

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Community Hospice of Northeast Florida, Inc./CON #10460

1424 Laurel Road
Faber, Virginia 22938

Authorized Representative: Thomas Davidson
(434) 263-5107

**Odyssey Healthcare of Marion County, LLC
d/b/a Kindred Hospice/CON #10461**

680 S. Fourth Street
Louisville, Kentucky 40202

Authorized Representative: Jason Owen/Barbara Lankford
(502) 596-7801

PruittHealth Hospice – 3A, LLC/CON #10462

1626 Jeurgens Court
Norcross, Georgia 30093

Authorized Representative: Neil L. Pruitt Jr.
(434) 263-5107

2. Service District/Subdistrict

Hospice Service Area 3A (Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Levy, Putnam, Suwannee and Union Counties)

B. PUBLIC HEARING

A public hearing was not held or requested regarding the proposed projects, to establish a new hospice program in Hospice Service Area 3A.

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Letters of Support

Community Hospice of Northeast Florida, Inc. (CON #10460):

submitted numerous letters of support composed by local health care providers, health care facilities, hospitals such as Wolfson Children's Hospital and UF Health Jacksonville, and several local businesses. Also included were letters of support from the United Way and Rural Health Network.

Letters of support are noted from the following:

- Dr. Scott Rivkees, Professor and Chair, College of Medicine, University of Florida
- Dr. Thomas Chiu, Regional Medical Director, North Central Region Children's Medical Services
- Dr. Donald Phillipps, Clinical Associate Professor, College of Medicine, University of Florida
- Sherry Buchman, R.N., Regional Executive Health Nursing Director, Children's Medical Services
- Melissa Nelson, Chief Executive Officer & President, The United Way of St. Johns County
- Deanna McDonald, Executive Director, St. Johns River Rural Health Network, President and Chief Executive Officer, Health Planning Council of Northeast Florida
- Michael D. Aubin, Hospital President, Wolfson Children's Hospital
- Russel E. Armistead Jr., Chief Executive Officer, UF Health
- Nicole B. Thomas, Hospital President, Baptist Medical Center South

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) submitted various letters of support composed by local health care providers and health facilities, various physicians, community members, senior living and retirement communities, assisted living facilities, medical supply groups and rehabilitation centers.

Letters of support are noted from the following:

- Danielle Conley, Community Director, Hampton Manor Assisted Living
- Noel G. Beauchesn, Therapy Program Manager, Encore Rehabilitation Services
- Cheryl Courtright, Executive Director, Mission Oaks Assisted Living and Memory Care

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- Tony Farinella, Director of Transitional Care, Gulf Coast Health Care
- Jane Ryals, Branch Director, Kindred at Home
- Rebecca Grohler, Manager of Operations, InterCommunity Cancer Center

PruittHealth Hospice-3A, LLC (CON #10462) submitted numerous letters of support composed by local health care providers such as hospitals, nursing homes, assisted living facilities, healthcare agencies, numerous nurses and local organizations.

Letters of support are noted from the following:

- Mark Miller, Chief Executive Officer, Lake City Medical Center
- Tim Rogers, President and Chief Executive Officer, South Carolina Home Care & Hospice Association
- Joann Gnewuch, Executive Director, Bay Pointe Nursing and Rehabilitation Center
- Stephanie Kelly, Admissions Coordinator, Parklands Care Center
- Ruth Robinson, Chief Executive Office, Signature Healthcare
- Alexi Wilcox, Executive Director, Park Meadows Health & Rehabilitation Center
- Eric Hoffman, Administrator, Kiva of Palatka Assisted Living
- Toby Witt, Emergency Medical Services Director, Hamilton County
- Harold Kirksey, Clinical Coordinator, Sounds for Seniors

C. PROJECT SUMMARY

Each co-batched applicant seeks to establish a new hospice program in Hospice Service Area 3A.

Community Hospice of Northeast Florida, Inc. (CON #10460), also referenced as CHNF or the applicant, is an existing Florida not-for-profit hospice service provider proposing to establish a new hospice program in Hospice Service Area 3A. The applicant indicates that CHNF operates eight inpatient units, two of which are freestanding hospice units (the Hadlow Center and the Acosta-Rua Center). The applicant states that in addition to the facilities it operates, CHNF also contracts inpatient hospice beds in dedicated inpatient units at various hospitals including Jacksonville's Mayo Clinic and UF Health Jacksonville. CHNF is a hospice provider in Hospice Service Area 4A. The applicant proposes issuance of licensure and initiation of service in January 2018.

The applicant is proposing total project costs of \$694,641.

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The applicant's Schedule C includes the following conditions:

- *Care to Clinically Underserved Patients:* CHNF will deploy a Healthcare Relations Representative throughout Service Area 3A to build relationships with community physicians, hospitals, nursing home/long term care facilities, assisted living and offer services to underserved patients. Targeted education programs will be provided to assist community health care providers and others in identifying hospice-appropriate patients. CHNF will provide the Agency with annual reports documenting the number and types of educational contacts made by its Healthcare Relations Representatives to service area physicians, social workers and other parties.
- *Care to Serve Rural Areas:* CHNF will strategically establish offices in locations that will serve patients who live outside of the main urban areas of Service Area 3A. CHNF will provide the Agency with the annual reports on the number of hospice program and palliative care patients in Service Area 3A counties designated as "rural" by the Florida Department of Health.
- *Community PedsCare Program:* CHNF will extend PedsCare program to Service Area 3A and will apply to provide PIC¹ services in proposed service area.
- *Community Care Choices:* CHNF will provide its Community Care Choices Program in Service Area 3A. CHNF will provide the Agency with the annual reports on the number of admitted Care Choices patients,
- *Honoring Choices Florida Program:* CHNF will expand this program into Service Area 3A. The applicant describes Honoring Choices Florida as an integrated, community-wide advanced care planning program that is designed to ensure that patients' long-term health preferences, including end-of-life plans, are discussed, documented and honored. CHNF will provide the Agency with the annual reports on the number of advanced care discussions it provides to patients and their families in Service Area 3A.
- *Community Palliative Consultants:* This interdisciplinary team will consist of a board-certified palliative medicine physician, one or more Advanced Registered Nurse Practitioner(s), a social worker and chaplain.

¹ Partners in Care: Together for Kids (PIC) is a partnership between the Agency, the Florida Department of Health and Florida Hospices and Palliative Care. As describe on the applicants website: <http://communityhospice.com/our-services/childrens-services/programs-and-services.aspx>, children in the PIC program are able to continue receiving aggressive curative treatments while also benefitting from the overlay of support-from the point of diagnosis, with hope for a cure, through the provision of end-of-life care if needed.

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- *Veteran's Programs:* The applicant will extend its Veteran's program into Service Area 3A in corroboration with the Community Hospice Veterans Partnership (CHVP). CHNF will provide the Agency with the annual reports on the number of veterans it serves.
- *Caregiving Coalition:* The applicant intends to offer this program which promotes awareness and knowledge, sensitivity and support for family caregiving. CHNF will provide the Agency with the annual reports on the number of community caregivers in helps in Service Area 3A.
- *Comfort Care:* The applicant intends to offer this program which focuses on providing support to dying patients.
- *Bereavement Outreach Programs:* The applicant intends to make this program available not only to its patients and their families but also to patients and families served by other hospices and to non-hospice residents of Service Area 3A. These include but are not limited to:
 - Understanding grief
 - Hope for the holidays
 - Grief relief: A Family Experience (GRAFE)
 - Healing through memories
 - Open-ended support groups
 - Camp healing powers®

CHNF will provide the Agency with an annual report documenting the scope of bereavement services provided to non-hospice residents and to community groups in Service Area 3A.

- *Complementary Care Services:* The applicant intends to offer a variety of complementary services including pet, music, aroma and massage therapies as well as Pet Peace of Mind and Reiki.
- *Telemedicine and Other IT Programs:* The applicant will provide these services, with special attention paid to patients who reside in rural areas.
- *Advanced Illness Management/Advanced Care Model:* The applicant intends to offer this program which is a care coordination program for persons whose disease has progressed to the point of health and functioning decline and whose prognosis is not expected to improve. The program is modeled after the Coalition to Transform Advanced Care's (C-TAC) Advanced Illness Management (AIM) model of care. CHNF intends to locate and contract with health care insurers to enable it to establish an Advanced Illness Management program in Service Area 3A.
- *Program for All-Inclusive Care for the Elderly (PACE):* Community Hospice, in partnership with Aging True, has received the only legislative approval for a PACE program in Northeast Florida. The applicant will seek to obtain legislative approval to extend PACE Program into Service Area 3A.

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Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461), hereafter referenced as Kindred or the applicant, is a for-profit wholly owned subsidiary of the parent, Kindred Healthcare, Inc., proposing to establish a hospice program in Hospice Service Area 3A. Kindred and its subsidiaries currently serve Florida residents in 14 counties from two licensed hospices in Hospice Service Areas: 1, 2A, 3B, 4A, 4B, 7B and 11. The applicant proposes issuance of licensure and initiation of service in April 2017.

Kindred is proposing total project costs of \$263,750.

The applicant's Schedule C includes the following conditions:

- The applicant will provide uncompensated care to charity care patients at a level of 2.0 percent patient days on an annual basis starting with the second year of operations.
- Kindred Hospice and its related companies will continue their ongoing commitment to provide an annual grant of \$150,000 to support the development of Camp I Believe, which provides support to grieving children and families.
- Kindred Hospice commits to develop, by the second year of operation, a Camp I Believe program to serve the residents of Service Area 3A. These programs will augment traditional bereavement services for children experiencing grief and loss.
- Kindred Hospice and its related companies will continue their ongoing commitment to provide an annual grant of \$425,000 to the Dream Foundation, which services terminally ill adults and their families by providing end-of-life dreams that offer inspiration, comfort and closure at the end-of-life. These funds will provide final experiences for patients and their families through its Dream program and Dream for Veterans program.
- Kindred Hospice commits to supporting the health and economic well-being of the residents of Service Area 3A through a one-time grant of \$50,000.
- Kindred commits to hiring one FTE in the first year of operation for the development and implementation of programs focused on improving access to hospice services by Hispanics (and the subgroups within) and African Americans in service area 3A. The programs will include training on cultural differences and competencies and flexible programming to meet their unique needs. Special community education efforts, clinical care protocols and bereavement services for families will be implemented to increase participation in hospice for groups traditionally underrepresented. Programs for other cultural groups will be developed as the needs are identified in the community.

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- Kindred Hospice commits to employ bilingual, Spanish-speaking staff and to provide translated forms and literature.
- Kindred Hospice commits to provide specialized training for staff working with individuals with Alzheimer's disease and other memory conditions impacting care to enhance the provision of hospice care to such individuals.
- Kindred Hospice commits to hiring a Master's prepared Licensed Clinical Social Worker to lead the psychosocial department.
- Kindred Hospice conditions the application on the development of a specialized veterans program in Service Area 3A that achieves the level four designation by the NHPCA within two years of initiation of the hospice program.
- Kindred Hospice conditions this application on providing community outreach and education as well as grief support programs.
- Kindred Hospice conditions this application on the development of one hospice office in Alachua County and second office in Columbia County to more effectively serve the population of Service Area 3A.

PruittHealth Hospice-3A, LLC (CON #10462) hereafter referenced as PHH or the applicant, is a for-profit organization and newly formed entity, which proposes to establish a new hospice program in Hospice Service Area 3A. PHH's parent company, United Health Services Inc., operates 27 hospice programs throughout Georgia, South Carolina and North Carolina. The applicant proposes issuance of licensure and initiation of service in June 2018.

PHH is proposing total project costs of \$589,894.

The applicant's Schedule C includes the following conditions:

- PHH will contribute \$10,000 in Year One and \$25,000 in Year Two to the Gainesville Fisher House to become a sponsor/affiliate of Fisher House to support its operations including but not limited to building an emergency needs fund, stocking the house with food and replacing disposable necessities for the veteran's families.
- PHH will collaborate with Rural Health Partnership to help support rural outreach efforts of this organization.
- PHH will purchase a vehicle for the agency specifically for outreach efforts in rural areas.
- PHH will employ one Community Relations Representatives in Year One and two in Year Two, who will be focused on carrying out veteran outreach efforts among their other responsibilities.
- PHH will employ one Community Relations Representatives in Year One and two in Year Two, who will be focused on carrying out rural outreach efforts among their other responsibilities.

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- PHH will assure that all Community Relations Representatives employed by PHH in Years One and Two will be cross trained to carry out any and all outreach efforts to support one another and the overall mission of the PruittHealth Hospice-3A program.
- PHH will implement PruittHealth's Veterans Recognition Programs.
- PHH will implement the We Honor Veteran's Campaign through the National Hospice and Palliative Care Organization.
- PHH will implement a program designed to reduce hospital re-admissions; the current program utilized by PruittHealth is INTERACT 3.0. The program to be implemented either INTERACT 3.0 or other similarly designed program based on the most recent quality driven program PruittHealth determines to be available at the time of implementation.
- PHH will partner with the Second Wind Dreams Program to continue efforts in realizing past dreams for its patients.
- PHH will incorporate Disease Management CarePaths into the Subdistrict 3A operations.
- PHH will participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public.
- PHH will incorporate PruittHealth's QAPI Plan into the Subdistrict 3A.
- PHH will assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to the employees.
- PHH will participate in PruittHealth Hospice's Camp Cocoon Program and will work to establish a satellite camp in Subdistrict 3A.
- PHH will adopt PruittHealth's Committed to Caring Campaign and in doing so will make efforts to host free health screenings, including blood pressure, diabetes, and hearing test as well as educational sessions. Additionally PHH will participate in the PruittCares Foundation allowing for emergency assistance to its caregivers affected by devastating hardships or natural disasters.

Hospices are required by federal and state law to provide services to everyone requesting them and therefore the Agency would not place conditions on a program to provide legally required services. Should a project be approved, all the applicants' proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code. The applicants' proposed conditions are as they stated. Also, any conditions that are required hospice services would not require condition compliance reports.

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Section 408.606 (5) Florida Statutes states that “The agency may deny a license to an applicant that fails to meet any condition for the provision of hospice care or services imposed by the agency on a certificate of need by final agency action, unless the applicant can demonstrate that good cause exists for the applicant’s failure to meet such condition”.

D. REVIEW PROCEDURE

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

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

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

As part of the fact-finding, consultant Dwight Aldridge, analyzed the application in its entirety with consultation from financial analyst Eric West of the Bureau of Central Services, who evaluated the financial data.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

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1. Fixed Need Pool

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

In Volume 42, Number 191, of the Florida Administrative Register, dated September 30, 2016, a hospice program need of one was published for Service Area 3A for the January 2018 Hospice Planning Horizon. Therefore, the applicants are applying in response to published need.

Service Area 3A is currently served by the following two providers:

- Haven Hospice
- Hospice of Citrus County, Inc.

Hospice admissions in Hospice Service Area 3A are listed below by the applicable providers:

Hospice Admissions in Hospice Service Area 3A for the 12-Month Period ending June 30, 2016	
Haven Hospice	2,995
Hospice of Citrus County, Inc.	419
Total	3,414

Source: Agency for Health Care Administration's Florida Need Projections for the January 2018 Hospice Planning Horizon, published September 30, 2016

Each co-batched applicant offers additional arguments in support of need for each respective project. Arguments are listed and briefly described below.

Community Hospice of Northeast Florida, Inc. (CON #10460) states that Service Area 3A has counties (Alachua, Bradford, Columbia, Putnam and Union) that are contiguous with CHNF's current service area and the geographic continuity will afford CHNF specific advantages in establishing the proposed program. The applicant states there is significant outmigration of adult and pediatric patients from Hospice Service Area 3A to acute care and specialty children's hospitals located in Hospice Service Area 4A. CHNF maintains that since it has already developed professional relationships with the medical and social services staffs at these hospitals, continuity of care will be enhanced for patients and their physicians. The applicant suggests that the proximity of Service Area 3A to Service Area 4A will enable CHNF to expand important overhead and ancillary functions such as staff education, durable medical equipment (DME), pharmacy and community education rapidly and economically.

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CHNF asserts the proposed project will offer the following benefits:

- *Highly Quality Provider:* CHNF is the state's only hospice provider, among the top two percent nationally, to earn Hospice Honors Elite Status from Deyta Analytics² for two consecutive years. CHNF's dedication to high-quality care will be replicated in its program in Service Area 3A.
- *Familiar Community Resource:* Despite not currently providing hospice services in Service Area 3A, CHNF has developed long-term professional relationships with many of the key health care institutions and medical professionals who work in Service Area 3A. These services are included in the applicant's conditions predicated upon approval of the proposed hospice program.
- *Continuum of Services That Extends Well Beyond the Traditional Scope of Hospice Services:* CHNF's range of patient and family services is not limited to the services required under the Medicare Conditions of Participation (COP). CHNF provides a depth of patient and family services that will enhance the range of services available.
- *Managerial Depth and Financial Strength:* CHNF has the continuity of leadership, managerial depth and the financial resources to provide quality hospice services. CHNF offers a variety of excellent programs that augment CMS-required services.
- *Outreach to Underserved Groups:* CHNF is a not-for-profit, full service hospice with a well-established record of providing care to underserved people including African Americans, terminally-ill children, patients without caregivers and the medically indigent.
- *Compassionate Values and Mission:* CHNF will bring its values and mission to Hospice Service Area 3A to improve the quality of life for patients and families and to be the compassionate guide for end-of-life care.

The applicant discusses the declining African American hospice penetration in four of the 11 counties in Service Area 3A over the past five years. CHNF presents Medicare claims data, which according to the applicant, excludes four counties because their volume of Medicare deaths have been too low to permit inclusion consistent with health care privacy regulations. The applicant indicates that hospice penetration rates are defined in the following table as the ratio of the number of Medicare fee-for-service African American patients who received hospice care to the number of Medicare-eligible African Americans who died

² According to <http://www.deyta.com/hospice/hospice-cahps>, Deyta is a CMS-approved vendor that supports hospices with a comprehensive program that simplifies compliance and accelerates improvement.

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during the last five years. CHNF includes data from Service Area 4A Clay, Duval, Nassau and St. Johns Counties, and states that in contrast, these Service Area 4A counties have seen African-American penetration rates increase over the past five years. See the table below.

2011-2015 Trends in African American Hospice Penetration Rates: Medicare Fee For Service Patients							
Hospice Service Area/County	2011	2012	2013	2014	2015	Percent Change 2011-2015	2015 African American Deaths
4A: Clay	63%	72%	58%	69%	83%	32%	98
4A: Duval	67%	65%	64%	67%	69%	3%	1975
4A: Nassau	44%	88%	80%	66%	66%	48%	64
4A: St. Johns	84%	73%	73%	77%	89%	5%	111
3A: Alachua	73%	71%	68%	66%	61%	-17%	364
3A: Bradford	68%	63%	81%	77%	54%	-21%	38
3A: Columbia	60%	71%	69%	40%	52%	-13%	105
3A: Hamilton	59%	54%	54%	39%	52%	-12%	41
3A: Levy	69%	84%	76%	70%	78%	13%	36
3A: Putnam	56%	51%	65%	53%	65%	16%	113
3A: Suwannee	45%	56%	36%	45%	61%	35%	50

Source: CON application #10460, page 62-Health Planning and Development

CHNF states the low and declining penetration among African American residents in Service Area 3A is significant because six of the eleven counties in Service Area 3A have African American populations that exceed the State's average. See the table below.

Percentage of African-American Residents in Service Area 3A Counties	
County	African American Population % of Total 2016 FL Population
Alachua	19.9%
Lafayette	18.0%
Dixie	9.8%
Levy	10.4%
Hamilton	31.9%
Columbia	18.5%
Bradford	20.2%
Union	24.5%
Suwannee	13.1%
Putnam	16.3%
Gilchrist	6.3%
Total 3A AA Population %	18.0%
Stat of FL-AA Population	16.4%

Source: CON application #10460, page 64-Intellimed ESRI Population Data

To address the needs of the underserved African American population, CHNF contends that it has developed successful outreach programs in its 4A service area and will implement these same programs in Service Area 3A. In addition to outreach programs, the applicant indicates that CHNF employs African Americans in all positions throughout the organization.

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CHNF also discusses rural area residents as an underserved population stating that the counties in Service Area 3A have large and growing elderly populations, which represent a higher percentage of the total population in the rural counties. The applicant points out that in 2015 Alachua County counted for a bit less than half of the service area’s total population (253,202 out of 582,763) but is home to roughly a third of the service area’s elderly population. CHNF indicates the same patterns emerge in the 2020 population predictions. See the table below.

2015-2020 Percent Increase In Population-Hospice Service Area 3A				
County	Persons Age 65 to 74	Persons Age 75 & Over	Subtotal Persons Age 65 & Over	Total Population
Alachua	31.1%	21.6%	27.3%	5.2%
Bradford	15.8%	17.7%	16.6%	3.0%
Columbia	21.6%	18.2%	20.2%	5.7%
Dixie	21.6 %	14.5%	18.9%	5.6%
Gilchrist	23.6%	23.5%	23.6%	5.8%
Hamilton	26.3%	19.8%	23.9%	2.9%
Lafayette	16.5%	13.0%	15.0%	4.8%
Levy	20.9%	15.7%	18.8%	7.1%
Putnam	16.1%	2.5%	10.2%	0.7%
Suwannee	16.8%	16.6%	16.7%	5.9%
Union	18.4%	19.6%	18.8%	2.9%
Total	23.4%	16.4%	20.5%	4.7%

Source: CON application #10461, page 67

CHNF states the intention to expand outreach to the rural counties of Service Area 3A by opening offices in Alachua and Columbia Counties, providing needed geographic coverage to residents of rural regions in the western part of the service area. The applicant states to be experienced in caring for patients in rural counties including Baker and Nassau Counties³. CHNF notes additional indicators for the need for the proposed hospice program such as mortality rates in Service Area 3A and outmigration from the 3A to the 4A service area. Utilizing medical claims data, the applicant notes that Union County has the highest percentage of outmigration at 37.0 percent and Putnam has the highest volume of patients leaving the county to find medical treatment outside the county. See the following table.

³ Nassau County was designated a rural county until 2010.

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Percent of Service Area 3A Acute Admissions Treated Outside of Service Area 3A			
County	Cases	Outmigration	Outmigration %
Union	2,479	918	37.0%
Putnam	11,078	3,983	36.0%
Levy	5,839	1,452	24.9%
Lafayette	637	157	24.6%
Bradford	3,958	810	20.5%
Hamilton	1,615	212	13.1%
Columbia	10,218	1,093	10.7%
Alachua	30,648	3,221	10.5%
Suwannee	6,523	662	10.1%
Dixie	2,554	173	6.8%
Gilchrist	2,375	158	6.7%
3A Service Area	77,924	12,839	16.5%

Source: CON application #10460, page 70

The applicant maintains CHNF has existing relationships with both Service Area 3A and 4A hospitals and can operate in both markets to ensure patient continuity of care. CHNF indicates a long record as the leading provider of hospice services in existing Service Area 4A and despite the introduction and growth of new competitors over the years, CHNF's market share in the service area exceeds 70 percent. The applicant additionally notes that it has been successful in maintaining and growing its volume of hospice admissions.

The applicant contends that Kindred/Odyssey (co-batched applicant 10461) is not a major competitor in any of the three service areas in Florida where it has operations. CHNF states that Kindred/Odyssey has never admitted more than 300 patients in Services Areas 3B and 4B, and Kindred/Odyssey's market share is less than five percent in Service Area 4B. The applicant maintains that there is no historical record to suggest that Kindred/Odyssey will improve that rate of hospice election materially in Service Area 3A. CHNF provides a chart on page eight of CON application #10460 which shows Odyssey's admissions by service area for years 2011-2015. The reviewer provides a summary of Odyssey's admissions by service area for the referenced years. See the table below.

Odyssey/Gentiva/Kindred Hospice Admissions by Service Area 2011-2015					
Service Area 3B, 4B and 11					
Service Area 3A	2011	2012	2013	2014	2015
HPH Hospice/Gentiva	208	242	244	256	288
Service Area 4B					
Gentiva Hospice (fka Odyssey)	356	258	243	243	153
Service Area 11					
Gentiva Hospice (fka Odyssey)	879	848	742	737	824
Total	1,443	1,348	1,229	1,236	1,265

Source: CON application #10460, page 8

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Additionally, CHNF provides the following table to illustrate CHNF's hospice utilization in Service Area 4A from 2011-2015.

CHNF Service Area 4A 2011-2015					
	2011	2012	2013	2014	2015
CHNF	6,024	5,697	5,886	5,673	5,817
Haven Hospice	543	601	985	1,161	1,279
Heartlands Home Care and Hospice	214	191	188	214	179
VITAS	137	424	468	645	844
Total	6,918	6,913	7,527	7,693	8,119
Resident Deaths	11,588	11,208	11,839	11,842	12,427
Penetration Rate	59.7%	61.7%	63.6%	65.0%	65.3%

Source: CON application #10460, page 7-Florida Need Projections for Hospice Programs

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) discusses population and death rates in Hospice Service Area 3A. The applicant provides statistical data reiterating the Agency's fixed need pool publication for one new hospice program in Service Area 3A. Kindred analyzes the proportion of projected cancer and non-cancer diagnoses for individuals under age 65 and aged 65+ with hospice use rates among death rates for Service Area 3A.

In regards to the proposed service area, Kindred states that population increases among specific groups are changing the demographic makeup of Hospice Service Area 3A. The applicant proposes to serve Hispanics, African Americans, Veterans and persons with non-cancer diagnosis through specialized outreach programs.

Kindred indicates that the Hispanic population is growing at a notably faster pace than the total population in the service area. The applicant states, according to current Nielsen population estimates, the Hispanic population in Service Area 3A increased 28 percent during the past five years, while the total population increased 14 percent. Kindred adds that over the next five years, the Hispanic population and total population will see increases of 19 percent and eight percent respectively. Kindred states that these population trends suggest the need for culturally specific and appropriate hospice care in the Hispanic community is also increasing.

The applicant identifies several factors that make outreach essential to this population. The first being that Hispanic populations are often lumped into one group for the purposes of outreach care however, there are a number of various segmented and distinct groups within the Spanish-speaking community, separate communities exist for Cuban, Puerto Rican, Mexican and South American families. Each of these

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groups has its own cultural differences and values that must be understood to provide the most individualized hospice care and Kindred's hiring will reflect the diversity in the community.

Secondly, the applicant states that various Hispanic communities in Florida can be closed to outsiders, so without strong ties in the community, any outreach initiative may be viewed skeptically or with distrust. Kindred declares to have a multi-level approach to be effective in the Hispanic communities within Service Area 3A and will implement culturally sensitive outreach programs that recognize the unique needs of the Hispanic communities. The reviewer notes that the applicant did not indicate the specific communities comprised in Hospice Service Area 3A, nor did it indicate what the specific multi-level approach will be in the 3A community.

Kindred discusses the intent to reach out to multicultural and Hispanic churches in order to provide speaking engagements, education opportunities and health fairs that support and educate the Hispanic community regarding hospice care and services. The applicant expects to network with local chaplains, ministers, pastors and spiritual care/advisor volunteers to help bolster awareness of the accessibility of hospice services that will be provided by Kindred. The applicant states, as to demonstrate Kindred's commitment to the Hispanic community, Kindred has conditioned its CON application on the implementation of education and outreach program for Hispanic and African American populations, staffed with full time employees⁴. Kindred expresses the awareness of language barriers which may hinder the ability to properly express the benefits of the hospice care and services provided by the applicant. To address this issue, Kindred states it will provide access to hospice services with Spanish materials and Spanish-speaking staff in a culturally sensitive environment. The applicant provides copies of Spanish-language brochures and other information regarding Spanish-speaking communities in Attachment 14 of CON application #10461.

Kindred states, according to current Nielsen population estimates and projections, the African American population in Service Area 3A is also experiencing an upward trend, increasing approximately 12 percent over the past five years and is projected to have an additional six percent increase over the next five years. Kindred asserts that a racially sensitive outreach program requires a multi-pronged approach that includes

⁴ The reviewer notes that the applicant commits to hiring one FTE in the first year of operation for the development and implementation of programs focused on improving access to hospice services by Hispanics and African Americans. An education program coordinator or outreach coordinator for this program is not allotted on the applicant's Schedule 6A or on the notes to Schedule 6A. The only social services listed in year one are two FTEs for MSW/Spiritual Care Coordinator.

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education efforts, cultural appreciation and cross-cultural dialogue. The applicant discusses the intent to develop relationships with access points in the African American community, most notably churches and civic organizations. The applicant maintains that a concerted effort will be made to educate its staff about the values and cultural experiences unique to African Americans and will support other community education efforts to improve awareness among the service area’s African American population for end-of-life care and its benefits.

The applicant asserts its dedication to meeting the needs of underserved populations from the company’s leadership to the individual caregivers, by employing a Divisional Vice President of Diversity and Inclusion, who ensures that diversity and inclusion occurs at all levels within the organization. Kindred states that employing a diverse staff ensures that the Kindred team includes persons of multiple races and ethnicities to connect with potential groups in a meaningful way in order to best understand their needs and provide awareness and education.

Kindred states that a significant percentage of the population in Service Area 3A are Veterans (12 percent) and hospice services must be readily available to those who have served the country with dignity. The applicant notes that in 2016, there were a total of 54,863 Veterans living in the service area—47 percent were 65+ (25,722 Veterans) and seven percent were 85+. Kindred maintains that this elderly population has the highest risk for conditions that require hospice care such as cancer, cardiac disease, pulmonary disease and Alzheimer’s. The applicant provides the following table to illustrate the current and projected 2021 Veteran population for Service Area 3A.

Service Area 3A Veteran Population for 2016 and 2021		
	2016	2021
Veterans 65 and Under	29,141	27,348
Veterans 65+	25,722	26,157
Veterans 85+	3,710	4,402
Total Veteran Population	54,863	53,505

Source: CON application #10461, page 35

Kindred asserts its commitment to caring for Veterans and their families, especially at the end-of-life. The applicant discusses the “We Honor Veterans” program, a company-wide initiative implemented in 2012, which Kindred describes as a collaboration between the National Hospice and Palliative Care Organization and the Department of Veteran Affairs. The applicant states that hospice employees are provided education on the unique needs of Veterans and their families as well as training and professional development including topics such as Veteran benefits, homeless Veterans, Veteran issues at the end-of-life and service-related

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diseases. The applicant provides additional information regarding the We Honor Veterans program and training packets in Attachment 10 of CON application #10461.

Kindred states that the Agency estimated that on a statewide basis, patients with non-cancer diagnosis utilize hospice services at a much lower rate than patients with cancer diagnosis. In order to increase awareness of the benefit of hospice care as a valuable end-of-life service for patients who have a non-cancer diagnosis, the applicant discusses plans to implement enhanced outreach efforts, particularly Memory Care and Kindred Care Continuum programs.

The applicant indicates that through its existing long-term care hospitals and home health offices in Service Area 3A and neighboring counties, Kindred already has significant referral relationships with hospitals, physicians, assisted living facilities, nursing homes, and other health care providers in Service Area 3A who refer patients to Kindred for long-term acute care (LTACH) and home health services. The applicant states that for those patients being discharged from hospitals with life-limiting illness or for those whose physician determines hospice care is needed, Kindred will be a natural choice for a hospice provider, as these clinicians and facilities already trust and refer patients to Kindred for home health care. The applicant asserts that the addition of the proposed hospice program in Service Area 3A will make the transition seamless for home health patients whose disease state worsens and requires hospice services over time.

In order to fully serve all of Service Area 3A, Kindred intends to locate its main hospice office in Gainesville, with a second site planned for Lake City in Columbia County in order to care for all patients throughout the service area more efficiently. Kindred states that staff will be strategically located throughout the entire service area similar to Kindred's current home health operational structure. The applicant maintains that Kindred's extensive corporate resources and experience will allow for the efficient and thorough implementation of the proposed hospice program.

PruittHealth Hospice-3A, LLC (CON #10462) states that during the 12 months ending June 30, 2016 there were 3,414 admissions to Hospice Service Area 3A. The applicant applied the 2015 death rate to the most current hospice admissions, resulting in a hospice penetration rate of 57.6 percent. PHH indicates that the statewide average penetration rates exceed the Subdistrict's rate in each of the four age/diagnosis cohorts. PHH states that overall, the Subdistrict 3A hospice penetration rate is more than nine percentage points lower than the statewide overall

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hospice penetration and ranges between 7.4 and 13 percentage points lower than the State in each of the four individual categories. The applicant provides the following table to illustrate the extent to which PHH feels the residents of Subdistrict 3A are underserved.

Hospice Penetration Rate, Subdistrict 3A and Statewide Current Utilization and 2015 Deaths					
Location	U65C ⁽¹⁾	65C ⁽²⁾	U65NC ⁽³⁾	65NC ⁽⁴⁾	Total
Subdistrict 3A Penetration Rate	77.5%	87.2%	20.1%	61.0%	57.6%
Statewide Penetration Rate	90.5%	94.6%	94.6%	68.4%	66.8%
Subdistrict 3A Shortfall	13.0%	7.4%	8.0%	7.4%	9.2%

Source: CON application #10462, page 133

(1) U65C-under the age of 65 with cancer as the primary diagnosis

(2) 65C-older than 65 with cancer as the primary diagnosis

(3) U65NC-under the age of 65 with a non-cancer diagnosis

(4) 65C-older than 65 with a non-cancer diagnosis

PHH states that Subdistrict 3A has several market dynamics, which combined, have resulted in the projected gap in admissions and resulting need. The applicant states these dynamics include but are not limited to the following:

- Declining admissions to existing hospice programs
- Growing number of resident deaths
- Declining hospice use rates
- Excessive outmigration
- Existing program discharging excessive number of “live discharges”

The applicant notes that Hospice Service Area 3A has two existing hospice programs, Haven Hospice and Hospice of Citrus County. The applicant contends that Haven Hospice (operating in Alachua, Columbia, Levy and Putnam Counties) is the dominant provider in the market with 2,995 patients for the 12 months ending June 30, 2016, which PHH states is a decline from 3,151 in the 12 months prior. The applicant indicates that Hospice of Citrus County does not operate any inpatient facilities in the Subdistrict and has five office location in the same four counties as Haven Hospice with an aggregated 419 admissions in the most recent 12 months. The applicant notes that this was also a decline from the 12 months prior (down from 579 patients).

PHH maintains that in the most recent 12 months, both hospices admitted significantly fewer patients than the 12 months prior, with Haven Hospice admissions declining by 156 and Hospice of Citrus County admissions declining by 160 patients. PHH states that resident deaths grew by 279 (4.9 percent) between 2013 and 2015. The applicant asserts that the aggregate loss of 316 market admissions to

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hospice and the growing number of deaths led to the projected 2018 need for an additional hospice provider in Service Area 3A. See the table below.

Subdistrict 3A Hospice Admissions by Program 12 Months Ending June 30, 2013- June 30, 2016								
Subdistrict 3A Hospice Program	Hospice Admissions				Three-Year Change 2013-2016		One-Year Change 2015-2016	
	2013	2014	2015	2016	Change	Percent Change	Change	Percent Change
Haven Hospice	2,943	2,982	3,151	2,995	53	1.8%	(156)	(5.0%)
Hospice of Citrus County	591	519	579	419	(172)	(9.1%)	(160)	(27.6%)
Subdistrict 3A	3,534	3,501	3,501	3,414	(120)	(3.4%)	(316)	(8.5%)

Source: CON application #10462, page 47

PHH states that the ultimate effect of growing resident deaths and declining hospice admissions is shrinking hospice use/penetration rates. PHH makes notes that the overall Subdistrict 3A hospice use rate in 2013 was 62 percent which has since decreased to 57.6 percent, in contrast, the statewide hospice penetration rate which has grown from 64.8 percent in 2013 to 66.8 percent for the 12 months ending June 30, 2016. The applicant states PHH will admit 485 patients in Year 2 which represent an 89 percent use/penetration rate.

The applicant indicates that during CY 2014, 2015 and for the nine months ending March 31, 2016, there was nearly 10 percent outmigration of Subdistrict 3A residents to other hospices outside the 11 county area. PHH states that three offices will be established and dispersed across 11 counties and that the location of these offices was a strategic decision made to ensure that two of three offices were positioned within and accessible to the rural spans of Service Area 3A. PHH states that two of three office will open immediately with the Columbia office serving Columbia, Union, Hamilton, Suwannee and Lafayette Counties. The applicant plans to immediately open an office in eastern Alachua with a focus on serving Alachua, Putnam and Bradford Counties. The third office will be located in Levy County and primarily serve Levy, Dixie and Gilchrist Counties. PHH contends that the strategic dispersion of three office locations will ultimately reduce outmigration and enhance accessibility to hospice utilization within each of the subdistrict's 11 counties.

The applicant discusses excessive “non-death” discharges and states that in theory, virtually all hospice discharges occur when the patient dies since hospice is end-of-life care and to qualify for hospice, patients have a prognosis of six or less months to live. PHH states that due to factors such as change in terminal status, relocating out of an area, the utilization of curative treatments in lieu of hospice or other related

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factors, that statewide, 17.4 percent of hospice discharges are non-deaths versus deaths. PHH states that Haven Hospice's percent of live discharges is slightly lower than the state's average however, Hospice of Citrus County, which reports on a consolidated basis with its programs in a contiguous subdistrict, discharges nearly 24 percent of its patients as non-deaths.

PHH proclaims that the proposed hospice program will enhance access to hospice services for specific populations in need. The applicant identified the following specific population in need and briefly discusses proposed solutions in response to this unmet need:

- Rural residents,
- Veteran populations,
- Black and Hispanic minority groups
- Patients with specific terminally ill diseases and diagnoses.

The applicant indicates that it has a history of being a rural hospice provider, stating that the vast majority of its hospice programs across the southeast United States are in Rural Markets. The applicant states that of the 138 counties served by its parent's affiliates in Georgia, 91 are rural counties and 20 of the 46 counties in South Carolina, as well as 54 of the 68 North Carolina counties served are designated rural counties. The applicant asserts that 66 percent of all counties where PHH affiliated hospice operate in rural counties.

PHH commits to hiring one to five Community Relations Representatives by year two of operation to focus on rural outreach efforts. PHH also states intentions to develop a synergistic relationship with Rural Health Partnership, and commit up to \$35,000 in its first two years of operation to serve residents in rural areas. PHH will purchase a vehicle at the onset of the project that will be used specifically for rural outreach. The applicant states it will also collaborate with hospitals, nursing homes assisted living facilities and other providers throughout rural area to further ensure that access to hospice services for rural residents is enhanced.

PHH asserts that the proposed program will enhance access to hospice services for Veteran populations, rural residents, minority groups and patients with specific terminally ill diseases and diagnoses. The applicant expresses PHH's expertise in rural programming, veteran outreach, disease specific programming, minority outreach.

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The applicant states that Subdistrict 3A is home to nearly 55,000 Veterans representing 11.5 percent of the population age 65+. PHH points out that amongst just the nine rural Subdistrict 3A counties, veterans account for 14 percent of the population and comparatively, statewide, 9.5 percent of the 65+ population are Veterans. PHH states that on a county by county level (with the exception of Alachua County) Veterans represent between 11 and 18 percent of the population. The applicant adds that Bradford, Columbia, Union, Putnam and Suwannee Counties have the greatest proportion of Veteran populations as a percent of the total and Alachua County has the single greatest number of Veteran residents with nearly 18,500. The applicant presents the following table the veteran population in Subdistrict 3A.

Subdistrict 3A Veteran Population Ages 17+ and 65+ As of September 30, 2016						
County	Ages 17 and older			Ages 65 and older		
	Veteran Population	Total Population	Percent Veterans	Veteran Population	Total Population	Percent Veterans
Alachua	18,481	212,434	8.7%	7,917	35,414	22.4%
Bradford*	4,149	22,762	18.2%	1,745	4,827	36.2%
Columbia*	8,224	55,211	14.9%	4,037	12,531	32.2%
Dixie*	1,637	14,105	11.6%	893	3,705	24.1%
Gilchrist*	1,637	13,798	11.9%	922	3,490	26.4%
Hamilton*	1,290	12,197	10.6%	532	2,542	20.9%
Lafayette*	751	7,076	10.6%	321	1,266	25.3%
Levy*	4,597	33,444	13.7%	2,492	9,099	27.4%
Putnam	7,544	57,720	13.1%	4,079	15,504	26.3%
Suwannee*	4,597	36,368	13.0%	2,634	9,407	28.0%
Union*	1,829	13,323	13.7%	585	1,959	29.9%
Subdistrict 3A	54,863	478,438	11.5%	26,157	99,744	26.2%
Rural Counties*	28,838	208,284	13.9%	14,161	48,826	29.0%
Florida	1,533,306	16,217,979	9.5%	721,740	3,929,833	18.4%

Source: CON application #10461, page 61- Florida Charts, U.S. Department of Veterans Affairs, National Center of Veteran Analysis and Statistics, Table 9L and NHA Analysis

(*) Designated Rural Counties Per 2010 Census (defined as 100 persons or less per square mile)

PHH states the intention to implement a veteran’s outreach program immediately upon licensure. Outreach efforts will include Community Relations representatives meeting key personnel and discharge planners at both Veterans Administration Medical Centers, in Gainesville and Lake City, to promote hospice awareness, educate staff on the benefits of hospice care for veterans and introduce PHH and its specialized Veteran program. PHH’s Community Relations Representatives will focus on veteran outreach efforts and all representatives will be cross-trained for veteran outreach. PHH will contribute \$35,000 in the first two years of operation to the Gainesville Fisher House to sponsor and support its operations.

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The applicant discusses minority demographics, stating that Medicare claims data reveals that both African American and Hispanic cohorts are historically underserved relative to their counterparts in Hospice Service Area 3A. PHH provides the following table and notes that the shortfall only includes the Medicare 65+ population, however, there may be other underserved African Americans and Hispanics covered by third party payors and Medicaid. See the table below.

Subdistrict 3A Underserved Black Cohort Black Medicare Admissions and Deaths, 65+ CY 2015		
	Black	White
Medicare Admissions to Hospice	273	2,552
Deaths, 65+	453	3,630
Medicare	60.3%	70.3%
Restated Penetration Rate	70.3%	--
Restated Medicare Admission to Hospice	319	--
Shortfall (Actual minus Restated)	46	--

Source: CON application #10462, page 75

Hispanic vs Non-Hispanic Penetration Rate Medicare Admissions and Resident Deaths, Age 65 and Older Calendar Year 2015			
	Hispanic	Non-Hispanic	Total
Medicare Admissions to Hospice	17	2,856	2,873
Deaths, 65+	83	4,060	4,143
Medicare	20.5%	70.3%	69.3%
Restated Penetration Rate	70.3%	--	--
Restated Medicare Admission to Hospice	58	2,856	2,914
Shortfall (Actual minus Restated)	(41)	--	--

Source: CON application #10462, page 75

The applicant states that in 2015 there were 5,923 resident deaths originating from the 11-county Subdistrict with cancer, heart diseases, chronic lower respiratory disease, cerebrovascular diseases, Alzheimer's disease and kidney related disease being amongst the leading causes of death. PHH provides the following table to which shows the leading causes of death by age cohort.

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Subdistrict 3A Leading Cause of Death, CY 2015						
Leading Causes of Death	Resident Deaths			Percent of Total		
	Ages 0-64	Ages 65+	Total	Ages 0-64	Ages 65+	Total
Malignant Neoplasm(Cancer)	475	978	1,453	26.7%	23.6%	24.5%
Hearth Diseases	264	895	1,159	14.8%	21.6%	19.6%
Chronic Lower Respiratory Disease	77	328	405	4.3%	7.9%	6.8%
Unintentional Injury	220	129	349	12.4%	3.1%	5.9%
Cerebrovascular Disease	55	264	319	3.1%	6.4%	5.4%
Diabetes Mellitus	70	136	206	3.9%	3.3%	3.5%
Alzheimer's Disease	2	106	108	0.1%	2.6%	1.8%
Nephritis, Nephrotic Syndrome, Nephrosis	22	80	102	1.2%	1.9%	1.7%
Chronic Liver Disease & Cirrhosis	62	37	99	3.5%	0.9%	1.7%
Parkinson's Disease	2	66	68	0.1%	1.6%	1.1%
Subtotal	1,249	3,019	4,268	70.2%	72.9%	72.1%
All Other Cases	531	1,124	1,655	29.8%	27.1%	27.9%
Total	1,780	4,143	5,923	100.0%	100.0%	100.0%

Source: CON application #10462, page 78-Florida CHARTS and NHA Analysis

PHH intends to enhance access to disease specific programs by offering programs for a variety of leading disease categories such as cancer, chronic obstructive pulmonary disease (COPD), heart failure and others, that provide clinical pathways for common primary diagnoses with the goal to reduce hospital readmissions and calls to 911. PHH maintains that specific disease programming requires that interdisciplinary team members are educated and equipped to handle the unique symptoms, prognosis, medication education and disease specific support required for each patient with each diagnosis. The applicant states that individualized care plans are developed for each patient and maintained in the patient's home for reference by the patient and/or family member. PHH disease specific programs include but are not limited to the following: oncology, cardiac, COPD, stroke and Alzheimer's/Dementia.

The applicant asserts that PHH is the most appropriate of the co-batched applicants to fulfill the need published by the Agency. PHH maintains that it is uniquely qualified to meet the demand in the market as it relates to each of the above-mentioned areas.

2. **Agency Rule Criteria and Preferences**

a. **Rule 59C-1.0355(4)(e) Preferences for a New Hospice Program. The Agency shall give preference to an applicant meeting one or more of the criteria specified in the below listed subparagraphs:**

(1) **Preference shall be given to an applicant who has a commitment to serve populations with unmet needs.**

Each co-batched applicant is responding to published need for an additional hospice program for the January 2018 planning horizon. **Each** co-batched applicant discusses serving populations they believe to be underserved or otherwise in need of target population hospice services.

Community Hospice of Northeast Florida, Inc. (CON #10460) cited the following populations as experiencing unmet hospice need: African Americans, individuals with chronic illness (COPD⁵, congestive heart failure, various cancers, Alzheimer's, HIV/AIDs etc.), elderly residents in rural areas, medically indigent patients and families and children with serious, non-cancer diagnosis, children with serious, life-limiting illnesses and Veterans.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) cited the following populations as experiencing unmet hospice need:

- Hispanics
- African Americans
- Veterans
- Persons with a non-cancer diagnosis.

PruittHealth Hospice-3A, LLC (CON #10462) discusses specific underserved patient populations for which it plans to focus programming and resources to enhance access to hospice which include:

- Rural population including those who reside within nine of 11 Subdistrict 3A counties, specific rural minority groups
- Veteran population
- Veterans who reside in rural areas of Subdistrict 3A
- Minority population including African Americans and Hispanics
- Terminally-ill with several specific diseases

⁵ Chronic Obstructive Pulmonary Disease

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- (2) Preference shall be given to an applicant who proposes to provide the inpatient care component of the hospice program through contractual arrangements with existing health care facilities, unless the applicant demonstrates a more cost-efficient alternative.**

Community Hospice of Northeast Florida, Inc. (CON #10460) intends to have contractual agreements with nursing homes/ long-term care facilities and hospitals, as well as any other inpatient hospice service providers to provide any required inpatient services.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) intends to enter into contractual agreements with area skilled nursing facilities for the provision of general inpatient care. Kindred states to currently be involved in discussions with area inpatient providers in Service Area 3A regarding an agreement to work together to ensure seamless transition of hospice patients. The applicant references letters of support from skilled nursing facilities in Attachment 7 of CON Application #10461 that confirm their interest in working with Kindred.

PruittHealth Hospice-3A, LLC (CON #10462) intends to contract with service area nursing homes and hospitals, as well as other healthcare providers designed to meet patient needs in Hospice Service Area 3A counties. PHH indicates, upon CON approval, it will meet with representatives from the following organizations to confirm contractual agreements:

- Lake City Medical Center
- Shands Lake Shore Regional Medical Center
- Baya Pointe Nursing and Rehabilitation Center
- Parklands Care Center
- Signature Healthcare
- Park Meadows Health & Rehabilitation Center
- Lafayette Health Care Center

- (3) Preference shall be given to an applicant who has a commitment to serve patients who do not have primary caregivers at home; the homeless; and patients with AIDS.**

Community Hospice of Northeast Florida, Inc. (CON #10460) states that if a patient has no caregiver, the Interdisciplinary Care

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team develops strategies that will enable the patient to remain in the least restrictive care setting possible, preferably his or her own home. The applicant indicates the utilization of home health aide visits, volunteers, patient neighbors and other resources are increased in circumstances where the patient is without a caregiver.

CHNF asserts that it does not discriminate against homeless patients and works to develop solutions to the challenges of providing care to the homeless through liaisons with other community service organizations, churches and homeless shelters. The applicant also states that it does not discriminate against patients based on diagnosis or sexual orientation. CHNF indicates that in 2015 and 2016, it cared for 33 AIDS patients.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) commits to serve and admit all individuals who qualify for hospice care within the licensed service area including homeless persons, persons without primary caregivers and persons with HIV/AIDS and cites its success with serving the homeless and individuals without primary caregivers through the use of a medical ethics committee and a surrogate decision maker. Kindred maintains its commitment to provide at least two percent of patient days to serve charity patients, as a condition of approval of its proposed hospice program.

PruittHealth Hospice-3A, LLC (CON #10462) declares a commitment to serve all residents, including but not limited to those who are homeless, patients who are without primary caregivers, and those with AIDS. PHH indicates the primary focus of the proposed hospice program will be enabling patients to remain in the least restrictive and most emotionally supportive environment possible.

The applicant states upon admission the patient will be asked to select a primary caregiver and in circumstances involving terminally-ill patients who are without at-home support, PHH states it will develop a care plan detailing the means by which the daily care and safety needs of the patient will be met. The applicant indicates that in the event that the patient is unable to provide care to themselves, lacks a caregiver network or is homeless, the applicant intends to recommend placement in an assisted living facility or nursing home where the hospice can provide residential care. The applicant will have a social worker assist patient without financial resources in obtaining hospice care

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and assist the patients with developing a caregiver network from their community which includes neighbors, relatives, friends, church groups, sister services and volunteer organizations.

PHH asserts that it has experience serving terminally ill individuals with HIV and assures that these patients will have access to hospice services. The applicant states that staff will be trained in infection control and exercise precautionary measures.

- (4) In the case of proposals for a hospice service area comprised of three or more counties, preference shall be given to an applicant who has a commitment to establish a physical presence in an underserved county or counties.**

Community Hospice of Northeast Florida, Inc. (CON #10460) states to be experienced in caring for patients in rural counties. The applicant plans to establish administrative offices in both Alachua and Columbia Counties to service the 3A market. CHNF indicates that the proposed offices will provide reasonable geographic access to most of the populated areas of Service Area 3A. The applicant also states intention to open a third office in Dixie or Levy County in Year Three or Year Four of operation. CHNF discusses plans to implement Telehealth⁶ capabilities in the proposed service area in order to improve the level of services available to patients in rural service areas.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) plans to operate its primary hospice office in Alachua County, with an alternative delivery site in Lake City, Columbia County. Kindred reiterates that the establishment of these sites area are a condition of approval of its proposed hospice program.

PruittHealth Hospice-3A, LLC (CON #10462) states it will establish three offices dispersed across subdistrict, with location of the offices being strategic as to ensure two of three offices were positioned within and accessible to the rural areas of Service Area 3A. PHH indicates the first rural office will open immediately in Columbia County and serve five rural counties: Union, Hamilton, Suwannee, Columbia and Lafayette Counties. PHH states that second office will also open immediately in eastern Alachua County, and a third office will open in Levy County within Year

⁶ The applicant discusses details of the planned Telehealth system on page 73 of CON application #10460

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Two of operation. PHH asserts its expertise in rural programming, veteran outreach, disease specific programming, minority outreach and the strategic dispersion of three office locations will ultimately reduce outmigration and enhance accessibility to hospice utilization within each of the subdistrict's 11 counties.

- (5) Preference shall be given to an applicant who proposes to provide services that are not specifically covered by private insurance, Medicaid, or Medicare.**

Community Hospice of Northeast Florida, Inc. (CON #10460) states to offer a wide variety of programs and services that are not specifically covered by private insurance, Medicaid or Medicare and will continue to do so in the proposed program. The applicant reports total expenditures on non-reimbursable services were \$4,463,521 for calendar year (CY) 2015. CHNF lists non-reimbursable services as the following:

- Pediatric palliative
- Home care and community benefit
- Unfunded community programs
- Community palliative care
- Bereavement care

The applicant describes a number of non-reimbursed programs it offers at present:

- Community PedsCare
- Community Palliative Consultants
- Caregivers Coalition®
- Honoring Choices Florida
- Community Care Choices
- Veterans Program
- Program for All-Inclusive Care for the Elderly (PACE)
- Advance Care Model

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Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states it currently provides services that are not specifically covered by private insurance, Medicaid or Medicare and will continue to do so in the proposed program. Kindred lists the following non-covered services to be provided:

- Bereavement and grief support programs that are available to all service area residents,
- Volunteers to provide respite for caregivers at home, assistance with errands and light homemaking tasks
- Services to persons who have exhausted their insurance benefit
- Veteran recognition events
- Community education
- Employee programs

The applicant describes four such programs it currently offers on pages 17-20 of CON application 10461:

- Kindred Care Connect Program
- Memory Care Program
- We Honor Veterans Program
- Camp I Believe

PruittHealth Hospice-3A, LLC (CON #10462) states it will serve all terminally-ill patients as defined by state/Medicare who select hospice care. PHH notes that any decision to limit or stop hospice care must come from the patient, family or the physician. The applicant asserts that services are provided to Subdistrict 3A that are not covered by private insurance, Medicaid or Medicare. PHH references sixteen non-core services as a condition of approval on page 118-119 of CON application #10462 and noted by the reviewer on pages 6-7 of this document.

The applicant lists a number of specialized programs:

- Veterans Recognition Program
- Tuck-In Program
- Second Wind Dreams Program
- Caring Hands Program

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b. Chapter 59C-1.0355, Florida Administrative Code contains the following general provisions and review criteria to be considered in reviewing hospice programs.

(1) Required Program Description (Rule 59C-1.0355(6), Florida Administrative Code): An applicant for a new hospice program shall provide a detailed program description in its certificate of need application, including:

(a) Proposed staffing, including use of volunteers.

Community Hospice of Northeast Florida, Inc.

(CON #10460) provides the proposed staffing as reflected in Schedule 6A of CON #10460 application. The following is the applicant’s proposed staffing for each of the first two years of operation.

CHNF Staffing for Subdistrict 3A Year One Ending December 31, 2018 and Year Two Ending December 31, 2019		
Position	FTEs Year One	FTEs Year Two
Administrator	1.00	1.00
Volunteer Coordinator	1.00	1.00
Medicaid Specialist	0.50	1.50
Sales Representative	0.50	1.00
PedsCare Admin Assistant	1.00	1.00
Medical Director	0.20	0.50
ARNP	2.00	4.00
RNs	0.30	1.00
Home Health Aides	0.00	0.50
Triage Nurse	6.00	13.00
PedsCare RN	0.50	1.00
Certified Nurses’ Aides	0.40	1.00
LPN	0.32	1.23
Chaplain	0.32	1.23
Licensed Clinical Social Worker	0.20	0.50
Bereavement Counselor	0.20	0.50
PedsCare Child Life Specialist	0.20	0.30
PedsCare Social Worker	0.20	0.50
Total	22.5	28.0

Source: CON application #10460, Schedule 6A

CHNF discusses the role of volunteers and states the intent to build a strong volunteer support for the proposed program. The applicant states that volunteers currently serving, who reside in areas adjacent to Service Area 3A, would be able to provide services.

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Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) provides the proposed staffing as reflected in Schedule 6A of CON application #10461 application. The following is the applicant’s proposed staffing for each of the first two years of operation.

Kindred Proposed Staffing for Subdistrict 3A Year One Ending December 31, 2017 and Year Two Ending December 31, 2018		
Position	Number of FTEs Year One	Number of FTEs Year Two
Administrator	1.00	1.00
Director of Nursing	1.00	2.00
Admissions Director	1.00	1.00
Secretary	1.00	2.00
Office Manager	1.00	1.60
R.N.s	4.50	5.70
Nurses’ Aides	3.50	5.00
Dietary Supervisor	0.01	1.00
MSW/Spiritual Care Coord.	2.00	2.4
Total	15.1	18.2

Source: CON application #10461, Schedule 6A

Notes to Schedule 6A indicate that the FTE projections represent the incremental staff needed by Kindred to implement the proposed new program. Kindred notes, as an existing provider of hospice services, much of the administrative, technical and support infrastructure is currently available and can serve both the existing and proposed hospice programs offering greater efficiency and effectiveness.

PruittHealth Hospice-3A, LLC (CON #10462) provides the proposed staffing as reflected in Schedule 6A of CON #10462 application. The following is the applicant’s proposed staffing for each of the first two years of operation.

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PruittHealth Hospice 3A, LLC Staffing for Subdistrict 3A Year One Ending June 30, 2018 and Year Two Ending June 30, 2019		
Position	FTEs Year One	FTEs Year Two
Administration	1.00	1.00
Director of Nursing	1.00	1.24
Community Relations Coordinator	3.00	5.00
Administrative Support	1.00	1.00
Clerk for Additional Offices	1.00	2.00
RN	1.65	5.43
Admissions Nurse	1.00	1.00
Nurse Practitioner	0.69	1.25
Nurses' Aides	2.01	7.07
Continuous Care Nurse	0.63	4.04
Continuous Care Aides	0.52	3.30
Social Worker	1.00	2.02
Volunteer Coordinator	0.50	0.94
Chaplain	1.00	1.43
Bereavement Coordinator	0.50	0.94
Total	16.5	37.66

Source: CON application #10462, Schedule 6A

The applicant notes that the hospice program's medical directors will be a contracted position and therefore not included on Schedule 6. PHH states this position is included at \$6,000 per month in year one for two offices but will increase by \$3,000 (\$9,000 total) per month in year two for an additional part time medical director when the third office opens.

(b) Expected sources of patient referrals.

Community Hospice of Northeast Florida, Inc.

(CON #10460) anticipates that it will obtain patient referrals for the proposed hospice program from the following sources:

- Physicians
- Hospitals
- Nursing homes
- ALF's
- Social workers
- Family members
- Clergy
- Social service organizations and professionals

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Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states plans to target a variety of sources for hospice referrals, including:

- Physicians
- Hospital discharge planners
- Social workers
- Nursing facilities
- Assisted living facilities
- Home health agencies
- Group homes
- Community social service agencies
- Churches
- Veterans groups

The applicant states that patients and families may also refer themselves with the support and direction of an attending physician. Kindred states that as an existing provider of home health services in the area, it already has robust referral relationships with a significant number of providers in the area. The applicant also indicates that the largest sources of existing referrals in the Subdistrict are:

- North Florida Regional Medical Center
- VA Medical Center Gainesville
- Lake City Medical Center
- Shands Hospital Gainesville
- Putnam County Medical Center

PruittHealth Hospice-3A, LLC (CON #10462) states that sources of referrals will come from the following sources:

- Hospitals
- Physicians
- Nursing homes
- Assisted living facilities
- Home health agencies
- Patient self-referrals
- Families and friends
- Healthcare providers

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- (c) **Projected number of admissions, by payer type, including Medicare, Medicaid, private insurance, self-pay, and indigent care patients for the first two years of operation.**

Community Hospice of Northeast Florida, Inc.

(CON #10460) provides the following table to account for projected admissions by payer type for the first two years of operations of the proposed project.

CHNF Projected Admission by Payor				
Payer Source	Year One Admissions	Year One Patient Days	Year Two Admissions	Year Two Patient Days
Medicare	16	1,064	22	1,415
Medicaid	188	12,354	251	16,432
Commercial	17	1,094	22	1,454
Charity	2	148	3	197
Self-Pay	2	118	2	157
Total	225	14,778	300	19,655

Source: CON application #10460, page 76

Odyssey Healthcare of Marion County, LLC d/b/a

Kindred Hospice (CON #10461) provides the following for projected admissions by payer type for the first two years of operations.

Kindred Hospice Projected Admission by Payor						
	Medicare	Medicaid	3rd Party Insurance	Self-Pay	Indigent Care	Total
Year One 2017	117	1	1	1	2	123
Year Two 2018	168	1	1	2	4	176

Source: CON application #10461, page 38, Exhibit 3

PruittHealth Hospice-3A, LLC (CON #10462) provides the following table to account for projected admissions by payer type for the first two years of operations of the proposed project.

PruittHealth Hospice Projected Admission By Payor		
Payor	Year One Admissions	Year Two Admissions
Medicare	166	437
Medicaid	11	29
Private	4	10
Indigent	3	9
Total	184	485

Source: CON application #10462, page 123

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- (d) **Projected number of admissions, by type of terminal illness, for the first two years of operation.**

Community Hospice of Northeast Florida, Inc.

(CON #10460) provides the following table to account for projected admissions by type of terminal illness for the first two years of operations.

CHNF Projected Admission by Terminal Illness		
Diagnosis	Year One	Year Two
Cancer	78	103
Heart Disease	40	54
Alzheimer's	4	6
Respiratory Disease	14	19
Other	89	119
Total	225	300

Source: CON application #10460, page 77

Odyssey Healthcare of Marion County, LLC d/b/a

Kindred Hospice (CON #10461) provides the following exhibit to account for expected admissions by type of terminal illness for the first two years of operations of the proposed project.

Kindred Hospice Projected Admission by Terminal Illness		
	Year One	Year Two
Cancer Under 65	5	7
Cancer 65 and Over	17	24
Non-Cancer Under 65	10	15
Non-Cancer 65 and Over	91	129
Total Patients	123	176

Source: CON application #10461, page 39, Exhibit 4

PruittHealth Hospice-3A, LLC (CON #10462) provides the following table to account for projected admissions by type of terminal illness for the first two years of operations.

Pruitt Health Hospice Projected Admission by Terminal Illness		
Terminal Illness	Year One	Year Two
Cancer	37	97
HIV/AIDS	5	6
Respiratory	30	65
Cardiac	30	65
Renal Failure	20	50
Alzheimer/Cerebral Degeneration	20	50
Cerebrovascular/Stroke	20	50
Other	22	102
Total	184	485

Source: CON application #10462, page 124

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PHH states the above table reflects a cancer to non-cancer ratio of approximately 20:80 that will specifically address the need as projected by the Agency in the non-cancer cohorts and the rule preference of meeting the needs of underserved population groups.

- (e) **Projected number of admissions, by two age groups, under 65 and 65 or older, for the first two years of operation.**

Community Hospice of Northeast Florida, Inc.

(CON #10460) provides the following table to account for projected admissions by age group for the first two years of operations of the proposed project.

CHNF Projected Admission by Age Group						
Diagnosis	Year One			Year Two		
Age Group	Under 65	65+	Total	Under 65	65+	Total
Cancer	21	57	78	28	75	103
Heart Disease	3	37	40	4	49	54
Alzheimer's	0	4	4	0	6	6
Respiratory Disease	1	13	14	1	18	19
Other	12	76	89	16	103	119
Total	37	188	225	49	251	300

Source: CON application #10460, page 77

Odyssey Healthcare of Marion County, LLC (CON #10461)

estimates in year one and year two, 15 and 22 admissions, respectively, for patients under age 65. The applicant indicates that for patients age 65 or older, 108 and 153 admissions, in year one and year two. See the table below.

Kindred Hospice Projected Admission by Terminal Illness		
	Year One	Year Two
Cancer Under 65	5	7
Cancer 65 and Over	17	24
Non-Cancer Under 65	10	15
Non-Cancer 65 and Over	91	129
Total Patients	123	176

Source: CON application #10461, page 39, Exhibit 4

PruittHealth Hospice-3A, LLC (CON #10462) provides the following table to account for projected admissions by age group for the first two years of operations of the proposed project.

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Pruitt Health Hospice Projected Admission by Age Group		
Age Cohort	Year One	Year Two
Under 65	28	73
Over 65	156	412
Total	184	485

Source: CON application #10462, page 124

(f) Identification of the services that will be provided directly by hospice staff and volunteers and those that will be provided through contractual arrangements.

Community Hospice of Northeast Florida, Inc.

(CON #10460) states that most of its services will be provided through employed staff or volunteers. The applicant lists the following types of services which it intends to provide via contract labor or contractual agreements:

- Physical, occupational and speech therapy
- Laboratory
- Pharmacy
- Inpatient care
- DME

CHNF states it contracts with ProCare and Barnes Healthcare Pharmacy to provide some pharmaceutical services in its existing 4A Service Area and expects to utilize the same contractors for the proposed project.

Odyssey Healthcare of Marion County, LLC d/b/a

Kindred Hospice (CON #10461) states plans to provide all of its core services directly by hospice staff and volunteers, including:

- Nursing services
- Social work services
- Spiritual, including Chaplain
- Dietary counseling
- Bereavement counseling
- Home health aides
- Continuous care
- Volunteer services
- Pharmacy services

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- Homemaker and chore services
- Physician services
- Support groups
- Patient transportation services
- Infusion therapy

Kindred indicates that the following additional services may be provided through contractual agreement:

- Pharmacy services
- Supplies and DME
- Physical, occupational and speech therapy
- Hospice inpatient care
- Additional physician services as needed

PruittHealth Hospice-3A, LLC (CON #10462) states core services provided will include physician, nursing, social work, pastoral counseling, bereavement and dietary services. The applicant indicates that complementary services to be provided by volunteers include massage, pet and aroma therapies. PHH states the caregivers are also trained in some holistic techniques and those services will be provided in conjunction with the complementary services provided by volunteers.

PHH indicates it will contract certain services as needed by patients and that DME, pharmacy services, rehabilitation and certain clinical services will be contracted through PruittHealth affiliated companies.

(g) Proposed arrangements for providing inpatient care.

Community Hospice of Northeast Florida, Inc. (CON #10460) states an intent to provide needed inpatient services via contractual arrangements with service area hospitals and nursing homes. The applicant cites letters of support from Crestwood Nursing Center and Windsor Health and Rehabilitation Center expressing interest in providing general inpatient space in their facilities.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states plans to arrange for providing inpatient care through contractual arrangements with hospitals and nursing homes and that hospice inpatient care will be under the direct administration of the hospice, whether located in a nursing home or hospital.

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PruittHealth Hospice-3A, LLC (CON #10462) states the intent to have contractual arrangements with nursing homes and hospitals designed to meet patient needs. PHH believes this is the most cost efficient alternative as the inpatient and respite needs of these patients can be easily met by existing hospital and nursing home facilities. The applicant provides a sample hospice inpatient agreement in Attachment 36 of CON application #10462.

- (h) Proposed number of inpatient beds that will be located in a freestanding inpatient facility, in hospitals, and in nursing homes.**

Community Hospice of Northeast Florida, Inc. (CON #10460) forecasts approximately 355 general inpatient days in Year One and 472 general inpatient days in Year Two of operation. CHNF states that patient day projects translate into need for one or two general inpatient beds, which the applicant states will be provided in contracted facilities.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) does not propose to construct a freestanding inpatient hospice facility and will contract for inpatient beds with existing providers in Service Area 3A. The applicant includes an example of a general inpatient agreement in Appendix 9 of CON application #10461.

PruittHealth Hospice-3A, LLC (CON #10462) states that it will not construct an inpatient facility and intends to have contractual arrangements with existing facilities throughout the 11 county subdistrict. PHH states it has already met with hospitals and area nursing homes to provide inpatient care on a contractual basis. PHH indicates existing licensed beds will be utilized as patient needs warrant such services.

- (i) Circumstances under which a patient would be admitted to an inpatient bed.**

Community Hospice of Northeast Florida, Inc. (CON #10460) asserts that Medicare regulations prescribe the conditions under which a hospice patient may be admitted to an inpatient unit. CHNF indicates that these

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regulations have been incorporated into inpatient admission criteria, which the applicant provided in Appendix S of the CON application #10460.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states that inpatient care is dictated by a patient's medical need. The applicant maintains that if possible, symptoms are addressed in the patient's home environment, but indicates that occasionally this is not possible due to various reasons such as the nature of symptoms, level of care given and support available as well as patient and family wishes. Admission to a general inpatient bed is stated to be based on one of the following acute care admissions criteria:

- Pain control
- Symptom control
- Imminent death with symptoms necessitating frequent physician and nursing intervention
- Medical or surgical procedures or therapies aimed at palliation of symptoms
- Family education needs necessary in order to follow the established plan of care at home
- Provision of a safe and supportive environment to the terminally ill patient during periods of acute psychosocial and/or spiritual breakdown of the primary caregiver
- Primary caregiver incapacity of continuing daily care in the home setting

PruittHealth Hospice-3A, LLC (CON #10462) notes that the circumstances under which a patient will be admitted to an inpatient bed vary depending upon the patient's physical condition and home care situation. The applicant states short-term hospice care will be provided in the event that the patient's condition or disease progression must be closely monitored in order to manage pain and control symptoms. PHH states that the patient, along with their family, physician and hospice interdisciplinary team, evaluate the appropriate level of care including inpatient admission. PHH maintains that once a patient's medical reasons for admission are stabilized, the patient can be returned home with a discharge plan including caregiver structure.

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(j) Provisions for serving persons without primary caregivers at home.

Community Hospice of Northeast Florida, Inc.

(CON #10460) states that if a patient has no caregiver, the Interdisciplinary Care team develops strategies that will enable the patient to remain in the least restrictive care setting possible, preferably his or her own home. The applicant indicates the utilization of home health aide visits, volunteers, patient neighbors and other resources are increased in circumstances where the patient is without a caregiver. CHNF states that in some cases, a patient may be referred to an inpatient unit or other setting when continued home care becomes infeasible.

Odyssey Healthcare of Marion County, LLC d/b/a

Kindred Hospice (CON #10461) attest to a history of serving patient without caregivers. Kindred states that when a hospice patient can no longer care for him or herself, the patient's individual care plan requires a primary care giver at the home, admission to a long-term care facility or an alternative place where the patient's safety can be secured.

PruittHealth Hospice-3A, LLC (CON #10462) states the primary focus will be to enable patients to remain in the least restrictive and most emotionally supportive environment possible. PHH indicates that the patient will choose a primary caregiver upon admission and those patients without a primary caregiver shall have a detailed plan developed to ensure the patient's daily care and safety needs are met. The applicant asserts that every effort will be made to develop a caregiver network from community resources (neighbors, relatives, friends, church groups, sitter services and volunteer organizations).

PHH states that in the event a patient is unable to provide care to themselves or lacks a caregiver network—the applicant will make recommendations for placement in an assisted living facility (ALF) or nursing home so that routine care can be provided. PHH indicates that a social worker will assist patients without financial resources in obtaining hospice care. The applicant states that hospices services will

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be provided to homeless patients in the best available setting (homeless shelter, nursing home, ALF or hotel) and in cases where the patient does not have a primary caregiver, one will be assigned.

(k) Arrangements for the provision of bereavement services.

Community Hospice of Northeast Florida, Inc.

(CON #10460) states that the CHNF Bereavement Services policy is to provide both traditional and non-traditional methods to help all members of the community during those difficult times. CHNF states that bereavement professionals and volunteers provide emotional support, grief education and recommend specific services to family members.

According to CHNF, the community grief program is available free of charge to any community member who has experienced a loss within 13 months. The applicant indicates that bereavement and grief counseling is offered to members of the community who are not relatives of its patients. The applicant states that additional workshops for individuals and families, structured or closed therapy/support groups and special events help to address the effects of loss, provide coping mechanisms and teach emotional support skills.

Odyssey Healthcare of Marion County, LLC d/b/a

Kindred Hospice (CON #10461) states that Kindred's goal is to provide support and promote healthy grieving for patients, families and caregivers, before, during and after death. According to the applicant, at the time of admission, clinicians evaluate both the patient and his or her caregiver and conduct an initial bereavement risk assessment (completed by a registered nurse and medical social worker).

Kindred states that post-death bereavement services are offered by trained bereavement coordinators. The applicant indicates that skilled clinicians follow families and caregivers for 13 months following the death of the patient and within the first 15 days of the patient's death, the bereavement coordinator develops an individualized bereavement plan of

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care based on communication with the caregiver and the “interdisciplinary group.” The applicant states that bereavement coordinators, medical social workers and spiritual care coordinators also provide bereavement support to Kindred hospice employees and volunteers.

PruittHealth Hospice-3A, LLC (CON #10462) states that bereavement counseling will be administered by the bereavement coordinator, social worker or chaplain with emphasis on patient and family support with maximum utilization of community resources. The applicant asserts that bereavement services will be offered to family members, significant others and loved ones identified, for a minimum of 13 months after the patient’s death or longer if needed.

PHH states the bereavement care plan will assess survivor risk factors identified at the time of the patient’s admission to the proposed hospice program. The applicant states that the care plan will be reviewed on a quarterly basis by chaplain and social workers and include the following core services:

- Grief counseling
- Home visits
- Bereavement group activities
- Volunteer support
- Patient/family education materials
- Quarterly follow-up/correspondence
- Memorial gatherings
- Sympathy cards
- Assistance with memorial services
- Community resources and referrals
- Staff bereavement support
- Community education/relations

The applicant discusses Camp Cocoon and describes it as children’s outreach program sponsored by United Hospice Foundation that provides bereavement support for children.

(1) Proposed community education activities concerning hospice programs.

Community Hospice of Northeast Florida, Inc. (CON #10460) states licensure is contingent upon its compliance with all applicable state and federal laws,

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regulations and standards. CHNF asserts that it will adopt all of its existing policies and procedures in Service Area 3A and will be fully compliant in community education activities concerning hospice programs just as it is in existing programs provided in other hospice service areas.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states an important focus for the proposed hospice will be community outreach and public awareness of hospice as an essential part of the continuum of care. Kindred maintains that efforts will be made to educate the community about the nature of hospice, the importance of early diagnosis and detection and lastly to identify terminally ill people earlier in the terminal stages to allow a longer time of palliative, emotional, social and spiritual care.

In addition to community outreach initiatives, Kindred states that staff regularly leads in-service programs for both continuing and general education for the community which include a variety of programs that focus on hospice care and other related conditions and topics such as infection control, bereavement support compassion fatigue, effective pain and symptom management, Alzheimer's and dementia, advance care planning, depression, grief and the holidays, volunteer services and supporting patient transition to hospice. Kindred declares that community education activities are also employed, that focus on building awareness among underserved groups, such as Hispanics, African Americans and Veterans.

PruittHealth Hospice-3A, LLC (CON #10462) states the intent to provide extensive community education activities to increase the awareness and hospice utilization. PruittHealth Hospice states the intent to employ three Community Relations Coordinators in Years One and Two who will lead outreach within the community and health facilities. The applicant also states it will host hospice education events at senior and veterans organizations, religious affiliated groups, health fairs and educate residents in rural areas of the Subdistrict, in an effort to educate the community on the benefits of holistic end-of-life care through hospice.

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(m) Fundraising activities.

Community Hospice of Northeast Florida, Inc.

(CON #10460) indicates that Community Hospice receives generous community philanthropy to advance its mission. The applicant states that in Community Hospice's existing service area, funds are solicited from local businesses and charitable foundations as well as annual fund-raising events. The applicant mentions that gifts and bequests from patients, patient families, staff, volunteers and other individuals in the service area are received. According to the applicant, it is an expectation of Community Hospice to attract similar community support for the proposed Hospice Service Area 3A program.

Odyssey Healthcare of Marion County, LLC d/b/a

Kindred Hospice (CON #10461) states that it is partners with the Kindred Gentiva Hospice Foundation (a non-profit 501(c)(3) organization) and is funded by generous donations. Gifts to the Foundation may be made through:

- Memorial gifts
- Honorary gifts
- Direct donations
- Trusts, bequests and other assets

The applicant states that through the Foundation, various patient/family assistant grants are provided for:

- Rent or emergency repairs
- Utility bills
- Food assistance
- Comfort care
- Miscellaneous assistance

PruittHealth Hospice-3A, LLC (CON #10462) states that PruittHealth Hospice does not conduct community fundraising and anticipates that for this reason the development of the proposed hospice program will not have an adverse impact on the fundraising efforts of existing hospice programs or dilute potential contributions in the community.

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- b. Rule 59-1.0355(8) Florida Administrative Code: Semi-Annual Utilization Reports. Each hospice program shall report utilization information to the Agency or its designee on or before July 20th of each year and January 20th of the following year.**

Community Hospice of Northeast Florida, Inc. (CON #10460) states that Community Hospice currently complies with all required reporting regulations and will continue to comply with all reporting requirements.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states that Kindred will provide semi-annual utilization reports as specified under the rule provision.

PruittHealth Hospice-3A, LLC (CON #10462) states an intent to provide semi-annual utilization reports in compliance with this criterion.

3. Statutory Review Criteria

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

Need for an additional hospice program is evidenced by the availability, accessibility and extent of utilization of existing health care facilities and health services in the proposed service area. The co-batched applicants are responding to published need of one hospice program in Hospice Service Area 3A.

The following chart illustrates hospice admissions for the past five years, ending June 30, 2016.

Hospice Admissions for Hospice Service Area 3A June 30, 2012 – June 30, 2016	
Year	Admissions
June 2016	3,414
June 2015	3,730
June 2014	3,501
June 2013	3,534
June 2012	3,280

Source: Agency for Health Care Administration Florida Need Projections for Hospice Programs, issued October 2012-October 2016.

Community Hospice of Northeast Florida, Inc. (CON #10460) states to have a well-established record of competitive success in its existing services in Hospice Service Area 4A, which is attributed to high-quality clinical care, innovative programming and community support. CHNF

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indicates that a wide range of programs will be provided that meet the end-of-life care needs of its patients and their families. The applicant maintains CHNF's managerial and financial strength will enable the expansion of existing non-reimbursed services into Service Area 3A. CHNF affirms it has identified specific underserved populations such as African Americans, individuals with chronic illness, HIV/AIDs, elderly residents in rural areas, medically indigent patients and families and children with serious, non-cancer diagnosis, children with serious, life-limiting illnesses and Veterans and attest to the development and successful implementation of programs to attract similar patient populations in its existing service area.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) reiterates its commitment to server homeless persons, persons without primary caregivers, and persons with HIV or AIDS and cites its success with serving the homeless and individuals without primary caregivers through the use of a medical ethics committee and a surrogate decision maker. Kindred states its extensive corporate resources and experience will allow for the efficient and thorough implementation of the proposed hospice program.

PruittHealth Hospice-3A, LLC (CON #10462) states that it is best positioned of the competing applicants in this batching cycle to fill the gap in hospice services to terminally-ill residents in the 11 county Subdistrict. The applicant asserts that it will rely on its wealth of experience in rural markets and corporate resources to target end-of-life needs of the underserved population groups identified by PHH's Subdistrict 3A analysis. The applicant states the focus of PHH's programming and resources will be to enhance access to hospice for the following: rural residents, veterans, minority populations such as African American residents, Hispanic residents and disease specific patient populations. In regards to quality, the applicant maintains that it will develop services, protocols and outreach programs that exceed benchmarks in an effort to provide the very best end-of-life care to residents of Subdistrict 3A.

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- b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality care? ss. 408.035(1)(c), Florida Statutes.**

On February 8, 2016, the Department of Elder Affairs (DOEA) updated its statewide 2015 Report on Hospice Demographic and Outcome Measures⁷, The report results are shown as percentages for three Outcome Measures--1, 2 and 2A. The description of the outcome measures are provided below:

Outcome Measure 1 (OM1)

- ❖ 50 percent or more of patients who reported severe pain on a 0-to-10 scale reported a reduction to five or less by the end of the fourth day of care in the hospice program.

Outcome Measure 2 (OM2)

- ❖ 50 percent or more of patients reported they received the right amount of medicine for their pain.

Outcome Measure 2A (OM2A)

- ❖ 50 percent or more of patients and/or family members recommended hospice services to others based on the care the patient received.

Each co-batched applicant (or parent/affiliate) that participated in this DOEA report is listed in the table below, with each participating provider’s results indicated.

DOEA 2015 Report on Hospice Demographic and Outcome Measures for CY 2014

Hospice Name/City	Outcome Measure			Number of Patients
	1	2	2A	
Community Hospice of Northeast Florida, Inc./Jacksonville	94%	97%	98%	5,673
Odyssey Healthcare of Marion County, Inc./Miami	90%	95%	96%	1,217
State Average Outcomes	81%	95%	96%	
State Total Number of Patients				120,155
State Average of Patients				2,730

Source: DOEA, 2015 Report on Hospice Demographics and Outcomes Measures, updated February 2016

⁷ Available on the DOEA’s website at:
http://elderaffairs.state.fl.us/doea/Evaluation/2015_Hospice_Report_Final.pdf.

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Community Hospice of Northeast Florida, Inc. (CON #10460) attests to a distinguished record of high quality hospice service and education. The applicant states that Community Hospice was awarded Hospice Honors Elite status by Deyta⁸ and participates in numerous national and programmatic initiatives to improve the quality of hospice care. CHNF asserts that the organization's quality enhancement goals are advanced through ongoing staff education, continuous quality improvement initiatives, patient and family satisfaction surveys and other monitoring and compliance initiatives.

CHNF explains the use of its Interdisciplinary Group (IDG) to deliver consistent high quality patient care. According to the applicant the IDG, at a minimum, consists of an MD or Doctor of Osteopathic Medicine (DO), RN, medical social services professional, pastoral or other counselor and is responsible for directing, coordination, evaluating and supervising the care and services provide for each hospice patient. CHNF utilizes a Quality Assessment Performance Improvement Plan (QAPI) that focuses on monitoring, reporting and improving key performance indicators of the operational system and processes of the organization in order to instill a culture of quality throughout Community Hospice. CHNF also discusses the utilization of DMAIC (Define-Measure-Analyze-Improve-Control) methodology to continuously collect and analyze measurable indicators for patterns and trends, which allows the applicant to determine the extent to which the organization is achieving quality outcomes.

The parent serves the following hospice service area in Florida: 4A (Baker, Clay, Duval, Nassau, and St. Johns Counties). Agency records indicate that statewide, the applicant did not have any substantiated complaints during the three-year period ending December 15, 2016.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states that Kindred has a long and distinguished history of providing quality care to its patients and states being a provider of care to those with Medicare and Medicaid benefits and is a member of the National Hospice and Palliative Care Organization (NHPCO). Kindred maintains that its focus is to improve quality of life for all patients served through the delivery of clinical excellence, extraordinary services and

⁸ As part of the Hospice Quality Reporting Program (HQRP), hospices were required to participate in the Hospice CAHPS Survey starting in 2015. Hospices serving more than 50 survey-eligible patients per year will be required to contract with a CMS-approved vendor for survey administration and provide the sampling data to the approved vendor on a monthly basis.

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compassionate care, while being recognized as the leader in home health and hospice services. The applicant maintains that Kindred has extensive experience providing hospice services via its 184 hospice offices which serve approximately 50,000 patients each year.

The applicant states that the Quality Assessment and Performance Improvement (QAPI) program provides a description of the important processes or outcomes related to patient care and hospice operations and delineates the roles and responsibilities of leadership, physicians and other clinicians and support staff in designing, measuring, assessing and improving performance. Kindred states the purpose of the QAPI Programs is to maximize the effect of palliative treatment and services, safety and sense of well-being for the patients and families served. Kindred intends to seek accreditation by the Community Health Accreditation Program (CHAP).

Kindred reiterates its open access policy to patients and families of all ages, sexes, religious affiliations, sexual preference, diagnosis, financial status, or ability to pay. The applicant also recounts its licensure history, good standing with the Centers for Medicare and Medicaid services (CMS), compliance with federal, state, and local statutes, regulations, and maintenance of operating policies, procedures, practices, and protocols that will be used in the proposed hospice program.

Agency records indicate that Kindred Hospice did not receive any substantiated complaints within the three-year period ending on December 15, 2016.

PruittHealth Hospice-3A, LLC (CON #10462) states that as a newly formed entity, it does not have a documented history of providing quality care. PHH contends that policies and procedures will be developed, as well as the quality assurance program, modeled after other PruittHealth Hospice programs. Upon licensure, the applicant will adhere to state and federal regulations and statutes, comply with the Conditions of Participation for hospice providers of services under the Health Insurance for the Aged and Disabled Program and the Medicaid Program.

The applicant states that PruittHealth Hospice operates 27 hospice agencies throughout the southeast in Georgia, North Carolina and South Carolina. PHH asserts that the organization's experience and expertise in providing quality hospice services is evidenced by its number of successfully operating agencies in counties it serves as well as its quality assurance practices. The applicant maintains that PHH utilizes data collected from Strategic Healthcare Programs (SHP) to track and trend

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outcome measures to assess clinical and performance indicators. PHH provides a list of an array of specialty programs aimed at enhancing patient outcomes. The applicant lists these programs on pages 138-139 of CON application #10462.

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

Analysis:

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

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

Community Hospice of Northeast Florida, Inc. (CON #10460):

Below is an analysis of the audited financial statements for the parent, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

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CON #10460 - Community Hospice of Northeast Florida, Inc. and Affiliates		
	Sep-15	Sep-14
Current Assets	\$29,427,474	\$29,317,339
Total Assets	\$102,850,552	\$99,722,274
Current Liabilities	\$8,203,605	\$7,164,146
Total Liabilities	\$9,566,046	\$8,457,032
Net Assets	\$93,284,506	\$91,265,242
Total Revenues	\$97,037,851	\$91,962,475
Excess of Revenues Over Expenses	\$2,019,264	\$4,761,858
Cash Flow from Operations	\$4,133,931	\$2,496,360
Short-Term Analysis		
Current Ratio (CA/CL)	3.6	4.1
Cash Flow to Current Liabilities (CFO/CL)	50.39%	34.85%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	1.5%	1.4%
Total Margin (ER/TR)	2.08%	5.18%
Measure of Available Funding		
Working Capital	\$21,223,869	\$22,153,193

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

Capital Requirements and Funding:

On Schedule 2, the applicant indicates capital projects totaling \$8,392,228 which includes this project of \$694,641, computer and equipment, telephone and networking, special projects, durable medical equipment, pharmacy equipment, security, buildings and fixtures, St. Augustine Community Center, Penney Farms Center and Hardlow Center renovation. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand. With \$16.7 million in cash and cash equivalents, \$21.2 million in working capital and \$4.1 million in operating cash flow, the applicant has sufficient resources to fund this project and all capital expenditures.

Conclusion:

Funding for this project and the entire capital budget should be available as needed.

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Odyssey Healthcare of Marion County, LLC (CON 10461): The applicant indicated funding for the project will be provided by its parent company, Gentiva Health Services, Inc. Below is an analysis of the audited financial statements for the parent, where the short term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON #10461 - Kindred Healthcare, Inc. (In thousands)		
	Dec-15	Dec-14
Current Assets	\$1,500,899	\$1,307,671
Total Assets	\$6,518,936	\$5,652,964
Current Liabilities	\$1,111,212	\$857,263
Total Liabilities	\$4,812,889	\$4,166,992
Net Assets	\$1,706,047	\$1,485,972
Total Revenues	\$7,149,567	\$5,022,241
Excess of Revenues Over Expenses	(\$93,384)	(\$79,837)
Cash Flow from Operations	\$163,262	\$105,471
Short-Term Analysis		
Current Ratio (CA/CL)	1.4	1.5
Cash Flow to Current Liabilities (CFO/CL)	14.69%	12.30%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	217.0%	222.7%
Total Margin (ER/TR)	-1.31%	-1.59%
Measure of Available Funding		
Working Capital	\$389,687	\$450,408

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

Capital Requirements and Funding:

On Schedule 2, the applicant indicates capital projects totaling \$350,000 which includes this project of \$175,000 and another CON under review this batch (10465). The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand. With \$98.7 million in cash and cash equivalents, \$389.6 million in working capital and \$163.2 million in operating cash flow, the applicant has sufficient resources to fund this project and all capital expenditures.

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Conclusion:

Funding for this project and the entire capital budget should be available as needed.

PruittHealth Hospice-3A, LLC (CON #10462) Below is an analysis of the audited financial statements for the parent, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON #10462 - United Health Services, Inc. and Subsidiaries		
	Jun-15	Jun-14
Current Assets	\$136,192,122	\$112,327,439
Total Assets	\$679,969,670	\$652,711,670
Current Liabilities	\$171,740,036	\$139,346,559
Total Liabilities	\$535,001,237	\$515,844,067
Net Assets	\$144,968,433	\$136,867,603
Total Revenues	\$928,096,033	\$867,051,915
Excess of Revenues Over Expenses	\$11,271,826	\$4,968,036
Cash Flow from Operations	\$24,172,384	\$34,425,289
Short-Term Analysis		
Current Ratio (CA/CL)	0.8	0.8
Cash Flow to Current Liabilities (CFO/CL)	14.07%	24.70%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	250.6%	275.1%
Total Margin (ER/TR)	1.21%	0.57%
Measure of Available Funding		
Working Capital	(\$35,547,914)	(\$27,019,120)

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

Capital Requirements and Funding:

On Schedule 2, the applicant indicates capital projects totaling \$609,894, which includes this project of \$589,894 and non-specified capital expenditures. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by operating cash

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flows. With \$15.3 million in cash and cash equivalents, negative \$35.5 million in working capital and \$24.1 million in operating cash flow, the applicant has sufficient resources to fund this project and all capital expenditures.

Conclusion:

Funding for this project and the entire capital budget should be available as needed.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. Profitability for hospice is driven by two factors, volume of patients and length of stay/condition of the patient. A new hospice program in a service area with published need is more likely than not to be financial feasible since patient volume and mix is presumed to be available in sufficient amounts to sustain a new program. The focus of our review will be on the reasonableness of projections, specifically the revenue.

The vast majority of hospice days are paid by Medicare (Medicaid is the next largest payer with similar reimbursement rates). As such, revenue is predictable by day and service type. Schedule 7 includes revenue by service type. We have divided the applicant's projected revenues by the estimated Medicare reimbursement rates for each level of service in year two to estimate the total patient days that would be generated by that level of revenue. The results were then compared to the applicant's estimated number of patient days. Calculated patient days that approximate the applicant's projected patient days are considered reasonable and support the applicant's assumptions of feasibility. Calculated patient days that vary widely from the applicant's projected patient days call into question the applicant's profitability assumptions and feasibility. The results of the calculations are summarized below.

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Community Hospice of Northeast Florida, Inc.- CON #10460

Hospice Revenue Year Two	Routine Home Care	Continuous Home Care	Inpatient Respite	General Inpatient
Wage Component	\$130.93	\$662.80	\$92.55	\$470.44
Wage Index: Alachua	0.9672	0.9672	0.9672	0.9672
Adjusted Wage Amount	\$126.64	\$641.06	\$89.51	\$455.01
Unadjusted Component	\$59.62	\$301.83	\$78.42	\$264.50
Payment Rate	\$186.26	\$942.89	\$167.93	\$719.51
Inflation Factor Year Two				
	1.094	1.094	1.094	1.094
Inflation Adjusted Rate	\$203.81	\$1,031.75	\$183.76	\$787.32
Schedule 7 Revenue Year Two				
	\$3,849,830	\$57,008	\$8,251	\$372,906
Hours of Service Provided	0	24	0	0
Calculated Patient Days	18,889	55	45	474
Total Calculated Days (Sum of Calculated Patient Days row above)				
				19,463
Days from Schedule 7				
				19,655
Difference in Days (Schedule 7 minus Calculated Days)				
				192
Percentage Difference				
				0.98%

The applicant's projected patient days are .98 percent or 192 days less than the calculated patient days. Operating profits from this project are expected to increase from a net loss of \$382,164 in year one to \$101,577 in year two.

Conclusion:

This project appears to be financially feasible.

Odyssey Healthcare of Marion County, LLC (CON #10461): The applicant failed to include two full years of operational data as required by Section 408.037(3), Florida Statutes. Additionally, the forms submitted do not include typical hospice revenues by type of service (routine home care, continuous home care, inpatient respite care and general inpatient care). The lack of complete data submitted in a way that allows proper analysis by the Agency hinders the Agency's ability to compare the revenues contained in this application to revenues allowable by Medicare. In order to estimate revenue per service, the Agency assumed that Daily Hospital Service Revenue is Routine Home Care Revenue and that Outpatient Revenue is Continuous Home Care Revenue per notes to Schedule 7.

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Hospice Revenue Year Two	Routine Home Care	Continuous Home Care	Inpatient Respite	General Inpatient
Wage Component	\$130.93	\$662.80	\$92.55	\$470.44
Wage Index: Alachua	0.9672	0.9672	0.9672	0.9672
Adjusted Wage Amount	\$126.64	\$641.06	\$89.51	\$455.01
Unadjusted Component	\$59.62	\$301.83	\$78.42	\$264.50
Payment Rate	\$186.26	\$942.89	\$167.93	\$719.51
Inflation Factor Year Two				
Inflation Factor Year Two	1.061	1.061	1.061	1.061
Inflation Adjusted Rate	\$197.68	\$1,000.73	\$178.24	\$763.65
Schedule 7 Revenue Year Two				
Schedule 7 Revenue Year Two	\$2,325,349	\$70,667	\$0	\$0
Hours of Service Provided	0	24	0	0
Calculated Patient Days	11,763	71	0	0
Total Calculated Days (Sum of Calculated Patient Days row above)				
				11,834
Days from Schedule 7				
				16,196
Difference in Days (Schedule 7 minus Calculated Days)				
				4,362
Percentage Difference				
				26.93%

The applicant's projected patient days (using staff's assumptions) are 26.93 percent or 4,362 days more than the calculated patient days. Operating profits from this project are expected to increase from \$13,177 in year one to \$118,243 in year two.

Conclusion:

Given the large variance between the calculated patient days and actual patient days, the Agency is unable to conclude that the prospective revenues provided by the applicant are reasonable. Therefore, no conclusion as to the feasibility of the project can be given.

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PruittHealth Hospice-3A, LLC – CON #10473

Hospice Revenue Year Two	Routine Home Care	Continuous Home Care	Inpatient Respite	General Inpatient
Wage Component	\$130.93	\$662.80	\$92.55	\$470.44
Wage Index: Alachua	0.9672	0.9672	0.9672	0.9672
Adjusted Wage Amount	\$126.64	\$641.06	\$89.51	\$455.01
Unadjusted Component	\$59.62	\$301.83	\$78.42	\$264.50
Payment Rate	\$186.26	\$942.89	\$167.93	\$719.51
Inflation Factor Year Two	1.078	1.078	1.078	1.078
Inflation Adjusted Rate	\$200.74	\$1,016.24	\$181.00	\$775.48
Schedule 7 Revenue Year Two	\$3,991,980	\$462,807	\$41,732	\$177,328
Hours of Service Provided	0	24	0	0
Calculated Patient Days	19,886	455	231	229
Total Calculated Days (Sum of Calculated Patient Days row above)				20,800
Days from Schedule 7				19,655
Difference in Days (Schedule 7 minus Calculated Days)				-1,145
Percentage Difference				-5.83%

The applicant’s projected patient days are 5.83 percent or 1,145 days more than the calculated patient days. This indicates that the revenues may be somewhat overstated. Operating profits from this project are expected to increase from a net loss of \$465,642 in year one to a net profit of \$170,619 in year two.

Conclusion:

While the revenues may be somewhat overstated, this project appears to be financially feasible.

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

Analysis:

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care in general and in hospice specifically. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in hospice, price-based competition is almost non-existent. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive

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forces truly do not begin to take shape until existing business' market share is threatened. Since applicant is seeking to relocate a leased space in a skilled nursing unit to a freestanding facility there is no impact due to competition.

Conclusion:

The projects submitted for Hospice Service Area 3A are not likely to have a material impact on competition to promote quality and cost-effectiveness.

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

Each of the co-batched applicants is seeking to establish a new hospice program. There are no construction costs and methods associated with the proposals.

- g. 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.**

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108). Hospice care also must be provided regardless of ability to pay and regardless of age, race, religion, sexual orientation, diagnosis, payer source or financial status.

Community Hospice of Northeast Florida, Inc. (CON #10460) states that Community Hospice (the parent) has a well-established record of care to Medicaid and indigent populations. The applicant asserts that services are provided to all persons regardless of ability to pay and provides the following table to illustrate Medicaid and unreimbursed care from 2013 through 2016:

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CHNF Medicaid and Unreimbursed Care 2013-2016				
	Fiscal Year Ending September 30th			
Medicaid	2013	2014	2015	2016
Admissions	408	412	333	361
Patient Days	21,058	18,596	17,564	19,434
% of Total Patient Days	5.19%	4.77%	4.34%	4.41%
Total Medicaid Charges	\$4,749,419	\$4,258,942	\$4,029,214	\$4,606,974
	Unreimbursed Care			
Admissions	269	261	260	230
Patient Days	2,894	4,063	3,296	2,462
% of Total Patient Days	0.71%	1.40%	0.81%	0.56%
Total Unreimbursed Charges	\$574,394	\$842,917	\$707,377	\$546,861

Source: CON application #10460, page 93

The applicant provided the following information on self-pay, charity and Medicaid patient days for year one and year two. See the table below

CHNF Self-Pay, Charity and Medicaid Patient Days 12 Months Ending December 31, 2018 (Year One)		
Payer Source	Patient Days	Percentage
Self-Pay/Charity	266	1.8%
Medicaid	1,064	7.2%
Total Medicaid/Self-Pay/Charity	1,330	9.0%
Total Patient Days	14,778	100%
12 Months Ending December 31, 2019 (Year Two)		
Payer Source	Patient Days	Percentage
Self-Pay/Charity	354	1.8%
Medicaid	1,415	7.2%
Total Medicaid/Self-Pay/Charity	1,769	9.0%
Total Patient Days	19,655	100%

Source: CON application #10460, Schedule 7A

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states that Kindred has a history of providing health services to all patients that require hospice care, without regard to age, sex, ethnic group, diagnosis or ability to pay. As a condition of this application Kindred will provide a minimum of two percent of patient days to serve charity patients starting in the second year of operation.

The applicant provides the following payer mix in Schedule 7A of CON application #10461. The applicant projects Medicaid will account for 0.76 percent for patient days, other payers will account for 0.56 percent of patient days, and charity care will account for two percent of patient days in year one. The applicant projects Medicaid will account for 0.76 percent for patient days, other payers will account for 0.23 percent of patient days, and charity care will account for two percent of patient days in year one. The reviewer notes that the applicants number below are not arithmetically correct for the total patient days.

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Kindred Hospice Self-Pay, Charity and Medicaid Patient Days 12 Months Ending June 30, 2017 (Year One)		
Payer Source	Patient Days	Percentage
Self-Pay/Charity	132.31	2.0%
Medicare	6,351.11	95.46%
Medicaid	50.57	0.76%
Commercial	80.43	1.22%
Other Payers	37.19	0.56%
Total Patient Days	6,615.62	100.0%

Source: CON application #10461, Schedule 7A

12 Months Ending June 30, 2018 (Year Two)		
Payer Source	Patient Days	Percentage
Self-Pay/Charity	323.94	2.0%
Medicare	15,461.13	95.46%
Medicaid	123.81	0.76%
Commercial	196.92	1.22%
Other Payers	37.19	0.23%
Total Patient Days	16,196.85	100.0%

Source: CON application #10461, Schedule 7A

PruittHealth Hospice-3A, LLC (CON #10462) asserts its commitment to serving the indigent population of the service area. The applicant notes that the company admissions policy clearly dictates that patients not be discriminated against based on race, sex, religion, national origin, physical handicap or diagnosis, payment source or any circumstance or physical condition which would classify the individual as underserved.

PHH indicates the payor mix for the proposed project is expected to have slightly higher Medicaid and indigent percent given the demographics of Subdistrict 3A and PHH anticipated patients. The applicant provides the following projected payor mix for Year One (2018) and Year Two (2019):

PruittHealth Hospice-3A Patient Days by Payor Years One and Two			
Payor	Year One	Year Two	Percent of Total
Medicare	5,985	22,942	90.2%
Medicaid	398	1,526	6.0%
Private Insurance	133	509	2.0%
Indigent	119	458	1.8%
Total	6,635	25,435	100.0%

Source: CON application #10462, page 163

F. SUMMARY

In Volume 42, Number 191, of the Florida Administrative Register, dated September 30 2016, a hospice program need of one was published for Service Area 3A for the January 2018 Hospice Planning Horizon. All proposed projects seek to establish a new hospice program in 3A.

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Community Hospice of Northeast Florida, Inc. (CON #10460), is an existing, Florida not-for-profit hospice provider in Hospice Service Area 4A, proposing to establish a new hospice program in Hospice Service Area 3A. Community Hospice operates eight inpatient units in Florida, two of which are freestanding hospice units (the Hadlow Center and the Acosta-Rua Center) and contracts inpatient hospice beds in dedicated inpatient units at various hospitals including Jacksonville's Mayo Clinic and UF Health Jacksonville.

The applicant is proposing total project costs of \$694,641.

CHNF proposes fourteen conditions on its Schedule C.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461), is a for-profit wholly owned subsidiary of the parent, Kindred Healthcare, Inc., proposing to establish a hospice program in Hospice Service Area 3A. Kindred and its subsidiaries currently serve Florida residents in 14 counties in Hospice Service Areas: 1, 2A, 3B, 4A, 4B, 7B and 11.

The applicant is proposing total project costs of \$263,750.

Odyssey proposes twelve conditions on its Schedule C.

PruittHealth Hospice-3A, LLC (CON #10462), is a for-profit organization and newly formed entity which proposes to establish a hospice program in Hospice Service Area 3A. PruittHealth's parent company, United Health Services Inc., operates 27 hospice programs throughout Georgia, South Carolina and North Carolina.

The applicant is proposing total project costs of \$589,894.

PruittHealth proposes sixteen conditions on its Schedule C.

Need/Access:

The co-batched applicants' proposed projects are in response to the fixed need pool for a new hospice in Hospice Service Area 3A. Each applicant's argument in support of need for their respective proposal is briefly summarized below.

Community Hospice of Northeast Florida, Inc. (CON #10460) cited the following populations as experiencing unmet hospice need: African Americans, individuals with chronic illness (COPD, congestive heart failure, various cancers, Alzheimer's, HIV/AIDs), elderly residents in

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rural areas, medically indigent patients and families and children with serious, non-cancer diagnosis, children with serious, life-limiting illnesses and Veterans.

CHNF projects 225 admissions in year one (ending December 31, 2018) and 300 in year two (ending December 31, 2018).

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) states seeking to address the entirety of the needs of the terminally ill population regardless of age, race, gender, disability or income level. Odyssey identifies the following populations as particularly targeted for hospice services in the proposed project:

- Hispanic and African American populations
- Patients with Alzheimer's and dementia
- Veterans
- Residents 65 years and over non-cancer diagnosis

Odyssey projects 123 admissions in year one (ending December 31, 2017) and 176 in year two (ending December 31, 2018).

PruittHealth Hospice-3A, LLC (CON #10462) discusses specific underserved patient populations for which it plans to focus programming and resources to enhance access to hospice, which include:

- Rural population including those who reside within nine of 11 Subdistrict 3A counties, specific rural minority groups
- Veteran population
- Veterans who reside in rural areas of Subdistrict 3A
- Minority population including African Americans and Hispanics
- Terminally-ill with several specific diseases

PruittHealth projects 184 admissions in year one (ending June 30, 2018) and 485 in year two (ending June 30, 2019).

The Agency has determined that within the context of the criteria specified in Section 408.035 (1), F.S. and Rule 59C-1.0355, F.A.C., CON application #10460, on balance, best satisfied the criteria including the extent to which the proposed service will enhance access to health care to resident of the service district.

Quality of Care:

Each co-batched applicant offered evidence of its ability to provide quality care.

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Community Hospice of Northeast Florida, Inc. (CON #10460) attest to a distinguished record of high quality hospice service and education. CHNF declares that its quality enhancement goals are advanced through ongoing staff education, continuous quality improvement initiatives, patient and family satisfaction surveys and other monitoring and compliance initiatives. CHNF utilizes a Quality Assessment Performance Improvement Plan (QAPI), which focuses on monitoring, reporting and improving key performance indicators of the operational system and processes of the organization in order to instill a culture of quality throughout Community Hospice.

Agency records indicate that statewide, the applicant did not receive any substantiated complaints during the three-year period ending December 15, 2016.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461) identifies its quality in the following context:

- Being a provider of quality care to patients with Medicare and Medicaid benefits
- NHPCO membership
- Hospice services to patients and families regardless of age, sex, religion, sexual preference, diagnosis, functional status or ability to pay
- Services throughout the entire geographic area of Subdistrict 3A
- Being fully licensed and in good standing with CMS
- Operating in compliance with all federal, state and local statutes, regulations and ordinances
- Operating policies, procedures and protocols in place as well as a quality plan

Agency records indicate that Kindred Hospice did not receive any substantiated complaints within the three-year period ending on December 15, 2016.

PruittHealth Hospice-3A, LLC (CON #10462) states that as a newly formed entity, it does not have a documented history of providing quality care. PHH contends that policies and procedures will be developed, as well as the quality assurance program, modeled after other PruittHealth Hospice programs. Upon licensure, the applicant will adhere to State and Federal regulations and statutes, comply with the Conditions of Participation for hospice providers of services under the Health Insurance for the Aged and Disabled Program and the Medicaid Program.

CON Action Numbers: 10460 through 10462

Financial Feasibility/Availability of Funds:

From a strictly financial prospective, none of the projects submitted for Hospice Service Area 3-A are likely to have material impact on competition to promote quality and cost-effectiveness.

Community Hospice of Northeast Florida, Inc. (CON #10460):

- Funding for this project and the entire capital budget should be available as needed.
- The project appears to be financially feasible.

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461):

- Funding for this project and the entire capital budget should be available as needed.
- Given the large variance between the calculated patient days and actual patient days, the Agency is unable to conclude that the prospective revenues provided by the applicant are reasonable. Therefore, no conclusion as to the feasibility of the project can be given.

PruittHealth Hospice-3A, LLC (CON #10462):

- Funding for this project and the entire capital budget should be available as needed.
- While the revenues may be somewhat overstated, the project appears to be financially feasible.

Medicaid/Indigent/Charity Care:

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108). Hospice care also must be provided regardless of ability to pay and regardless of age, race, religion, sexual orientation, diagnosis, payer source or financial status.

Community Hospice of Northeast Florida, Inc. (CON #10460):

Schedule 7A shows 1.8 percent of total annual patient days for self-pay/charity care in years one and two of operations. CHNF's patient day Medicaid percentage is projected to be 7.2 percent for year one and year two of operations.

CON Action Numbers: 10460 through 10462

Odyssey Healthcare of Marion County, LLC d/b/a Kindred Hospice (CON #10461): Schedule 7A shows 2.0 percent of total annual patient days for self-pay/charity care in year one and year two of operations. Kindred's patient day Medicaid percentage is projected to be 0.76 percent for year one and year two of operations.

PruittHealth Hospice-3A, LLC (CON #10462): Schedule 7A shows 1.8 percent of total annual patient days for self-pay/charity care in years one and two of operations. PHH's patient day Medicaid percentage is projected to be 6.0 percent for year one and year two of operations.

G. RECOMMENDATION

Approve CON #10460 to establish a new hospice program in Hospice Service Area 3A. The total project cost is \$694,641.

CONDITIONS:

- *Care to Clinically Underserved Patients:* CHNF will deploy a Healthcare Relations Representative throughout Service Area 3A to build relationships with community physicians, hospitals, nursing home/long term care facilities, assisted living and offer services to underserved patients. Targeted education programs will be provided to assist community health care providers and others in identifying hospice-appropriate patients. CHNF will provide the Agency with annual reports documenting the number and types of educational contacts made by its Healthcare Relations Representatives to service area physicians, social workers and other parties.
- *Care to Serve Rural Areas:* CHNF will strategically establish offices in locations that will serve patients who live outside of the main urban areas of Service Area 3A. CHNF will provide the Agency with the annual reports on the number of hospice program and palliative care patients in Service Area 3A counties designated as "rural" by the Florida Department of Health.
- *Community PedsCare Program:* CHNF will extend PedsCare program to Service Area 3A and will apply to provide PIC services in proposed service area.
- *Community Care Choices:* CHNF will provide its Community Care Choices Program in Service Area 3A. CHNF will provide the Agency with the annual reports on the number of admitted Care Choices patients,

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- *Honoring Choices Florida Program:* CHNF will expand this program into Service Area 3A. The applicant describes Honoring Choices Florida as an integrated, community-wide advanced care planning program that is designed to ensure that patients' long term health preferences, including end-of-life plans, are discussed, documented and honored. CHNF will provide the Agency with the annual reports on the number of advanced care discussions it provides to patients and their families in Service Area 3A.
- *Community Palliative Consultants:* This interdisciplinary team will consist of a board-certified palliative medicine physician, one or more Advanced Registered Nurse Practitioner(s), a social worker and chaplain.
- *Veteran's Programs:* The applicant will extend its Veteran's program into Service Area 3A in corroboration with the Community Hospice Veterans Partnership (CHVP). CHNF will provide the Agency with the annual reports on the number of veterans it serves.
- *Caregiving Coalition:* The applicant intends to offer this program which promotes awareness and knowledge, sensitivity and support for family caregiving. CHNF will provide the Agency with the annual reports on the number of community caregivers in helps in Service Area 3A.
- *Comfort Care:* The applicant intends to offer this program which focuses on providing support to dying patients.
- *Bereavement Outreach Programs:* The applicant intends to make this program available not only to its patients and their families but also to patients and families served by other hospices and to non-hospice residents of Service Area 3A. These include but are not limited to:
 - Understanding grief
 - Hope for the holidays
 - Grief relief: A Family Experience (GRAFE)
 - Healing through memories
 - Open-ended support groups
 - Camp healing powers®

CHNF will provide the Agency with an annual report documenting the scope of bereavement services provided to non-hospice residents and to community groups in Service Area 3A.

- *Complementary Care Services:* The applicant intends to offer a variety of complementary services including pet, music, aroma and massage therapies as well as Pet Peace of Mind and Reiki.
- *Telemedicine and Other IT Programs:* The applicant will provide these services, with special attention paid to patients who reside in rural areas.

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- *Advanced Illness Management/Advanced Care Model:* The applicant intends to offer this program which is a care coordination program for persons whose disease has progressed to the point of health and functioning decline and whose prognosis is not expected to improve. The program is modeled after the Coalition to Transform Advanced Care's (C-TAC) Advanced Illness Management (AIM) model of care. CHNF intends to locate and contract with health care insurers to enable it to establish an Advanced Illness Management program in Service Area 3A.
- *Program for All-Inclusive Care for the Elderly (PACE):* Community Hospice, in partnership with Aging True, has received the only legislative approval for a PACE program in Northeast Florida. The applicant will seek to obtain legislative approval to extend PACE Program into Service Area 3A.

Deny CON #10461 and CON #10462.

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