population growth (4.9 percent) for the same period.

The applicant notes JHW will not have a dedicated pediatric unit, will only provide basic OB services and will not provide tertiary care. JHW maintains that it will not provide "complex care" for pediatric patients since most of the advanced pediatric services available in Miami-Dade

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are offered at the JHS flagship, Holtz Children's Hospital at Jackson Memorial Hospital, through an affiliation with the University of Miami Miller School of Medicine. The applicant notes that given the undeniable financial accessibility of JHS, the relatively small pediatric population in the area and the types of pediatric services planned for JHW--it is unlikely that the development of the proposed hospital will have any material impact on NCH. JHW contends that NCH did not present any data that negates the fact that there is need for a hospital in the City of Doral, nor did NCH provide any substantive evidence that JHW is not the appropriate provider to develop the proposed hospital.

The opposition from KRMC included key arguments that HCA's decision not to build Tamiami Hospital in 2003 is irrelevant and JHW will not foster competition that promotes quality. JHW responds to KRMC's statement of opposition by indicating that KRMC's parent company, HCA, failed to implement CON #9675—and that this fact is relevant since HCA has shown a pattern of using the regulatory/CON process for strategic planning and suppression of competition. JHW states that Tamiami Hospital was approved after HCA provided evidence of need sufficient to support a new hospital. The applicant notes that HCA chose not to pursue implementation of its CON and ultimately did not build Tamiami Hospital, leaving its proposed service area population underserved, competing applicant West Kendall Baptist Hospital (Baptist) went on to construct a larger facility. JHW maintains that these facts are relevant—illustrating there is no guarantee that HCA is committed to build the proposed Doral facility. The reviewer confirms that CON #9675 was issued on 10/25/2004 and was voided on 11/13/2006.

In response to the claim that the JHW will not foster competition that promotes quality, the applicant states KRMC bases this claim on Leapfrog's Safety Score, which is described by Leapfrog as "the gold standard for comparing hospital's performance on the national standards of safety, quality and efficiency that are most relevant to consumers and purchasers of care". JHW notes that Leapfrog itself recognizes the limitations of its data and refers to the Leapfrog website, where the following language appears:

The information viewed on this site is not intended to be the only or primary means for evaluation hospital quality nor is it intended to be relied upon as advice or a recommendation or an endorsement about which hospital to use or the quality of the medical treatment you receive from a hospital or other health care provider.

JHW contends that Leapfrog itself recognizes that its scores are not intended to be the only or primary means of evaluating hospital quality as there are other indicators of quality, efficiency and patient safety that must be considered. The applicant declares that all JHS facilities are

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accredited by the Joint Commission, which has a rigorous set of standards related to quality and patient safety and various JHS facilities have received numerous awards based on quality and best practices as detailed in CON application #10433.

JHW concludes by stating that HCA has provided nothing in either its CON applications (#10394 and #10432) or statements of opposition, that demonstrates that JHW is not the superior candidate to develop a hospital to serve the residents of the City of Doral and the surrounding communities. The applicant asserts that it has a concrete plan that includes comprehensive outpatient and physician services to provide a solid foundation for the development of JHW and has a commitment and long history providing services to all residents of Miami-Dade.

H. SUMMARY

East Florida-DMC, Inc. (CON application #10432), proposes to establish an 80-bed acute care hospital in Miami-Dade County, Florida. The proposed hospital will be located in the southwestern region of Doral, which the applicant states will be accessible to the City of Doral and suburban areas of the county, including Sweetwater, Fontainebleau, Miami Springs, and others. The applicant indicates that the proposed hospital will be located in ZIP Code 33126 and will serve the growing population of Doral, along with residential areas to the north and south of Doral. The reviewer notes that the applicant indicates throughout CON application #10432, that the facility will be located in ZIP Code 33178.

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

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

- East Florida-DMC, Inc.'s new hospital will be located in the City of Doral on NW 41st Street between NW109th Avenue to the east and NW 112th Avenue to the west
- East Florida-DMC, Inc., will provide care to non-pay classified patients at not less than 3.2 percent of discharges

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- East Florida-DMC will provide care to Medicaid and Medicaid Managed Care classified patients at not less than 22 percent of discharges

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) proposes to establish a 100-bed acute care hospital in Miami-Dade County, Florida. The proposed hospital will be established on the Jackson West Campus, an ambulatory campus that is currently under development in the City of Doral area of western Miami-Dade County. The proposed 100-bed community hospital will include a mix of general medical/surgical beds, intensive care and general OB program.

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

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

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

- The need for the health care facilities and health services being proposed
- The availability, accessibility and extent of utilization of existing health care facilities and health services in the service district

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

JHS notes that in the August 2015 Batching Cycle, Jackson Health System previously filed CON application #10395 to construct a 100-bed hospital at the same location in the Doral area and this application was approved and is currently pending administrative hearing.

Need, Availability and Access:

East Florida-DMC, Inc. (CON application #10432) contends that need for the proposed project is demonstrated by the increased popularity and tremendous growth over the past 20 years in the City of Doral. DMC notes that the city is isolated geographically from the rest of Miami-Dade County—surrounded by warehouses, mineral processing plants, landfills, salvage yards, railroad lines and retention ponds. DMC indicates that these geographic and business features of western Miami-Dade obstruct and hinder Doral residents from accessing healthcare services available to the north and east of Doral and notes that there is no hospital of the west of Doral and the Ronald Reagan Turnpike.

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

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

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) contends that need for the proposed project is justified for the following major reasons:

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- The historical unmet need for a large number of hospital beds in western Miami-Dade.
- The large and growing population base in the proposed 12-ZIP Code service area.
- The highly fragmented market of inpatient discharges—residents of the proposed service area seek care currently at more than 100 different hospitals.
- JHS currently serves a significant number of patients who reside in the area.
- The unique ability of JHS to meet the needs of the service area population and mission to serve all residents of the county
- The expansion of partnership opportunities with the UM to extend the world-class expertise and long standing success of the JHS/UM collaboration to the western Miami-Dade area.
- The overwhelming community support for the proposed hospital.

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

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

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

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The Agency finds that the applicants, collectively, did not provide evidence demonstrating need for another acute care hospital to serve the City of Doral because there is already an approved hospital in the area—The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10395). The Agency did not find evidence to amend its previous approval from the second hospital batching cycle of 2015.

Competition:

East Florida-DMC, Inc. (CON application #10432) states the approval of the DMC project will foster competition that promotes quality and cost-effectiveness. DMC notes it will offer accessible inpatient and outpatient services to the Doral community drawing on the resources of HCA to enhance the cost-efficiency of the services provided. The applicant maintains that the proposed project will spur innovation, induce efficiency, reduce cost, enhance quality and extend all other benefits of competition to the proposed service area.

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

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) asserts that the proposed 100-bed community hospital has been planned in response to the needs of the West Miami-Dade community and to ensure accessibility of high quality inpatient and outpatient services for residents in the area. The applicant ensures that the proposed Jackson West campus and JHW will enhance access to health care for the residents of the service district and will promote quality of care and cost-effectiveness.

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

Medicaid/charity care:

East Florida-DMC, Inc. (CON application #10432), states it is conditioning this application on providing care to Non-pay classified patients at not less than 3.2 percent of discharges and care to Medicaid and Medicaid Managed Care classified patients at not less than 22 percent of discharges. The applicant affirms it will seek to serve all patients who

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are currently experiencing problems accessing hospital care or OB hospital services in Doral and the projected service area.

The applicant reports that HCA EFD facilities provided \$291,643,000 in charity and uncompensated care and served 268,139 Medicaid patients and 163,240 uninsured patients in 2014. HCA's EFD facilities in Miami-Dade County provided \$85,602,000 in charity and uncompensated care for 2014.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10433) is conditioning approval of the application to exceed the 12-ZIP Code average of patients classified as Medicaid not to be less than 22 percent of discharges and those classified as non-pay not to be less than 3.2 percent of discharges.

JHW states that JHS is one of the most financially accessible health systems in Florida citing that in the fiscal year ending September 2014, JHS states to have provided \$471.1 million in bad debt, \$317.4 million in charity care and \$1,054.0 million in Medicaid services.

I. RECOMMENDATION:

Deny CON #'s 10432 and 10433.

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