

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

**A. PROJECT IDENTIFICATION**

1. Applicant/CON Action Number

**MorseLife Therapy Corp./CON #10469**

4847 Fred Gladstone Drive  
West Palm Beach, Florida 33417

Authorized Representative: Alan Sadowsky, Ph.D.  
(561) 687-5745

2. Service District/Subdistrict

Hospice Service Area 9C (Palm Beach County)

**B. PUBLIC HEARING**

A public hearing was requested on behalf of Hospice of Palm Beach County, Inc., and was held at 1:00 p.m. to approximately 1:20 p.m., on Friday, January 6, 2017 at the Health Council of Southeast Florida (HCSEF), 600 Sandtree Drive, Suite 101, Palm Beach Gardens, Florida 33403. The public hearing was conducted by the HCSEF.

Mr. Karl David Acuff, Esquire, spoke on behalf of TrustBridge (parent company of two of the three hospice providers in Palm Beach County, Hospice by the Sea and Hospice of Palm Beach County). Mr. Acuff also submitted a written document on behalf of TrustBridge.

Mr. Acuff contended that CON application 10469 should be denied as it does not demonstrate any special circumstances nor does it document that either a specific terminally ill population is not being served nor that a county within the service area of the licensed hospice program is not being served. Mr. Acuff maintains a number of other points:

- Palm Beach County is the best penetrated service area in the state
- The applicant has not examined services available in the area
- MorseLife is a significant referral source to Hospice of Palm Beach County
- No “special circumstances” exist the cited 2010 decision has no force of precedence as it was legal *dicta*

**CON Action Number: 10469**

- The fact that the applicant will not develop an educational curriculum for five years is problematic at best
- Financial schedules are at issue—expenses are understated and revenues are overstated

Dr. Sadowsky spoke on behalf of the applicant noting that the current lack of hospice curricula us a gap in the continuum of care. He maintained that the application offers a living laboratory to utilize and develop best practices. Dr. Sadowsky noted that the application met the Agency’s requirements and should be approved.

Mr. Acuff spoke again to maintain that a small census does not allow for educational opportunities or for a large sample in order to develop a curricula. He also noted that the applicant did not focus on bereavement counseling other than accounting for a full-time equivalent (FTE) in staffing. Dr. Sadowsky rebutted by stating that the application stands on its own merits.

The reviewer notes that the document submitted by Mr. Acuff presents opposition of the application and notes that CON application 10469 should not be approved because:

- The applicant fails to properly interpret the hospice CON need rule
- The applicant failed to demonstrate that a “teaching hospice” is needed
- The utilization projections in the application are without basis and would not sustain a comprehensive hospice program
- There are significant omissions in the application’s financial schedules and it fails to demonstrate long-term financial feasibility
- Existing utilization and referral patterns do not corroborate a need for the proposed new hospice program

The written document contained three exhibits with additional data and information about the existing hospice programs in Palm Beach County, TrustBridge and MorseLife. This document was reviewed by the Agency.

The reviewer notes that no members of the public other than the representatives for the applicant and Mr. Acuff who represents two of the three existing providers in the area. The reviewer notes that the majority of the information presented at the hearing, located in the service area of Palm Beach County, was already known to the Agency and that the remaining information could have been submitted in the form of a letter

of opposition prior to the omission submission and reviewed within the confines of the State Agency Action Report. The reviewer notes that the public hearing presented very little information that was utilized in weighing and balancing the application against the statutory and rule criteria.

### **Letters of Support**

CON application #10469 includes four signed letters of support highly complementary of exemplary health care services provided at MorseLife Health System's teaching nursing home – The Joseph L. Morse Health Center, Inc. These letters also indicate that the proposed project would be an expansion of the services already provided by the applicant. Two of these four support letters state that the aim of the proposed project is “...to provide students, interns and fellows, with a depth of understanding and best practices in the clinical, social, emotional, spiritual and medical management of patients and their families nearing and at the end-of-life. In addition, the curricula expands to community physicians giving them guidance, tools and strategies to engage their patients and their families in dialogue about end-of-life, what to expect, to remove fear, to plan appropriately, and to engage hospice care among choices.”

These four support letters are authored as follows:

- Mark Nosacka, CEO, Good Samaritan Medical Center
- Jaime Estremera-Fitzgerald, CEO, Area Agency on Aging, Palm Beach/Treasure Coast, Inc.
- Jeffrey S. Farber, MD, Rehabilitation Physicians, P.A.
- Gerald J. O'Connor, MD, MDVIP

### **C. PROJECT SUMMARY**

**MorseLife Therapy Corp. (CON application #10469)**, also referenced as MorseLife or the applicant, a development-stage, Florida non-profit corporation and an affiliate of MorseLife Health System (MHS), proposes to establish a new hospice program in Hospice Service Area 9C, serving Palm Beach County, Florida. According to MorseLife, the proposed program will be an adjunct component “teaching hospice” (and the first of its kind in Florida) to the MorseLife’s “teaching nursing home” (the 310-bed community skilled nursing facility or SNF, The Joseph L. Morse Health Center, Inc., f/k/a The Joseph L. Morse Geriatric Center, Inc.) located at 4847 Fred Gladstone Drive, West Palm Beach, Florida 33417.

The Agency notes that there is no statutory definition or designation of a teaching hospice. The applicant indicates that the proposed project will be located on the campus of MorseLife. Upon project approval, the applicant plans on renaming itself MorseLife Hospice Institute, Inc.

The applicant is proposing total project costs of \$1,011,437.

Schedule 10 of the application indicates an anticipated issuance of license date of December 2017 and an initiation of service date of January 2018.

Schedule C for CON application #10469 includes the following conditions:

MorseLife Therapy Corp. indicates that it looks forward to furthering its mission with approval of a project to add a teaching hospice program, as an adjunct to the teaching nursing home, The Joseph L. Morse Health Center, Inc. The applicant maintains that through collaboration within the facility and within the health system, a program of geriatric research and education exists and that the proposed service expands teaching and research to include end-of-life care, a seminal issue for providers of elder care services. The goal includes creating evidence-based, best practices to equip persons for careers in the long-term care and the hospice industries along with their dissemination.

- ❖ To maintain an ongoing affiliation with the Joseph L. Morse Health Center, Inc., a five-star, Governor's Gold Seal 310-bed teaching nursing home in Palm Beach County.

#### **D. REVIEW PROCEDURE**

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes; and applicable rules of the State of Florida, 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, the consultant, Steve Love, analyzed the application in its entirety with consultation from financial analyst, Brian Shoemaker, of the Bureau of Central Services, who evaluated the financial data.

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

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

**1. Fixed Need Pool**

**a. Does the project proposed respond to need as published by a fixed need pool? Chapter 59C-1.008, Florida Administrative Code and Chapter 59C-1.0355, Florida Administrative Code.**

In Volume 42, Number 191 of the Florida Administrative Register, issued September 30, 2016 the Agency indicated a hospice program net need of zero in Hospice Service Area 9C for the January 2018 Hospice Planning Horizon.

The Agency's need methodology resulted in a negative 358 projected unserved patients who would elect hospice for the January 2018 Hospice Planning Horizon, or 708 projected admissions short of the necessary 350 admissions required to trigger a published numeric need. The reviewer notes that based on the Agency's methodology, as of the 12

months ending June 30, 2016, that existing Hospice Service Area 9C hospice providers, collectively, had the sixth highest penetration rate statewide.

Hospice Service Area 9C is currently served by the following hospice providers:

- Hospice by the Sea, Inc.
- Hospice of Palm Beach County, Inc.<sup>1</sup>
- VITAS Healthcare Corporation of Florida

The applicant is applying to establish a hospice program in the absence of published numeric need.

- b. Approval Under Special Circumstances. In the absence of numeric need shown under the formula in paragraph (4)(a), the applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Chapter 59C-1.0355 (4)(d), Florida Administrative Code.**

**Evidence submitted by the applicant must document one or more of the following:**

- 1. The specific terminally ill population is not being served.**
- 2. That a county or counties within the service area of a licensed program are not being served.**
- 3. That there are persons referred to hospice programs who are not being admitted within 48 hours (excluding cases when a later admission date has been requested). The applicant shall indicate the number of such persons.**

MorseLife states that the proposed project does not respond to the publication of need. MorseLife contends that “not normal circumstances” form a distinctly different category from “special circumstances”, stating that this developed out of case law with Judge John Newton in Case Number 10-1865CON, 10-1866CON and 10-1867CON. The reviewer notes that CON application #10469 does not include copies of these cases for Agency review. MorseLife also contends that subsequent hospice cases (the reviewer notes that the applicant

<sup>1</sup> The reviewer notes that according to FloridaHealthFinder.gov that Hospice by the Sea and Hospice of Palm Beach County share the same controlling interest—TrustBridge, Inc.

does not identify these “subsequent hospice cases”) produce the distinctions in law between special circumstances and not normal circumstances as follows:

- Only two “special circumstances” exist and those are the two conditions explicitly appearing in the hospice rule
- Publication of need establishes the availability of one hospice program. Those who file applications file under the presumptions that need exists. Thus an applicant cannot assert special circumstances when the fixed need pool announces need. To do so undermines the hospice rule leading to an unintended result—a program under the need and a program under the special circumstances. Clearly, approval of a program under need redresses the proposed special circumstances
- Under either a publication result for one program or a result of no need, what exists is a rebuttal presumption that permits raising not normal circumstances
- Not normal circumstances address an applicant’s identified condition or circumstances for which the calculation of need is of little value; and hence, is given little weight. That legal conclusion appears in the most recent case law and finds direct support within the context of the hospice rule itself

The applicant accurately quotes Rule 59C-1.0355(3)(b), Florida Administrative Code and emphasizes that:

- Applicants to establish a new Hospice program shall not be approved in the absence of a numeric need indicated by the formula in paragraph (4)(a) of this rule, *unless other criteria in the rule and in Sections 408.035 and 408.043(2), Florida Statutes, outweigh the lack of a numeric need*

MorseLife notes that the fixed need pool is zero. MorseLife also states that the proposal is for a teaching hospice as an adjunct to the teaching nursing home, which creates the not normal circumstance. According to the applicant, clearly, the facts presented within the application present a rebuttal presumption and allow for the facts to be “weighed on their merits rather against” the fixed need pool, which is of little value in considering the teaching hospice program aligned with a teaching nursing home. Again according to the applicant, MorseLife addresses the statutory provisions found at Sections 408.035 and 408.043(2), Florida Statutes. The Agency notes that using this justification to warrant a new

hospice program, an unlimited number of “not normal circumstances” could be created by an unlimited number of interested parties and then applied to any one, any combination or all 27 hospice service areas, statewide.

Per MorseLife, the fact that no distinct platform exists for training of professionals in how to engage all persons regarding end-of-life decisions and care is a deficit in the system of care. The applicant maintains that the ability to fill that gap, train personnel, develop best practices and provide currently licensed professionals with education distinguishes CON application #10469 for approval. MorseLife maintains that the aim is for all hospice programs to benefit by developing a workforce of professionals and caregivers already trained in end-of-life care.

The applicant discusses that a declining average length of stay (ALOS) for hospice services, both nationally and in Florida, is a concern (see item E.3.a. of this report). The reviewer notes that the applicant does not state that this situation is the case in Palm Beach County. MorseLife contends that from its perspective, there are some educational components that could be brought to bear to increase ALOS by earlier admissions into the hospice program. Below, the applicant offers examples to showcase the types of efforts that could provide improvements.

#### Elements

- Disseminating guidelines for licensed physicians in the community that address the following elements regarding *How to...*
  - Open the subject of planning for end-of-life care with the patient and family
  - Inquire about advance directives, living wills, insurance and estate planning to remove concern
  - Establish and approach to the options addressing curative potential, palliative care, quality of care and patient and families’ wishes
  - Identify with the patient and family and meet them at their level with support, dealing head-on with reactions that also reflect fear, denial, hope, hopelessness, meaning, lack of meaning and other conflicts
  - Engage the patient in active conversation of give and take regarding emotional reactions to his or her condition
  - Furnish materials to the patient and family about palliative care, options and resources
  - Dispel myths about hospice care that explicitly address concepts such as death panels, racial bias, ethnic bias, etc.

## **CON Action Number: 10469**

- Providing on the campus of MorseLife a location with a focus on meeting patients and families in order to discuss hospice care and services available through all hospices
- Creating for referral sources a group of selected volunteers who will engage with the patient and the family the benefits of hospice care and early enrollment
- Enabling leaders of religious institutions with materials to address end-of-life care

### Mechanisms

- Video-conferencing
- Computer applications that provide for interactive training and self-assessment
- Seminars with active role-playing
- Use of volunteers informed and trained to engage the patient and family as a sales force for hospice care
- Online early enrollment procedures that trigger information dissemination
- Within community programs that involved neighbors caring for neighbors
- Involving more entities and providing them with hospice information to generate ongoing “buzz” about the benefits of hospice and enrollment early. To illustrate this concept, specific programs could be made available to high schools to address end-of-life issues

MorseLife asserts that the above elements and mechanisms provide examples of the way in which a teaching hospice differs from existing hospice programs. Further, MorseLife contends that the purpose of the teaching hospice is to further the mission of all hospices, and to provide materials that every licensed nursing home can employ to improve outreach, referral and service satisfaction, with a goal of providing the highest quality of care during the end-of-life. The Agency notes that regarding the elements and mechanisms stated above, the applicant indicates that comparable or similar procedures are not already in operation at existing Hospice Service Area 9C hospice providers. The Agency further notes that the applicant does not describe how the proposed program would not have the effect of duplicating existing hospice outreach services in the area.

MorseLife indicates that building from the teaching nursing home’s scope and practice protocols, additional national experts in various fields will be asked to contribute to the course content necessary to achieve

statement objectives. MorseLife provides a narrative summary to illustrate the evolution in the maturation of the proposed program (CON application #10469, page 1-12 and 1-13, Figure 1-1).

MorseLife states that the proposed teaching nursing home expects a small caseload, with participants opting into the teaching hospice. Regarding how persons would opt into the proposed teaching hospice program, MorseLife states that explanations to potential enrollees cover the benefits of the hospice services to maximize the quality of life as the end nears. Per MorseLife, the information includes contact information for each of the three area hospice providers as well as MorseLife’s teaching hospice program.

Concerning expected admissions, MorseLife points out that no methodology exists to forecast how many persons would elect to participate. The applicant assumes one percent of the forecasted admissions of 10,007 in the horizon year (CY 2018), or 100 admissions, with 80 admissions occurring in year one (CY 2018) and 120 admissions in year two (CY 2019). The reviewer notes the applicant has an expected market share in year one of 0.8 percent and 1.2 percent in year two. See the table below.

**Forecast for MorseLife’s Teaching Hospice Program**

<b>Factor</b>	<b>Year One (CY 2018)</b>	<b>Year Two (CY 2019)</b>
Teaching Hospice Admissions	80	120
ALOS	65	80
Patient Days	5,200	9,600
Average Daily Census (ADC)	14	26
Forecasted Admissions	10,007	10,007
Market Share	0.8%	1.2%

Source: CON application #10469, page 1-15, Table 1-1

MorseLife expects the teaching hospice to evolve from a development stage in its first four years into a “teaching platform” within the fifth year. MorseLife notes that it is during the fifth year that the dissemination of materials occurs and subsequent to this, best practices are being refined.

MorseLife expects no adverse impact regarding the existing three Hospice Service Area 9C hospice providers. Though MorseLife states that the existing three area hospices’ volumes may decline slightly, that decline is *de minimis* because the existing hospices perform higher than expected. Also, MorseLife expects that given the growth among the elderly in the county, the impact of the teaching hospice program is negligible, particularly in light of the benefits to the public that will result. Though the applicant does not offer a source for the first table below, the reviewer notes that the admissions stated are consistent with the

Agency’s Florida Need Projections for Hospice Programs, issued September 30, 2016. Also the reviewer notes that the first table percentages are arithmetically correct. See below.

**Analysis of Any Adverse Impact on Existing Hospices  
with the Introduction of the Teaching Hospice Program**

<b>July 1, 2015 to June 30, 2016</b>		<b>Admissions</b>
Hospice by the Sea		1,737
Hospice of Palm Beach County		6,996
Vitas Healthcare Corporation		1,632
<b>Total</b>		<b>10,365</b>
<b>Market Share</b>		
Hospice by the Sea		16.8%
Hospice of Palm Beach County		67.5%
Vitas Healthcare Corporation		15.7%

<b>CY 2018</b>	<b>Admissions</b>	<b>CY 2019</b>	<b>Admissions</b>
Palm Beach Hospice Patients	10,007	Palm Beach Hospice Patients	10,007
<b>Apply Market Share</b>		<b>Apply Market Share</b>	
Hospice by the Sea	1,677	Hospice by the Sea	1,677
Hospice of Palm Beach County	6,754	Hospice of Palm Beach County	6,754
Vitas Healthcare Corporation	1,576	Vitas Healthcare Corporation	1,576
Teaching Hospice Program	80	Teaching Hospice Program	120
<b>Apply Market Share for Impact</b>	<b>Pro-rata Loss</b>	<b>Apply Market Share for Impact</b>	<b>Pro-rata Loss</b>
Hospice by the Sea	13	Hospice by the Sea	13
Hospice of Palm Beach County	54	Hospice of Palm Beach County	54
Vitas Healthcare Corporation	13	Vitas Healthcare Corporation	13
<b>Add Amounts that Exceed Forecast at Baseline (N=358)</b>	<b>Overage</b>	<b>Add Amounts that Exceed Forecast at Baseline (N=358)</b>	<b>Overage</b>
Hospice by the Sea	60	Hospice by the Sea	60
Hospice of Palm Beach County	242	Hospice of Palm Beach County	242
Vitas Healthcare Corporation	56	Vitas Healthcare Corporation	56
<b>Offset of Overage to Pro-rata Loss</b>	<b>Margin of Excess</b>	<b>Offset of Overage to Pro-rata Loss</b>	<b>Margin of Excess</b>
Hospice by the Sea	47	Hospice by the Sea	40
Hospice of Palm Beach County	188	Hospice of Palm Beach County	161
Vitas Healthcare Corporation	44	Vitas Healthcare Corporation	37

Source: CON application #10469, page 1-17, Table 1-2

The applicant points out that in the table above, for both years (CY 2018 and CY 2019), the pro-rata loss reflects the forecast of 10,007 hospice patients in the horizon year, which is 358 patients fewer than the 10,365 currently reported patients during the July 1, 2015 to June 30, 2016 year. The applicant expects that the hospices will continue at least at the baseline experience. The applicant offers other discussion of its table above (CON application #10469, page 1-18).

MorseLife provides a map (CON application #10469, page 1-18, Figure 1-2) to indicate a five-mile radius to show a range of elderly persons (age 65+) for the year 2021. According to MorseLife, the “lighter purple shade” indicates an elderly population between 8,670 and 17,329 persons, in the year 2021.

MorseLife provides population estimates by age (65+), by ZIP Code, within five miles of the proposed project, according to Nielsen Market Research for 2016 and 2021 data set. Per the applicant, the total 2016 age 65+ population for the referenced area is 29,116 and will increase to 33,071 by 2021, a compound annual growth rate (CAGR) of 2.58 percent. See the table below.

**Numbers of Elderly Persons, Aged 65 Years and Older, by ZIP Code  
within Five-Mile Radius of MorseLife Campus in 2016 and 2021  
with Corresponding Growth Rates  
Under Five-Mile Radius**

<b>ZIP Code</b>	<b>2016 Age 65+</b>	<b>2021 Age 65+</b>	<b>CAGR</b>
33409	3,393	4,032	3.51%
33417	9,618	10,689	2.13%
33407	3,580	4,175	3.12%
33401	5,330	6,032	2.51%
33404	5,521	6,146	2.17%
33403	1,674	1,997	3.59%
<b>Total</b>	<b>29,116</b>	<b>33,071</b>	<b>2.58%</b>

Source: CON application #10469, page 1-19, Table 1-3

MorseLife maintains that per the table above, the net increase is 3,955 persons over the five-year period. MorseLife asserts that the import of showing continued growth among the elderly supplies additional support for the proposed project's lack of adverse impact.

MorseLife provides population estimates by age (65+ and 85+), by the previous ZIP Code total arrangement, within five miles of the proposed project, according to Nielsen Market Research for 2016 and 2021 data set. Per the applicant, the Palm Beach County CAGR age 65+ population will be 2.9 percent and for the age 85+ population will be 2.1 percent, with a total population CAGR of 1.2 percent. See the table below.

**Population Estimates for Palm Beach County, Florida**

<b>Factors</b>	<b>Number</b>
2016 Total Population: Age 65+	335,406
2016 Total Population: Age 85+	61,281
<b>Total 2016 Population</b>	<b>1,429,086</b>
2021 Total Population: Age 65+	386,087
2021 Total Population: Age 85+	67,834,
<b>Total 2021 Population</b>	<b>1,514,839</b>
CAGR 65+	2.9%
CAGR 85+	2.1%
CAGR Total Population	<b>1.2%</b>

Source: CON application #10469, page 1-19, Table 1-4

According to the applicant, the stated population pattern indicates that end-of-life care will continue to be a sought-after service. The Agency notes that MorseLife does not provide documentation to indicate that the existing Hospice Service Area 9C hospice providers cannot be reasonably

expected to accommodate future hospice demand, as it may arise or that an additional hospice program will be needed, consistent with statutory requirements, to meet successful hospice admission target totals.

**2. Agency Rule Criteria and Preferences**

**a. Rule 59C-1.0355(4)(e) Florida Administrative Code - 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.**

The applicant states MHS's mission, vision and core values (see item E.3.b. of this report). The applicant maintains that persons with unmet needs find that MorseLife can meet their need through a variety of service options, and that these include PACE (Program of All-Inclusive Care for the Elderly), home health, Meals on Wheels, long-term care, independent living, assisted living facilities (ALFs), as well as case management services. CON application #10469, Tab 10, includes the PACE directory of contracted providers.

The applicant points out the MorseLife Foundation, indicating that it raises funds so that all persons in need have the ability to secure needed services. The applicant further points out that volunteers work with the foundation to obtain donations that make service development and expansion possible. According to MorseLife, the proposed project benefits from having commitments from the MorseLife Foundation for funding specific courses of study and that one appeal currently associated with the end-of-life care is "Teaching Compassionate Care to Physicians".

The reviewer notes that CON application #10469 does not specify that any given population in Palm Beach County is experiencing an unmet hospice need.

**(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.**

MorseLife indicates that The Joseph L. Morse Health Center, Inc. - the teaching nursing home - will provide the inpatient component of five beds located in the Mack Building on The Joseph L. Morse Health Center, Inc. campus.

The reviewer notes that CON application #10469, Exhibit 2-1, includes a signed letter of commitment from Keith A. Myers, President and CEO, MorseLife Health System (the parent), supporting this five community nursing home bed component for both general and respite care. This commitment letter states that the synergy that occurs having the hospice component integrated with the teaching nursing home offers patients, families, staff and students from many disciplines experience unavailable at this time.

- (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.**

The applicant asserts that whatever the circumstance, MorseLife will work with the patient to identify a primary caregiver. The applicant also asserts that when patients are unable to provide self-care and control symptoms, the hospice team will establish lack of a primary caregiver as a key problem. MorseLife points out that in some instances, a patient may need to be moved to another setting based on their care needs and that such settings may include group homes, SNFs or a hospice inpatient facility. Per MorseLife, the patient makes the decision as to where they wish to be placed.

MorseLife asserts that it will also serve individuals who have AIDS. Additionally, MorseLife asserts that it will work with the homeless population to provide hospice services, particularly for those who access its other programs such as the congregate meal programs.

- (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.**

Palm Beach County is a single county hospice service area, therefore the referenced Agency rule criterion is not applicable in this review.

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

MorseLife maintains that the development of new services remains one of the objectives in the work to define and hone best practices. MorseLife further maintains that at the present time, interest exists to include those available such as, music, pet and art therapy, in addition to Reiki. These four therapies are discussed in greater detail (CON application #10469, page 2-8 and 2-9).

- 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.**

The following is the proposed staffing for year one (ending December 31, 2018) and year two (ending December 31, 2019) of planned operation. The reviewer notes no change in FTEs in administration, nursing and social services from year one to year two but a 0.2 FTE increase for the medical director and a 0.2 FTE increase for the teaching physician, from year one to year two.

Notes to Schedule 6 indicate that the staffing projections reflect the number and mix of hospice patients, with positions including evaluators and curricula developers required to implement a teaching hospice program.

Regarding volunteers for the proposed project, MorseLife comments that a condition of participation in the Medicare program for hospices is the use of volunteers for patient services and administrative activities associate with hospice. MorseLife discusses its established volunteer program supporting its multiple programs, services and fundraising activities (CON application #10469, page 2-11 to 2-13). Additionally, the applicant includes a two-page list of Morselife volunteer opportunities (CON application #10469, Exhibit 2-2).

**Year One (Ending December 31, 2018) and  
Year Two (Ending December 31, 2019)**

<b>Position</b>	<b>Number of FTEs Year One Ending Dec. 31, 2018</b>	<b>Number of FTEs Year Two Ending Dec. 31, 2019</b>
<b>Administration</b>		
Administrator	1.4	1.4
Admissions Director	1.4	1.4
Team Coordinator	1.0	1.0
Team Assistant	1.4	1.4
Finance Coordinator	0.5	0.5
HR/Personnel/Liaison	0.5	0.5
Volunteer Coordinator	1.0	1.0
Clinical Coordinator	1.4	1.4
Curricula Coordinator	1.0	1.0
<b>Physicians</b>		
Medical Director	0.5	0.7
Teaching Physician	0.3	0.5
<b>Nursing</b>		
ARNP/Case Management	0.5	0.5
RN	1.5	1.5
LPN	1.7	1.7
Program Evaluator	0.3	0.3
Materials Developer	0.3	0.3
Outreach Liaison	0.5	0.5
24 Hours on Call	2.4	2.4
Hospice Aide	1.5	1.5
<b>Social Services</b>		
Chaplin	0.5	0.5
Social Worker	1.0	1.0
<b>Total</b>	<b>20.5</b>	<b>20.9</b>

Source: CON application #10469, Schedule 6

**(b) Expected sources of patient referrals.**

MorseLife states an expectation to receive hospice referrals from a variety of sources, including:

- Nursing homes
- ALFs
- Hospitals
- Physicians
- Dialysis centers
- Social workers
- Home health agencies
- Churches and Synagogues
- Programs serving the elderly
- Families and individuals seeking hospice care for a loved one

MorseLife asserts that it will promote hospice care through its multiple programs already in operation and will also provide information about its hospice services through its many affiliations.

**(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.**

Below is the applicant’s projected admissions and days by payer for each payer type, for the proposed year one and year two of operation.

**Admissions and Days by Payer**

<b>Payer</b>	<b>Percent Days</b>	<b>Year One Admits</b>	<b>Year Two Admits</b>	<b>Year One Days</b>	<b>Year Two Days</b>
Medicare	89.3%	71	107	4,644	8,573
Medicaid	6.8%	5	8	354	653
Insurance	2.0%	2	2	104	192
Self-Pay and Charity	1.9%	2	3	99	182
<b>Total</b>	<b>100.0%</b>	<b>80</b>	<b>120</b>	<b>5,200</b>	<b>9,600</b>

Source: CON application #10469, page 2-14, Table 2-1 and page 9-1, Table 9-1

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

Below is the applicant’s projected admissions by diagnosis for year one and year two.

**Admissions and Days by Payer**

	<b>Cancer</b>	<b>AIDS</b>	<b>End Stage Pulmonary</b>	<b>End Stage Renal</b>	<b>End Stage Heart</b>	<b>Other Diagnoses</b>	<b>Total</b>
Year One	25	1	8	2	15	30	<b>80</b>
Year Two	37	1	12	2	22	45	<b>120</b>

Source: CON application #10460, page 2-15, Table 2-2

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

The applicant does not provide a response to this required program description. Additionally, the reviewer notes that the projected number of admissions, by two age groups, under 65 and 65 or older, for the first two years of operation, does not appear in the applicant’s financial statements.

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

MorseLife indicates that core services will include:

- Nursing
- Social work
- Spiritual counseling
- Nutritional
- Bereavement
- Volunteer support

MorseLife emphasizes that the proposed project will have a primary focus on teaching. The applicant maintains the provision of additional hospice services, as indicated by patient needs, including:

- Physical, speech and occupational therapy
- IV therapy
- Radiation and related oncological treatments
- Laboratory services
- Emergency and outpatient hospital services
- Pharmacy services
- Medical equipment

According to the applicant, each patient plan of care will identify the services required to meet the needs of the patient, these will be reviewed and approved by the hospice medical director before they are provided.

MorseLife offers the following six primary supports: system management (including pain), emotional support, medical support, family and patient care support, spiritual support and education/training. Below is a table that accounts for staff and/or services identified under each support category.

**Six Functions of MorseLife Hospice  
Services and Individuals Providing Support**

<b>System Management (including pain)</b>	<b>Emotional Support</b>	<b>Medical Support</b>	<b>Family and Patient Care Support</b>	<b>Spiritual Support</b>	<b>Education and Training</b>
*Physicians *Nurses	*Social workers *Bereavement groups *Volunteers	*Inpatient care *Medication *Medical equipment *Therapies	*Social services *Aides *Homemakers *Dietary *Respite services *Volunteers	*Chaplains *Rabbis *Volunteers	*Medical director *Physicians *Nurses *Social workers *Others

Source: CON application #10469, page 2-17, Table 2-3

Each of the six stated primary supports is discussed in detail (CON application #10469, page 2-17 to 2-21).

**(g) Proposed arrangements for providing inpatient care.**

The applicant states that MorseLife Hospice will initially use five beds from its affiliated 310-bed teaching nursing home as an inpatient unit. The reviewer notes that the applicant provides no letters of commitment from non-affiliated area hospitals or SNFs.

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

MorseLife states that it does not plan to construct or to operate a freestanding inpatient hospice facility during the first two years of operation of the hospice.

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

MorseLife maintains that it will admit hospice patients to an inpatient bed when symptoms cannot be adequately managed at home with patient symptoms requiring intensive intervention. The applicant notes that the other instance in which inpatient beds will be used is for respite care for the caregiver. The applicant indicates that if a patient does not want to use an inpatient option, the hospice team will make arrangements to increase services so the issue is resolved. MorseLife provides other discussion of the process in determining and executing an inpatient admission and planned training for nursing staff on the floor where hospice patients will be located. The training is stated to be focused on the following topics:

- Introduction to MorseLife
- Hospice goals, services and philosophy
- Death, grief and bereavement
- Family dynamics, coping mechanisms and psychological issues
- Spiritual support and death
- Dementias and Alzheimer's disease

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

The applicant maintains that through its experience operating other services for seniors, MorseLife is aware that not all individuals will have a friend or family member who can serve as the primary caregiver. The applicant assures that care will be provided that best meets the patient's wishes.

MorseLife comments that in order to provide care to persons without a primary caregiver at home, the MorseLife hospice team will perform specific tasks, including the following:

- Performing a comprehensive Patient and Family Assessment.
- Determining whether the patient has an able and willing caregiver to assist with care in the patient's home. If the patient does not, the hospice team will develop a list of options for a caregiver, from which the patient may select one that best meets their needs.
- Reassessing the patient's needs for support at each hospice contact.

**(k) Arrangements for the provision of bereavement services.**

MorseLife asserts that the bereavement program will encompass the types of services that may be desired by both Christian and Jewish families. MorseLife states that the bereavement services are offered for approximately 13 months after the death of the hospice patient, although family members may end these services at any time. The applicant describes circumstances under which the hospice team will make referrals to an appropriate agency or service provider. MorseLife indicates that bereavement services begin before the death of the patient so as to begin the grief process prior to loss. The applicant indicates that while

hospice staff and volunteers will receive training on bereavement services, a social worker from the hospice care team who has received additional training on grief/loss will oversee the volunteers to ensure any issues are addressed in a timely manner. The applicant states that bereavement services, like all hospice services, are documented in the patient's plan of care and becomes part of the record.

MorseLife emphasizes that the most likely offered bereavement services include:

- Grief support groups
- Family counseling
- Individual grief counseling

The reviewer notes that the seminal book on dying, "On Death and Dying" is mentioned as a source.

The applicant comments that for Jewish families, bereavement services provided by MorseLife Hospice will honor Judaic traditions, including family mourning, Shiva and time periods for mourning based on the family member who died. The applicant also comments that the staff and volunteers who supported the patient and the family will participate in these activities as desired by the family.

**(1) Proposed community education activities concerning hospice programs.**

MorseLife maintains that during the first year of operation, the proposed project will use existing community linkages for launching community education and maintains that starting in year two the program will implement new activities to provide education.

The applicant states having a speaker's bureau and that this will expand to include topics associated with hospice care, such as:

- What is hospice care and how is it delivered
- Advance directives
- Health care surrogates and hospice care
- The role of palliative care during hospice care

MorseLife indicates that a variety of staff will be trained to provide these presentations to better match a speaker with the audience. The applicant discusses providing a range support groups for caregivers residing in Palm Beach County and also discusses that these are specific to those caring for persons with dementia/Alzheimer's disease, Parkinson's disease, stroke and for those grandparents caring for their grandchildren.

MorseLife emphases that the MorseLife Foundation pledges \$100,000 to provide end-of-life care education to community physicians, once the hospice program is implemented. The applicant assures the addition of courses pertaining to hospice to its Learning Institute, which will provide access to nursing assistants and nurses to this type of content.

**(m) Fundraising activities.**

MorseLife discusses the MorseLife Foundation, Inc., established in 1987, and that in fiscal year (FY) ending in May 2015, the foundation provided "almost" \$100,000 for indigent care. MorseLife indicates that it will expand its grant-making to include the hospice to ensure those without an ability to pay may receive hospice. The Agency notes that hospice care, when requested, must be provided regardless of ability to pay.

MorseLife also discusses the Friends of MorseLife, a stated non-profit entity that is indicated to provide a large grant to the MorseLife Foundation but also funds other MorseLife related entities. According to the applicant, the organization raised over \$1.3 million dollars during the most recent FY (2014/2015).

MorseLife contends that with the addition of a hospice program, the MorseLife Foundation will make direct grants to hospice to cover services that are not reimbursed as well as for indigent care.

- 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 20<sup>th</sup> of each year and January 20<sup>th</sup> of the following year.**

MorseLife states that it will provide the required semi-annual utilization reports to the Agency, as required and that additionally, MorseLife will report quality and utilization data to the Department of Elder Affairs.

**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.**

The applicant is applying to establish a hospice program in Hospice Service Area 9C in the absence of published numeric need. Further, the Agency’s need methodology, regarding Hospice Service Area 9C’s January 2018 Hospice Planning Horizon, indicates that the service area is 708 projected admissions short of the 350 admissions required to trigger a published numeric need (see item E.1.a. of this report).

The following chart illustrates the increase in hospice admissions for the past five years, ending June 30, 2016. As shown below, admissions have increased from 9,615 (for the 12 months ending June 30, 2012) to 10,365 (for the 12 months ending June 30, 2016), an increase of 750 admissions.

<b>Hospice Admissions for Hospice Service Area 9C Five-Year Period Ending June 30, 2016</b>	
<b>12 Months Ending June 30</b>	<b>Admissions</b>
2016	10,365
2015	10,480
2014	10,057
2013	9,845
2012	9,615

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

Hospice Service Area 9C is currently served by the following hospice providers:

- Hospice by the Sea, Inc.
- Hospice of Palm Beach County, Inc.<sup>2</sup>
- VITAS Healthcare Corporation of Florida

Collectively, these three Hospice Service Area 9C hospice providers had the sixth highest penetration rate of Florida's total 27 hospice service areas, for the 12 months ending June 30, 2016.

MorseLife contends that few opportunities exist that train, educate and provide curricula to the workforce as well as caregivers in the provision of hospice and palliative care services.

Regarding availability, MorseLife asserts that a teaching hospice program does not exist in the State of Florida (and hence a lack of availability). According to MorseLife, the proposed project will increase access and availability to improve quality of life for the aging population with a terminal illness. The applicant maintains that the proposed project will provide a setting for establishing a "living classroom" in the development and promotion of best practices.

The applicant concedes and the Agency had previously stated that there is no statutory definition for a "teaching hospice". However, the applicant provides a list of stated requirements of a teaching nursing home (CON application #10469, page 3-2). MorseLife contends that the mechanisms within the teaching hospice program engage the community, including other hospice programs that train and disseminate best practices to health care providers. The Agency notes no support letters from existing Hospice Service Area 9C hospice providers.

MorseLife provides (CON application #10469, page 3-3, Figure 2-1) composite figures to indicate a decline nationally in hospice ALOS. The Agency notes that while the applicant discusses declining hospice ALOS nationally and also states that there is an ALOS decline for hospice services in Florida, the applicant does not provide documentation that this circumstance is consistent with hospice ALOS in Hospice Service Area 9C.

<sup>2</sup> The reviewer notes that according to FloridaHealthFinder.gov that Hospice by the Sea and Hospice of Palm Beach County share the same controlling interest—TrustBridge, Inc.

The applicant discusses linkages between the proposed project and its Loring Institute of Geriatric Research and Education, often referenced as the Learning Institute. Another stated linkage is with the Nurses Improving Care for Healthsystem Elders (NICHE). MorseLife asserts that in Florida, few SNFs participate in NICHE and also asserts that none of the existing hospices within Palm Beach County participate in the NICHE program. According to MorseLife, its linkage to NICHE distinguishes it and extends its influence and reach to other professionals whose objectives include best practices in the care of seniors.

MorseLife asserts that existing training programs in hospice and palliative care are few, with the one closest to Palm Beach County at the University of Miami (UM), Miller School of Medicine, that offers a year-long residency for only two physicians. MorseLife comments that TrustBridge Health offers the two residents a seven-month rotation at two TrustBridge hospices. The applicant states that it currently participates in this residency training program and provides an apartment for them. According to the applicant, the limit of the two slots for residents also limits the physicians that will become certified in hospice and palliative care medicine. MorseLife comments that other programs within the state offer five additional residency programs to that at UM. According to the applicant, all tolled, there is a total maximum capacity on an annual basis of 13 residents statewide. Again according to the applicant, there is an urgent need to have more trained hospice and palliative care physicians and caregivers. The Agency notes that the applicant does not state the number of physicians certified in hospice and palliative care medicine in Hospice Service Area 9C (if any) and if such physicians are aligned with existing Palm Beach County hospice providers. The Agency also notes that the applicant does not provide documentation that poor quality outcomes or poor customer or poor family satisfaction has resulted in the current hospice services provided in Palm Beach County.

MorseLife states that specifically, MorseLife offers and provides training opportunities for 68 physicians (both students and fellows) each year, within its existing teaching nursing home and that its program offers a broader availability to medical students and physicians than does existing fellowship programs in hospice and palliative care statewide.

Regarding access, MorseLife contends that short lengths of stay imply delayed access to hospice. The applicant notes that the impediment to access appears as a failure associated with lack of engagement. The Agency notes that the applicant does not document a lack of engagement

specific to Palm Beach County. MorseLife asserts that a lack of engagement from referral sources or gate-keepers takes many forms, some of which are factors such as those below:

- Reticence to engage a person or family with the course of decline leading to evidential death
- Lack of information that can be brought to bear to open the topics associated with end-of-life care
- Embarrassment associated with raising personal topics that include health status that could elicit responses that include “it’s none of your business”
- Fear of raising emotionally charged subjects because of possible negative reactions to the topic or directed at the person who raised the topic
- Creation of what can be regarded as another problem to face for the person or his/her family
- Confusion regarding curative options cessation and palliative options initiation
- Aversion to death, dying and mortality as socially unacceptable
- Inability to discuss the corporeal events of death apart from religious beliefs, cultural values and societal mores

Per MorseLife, to remove barriers like those above, communication skills and techniques (including education materials) offer some tools that can be taught. The applicant asserts that most importantly, death and dying must move to the forefront of social discourse and acceptance by supplying methods of engagement, relevant information and ways to segment the discussion to fit the intended audience. MorseLife notes, as an example, school programs in health classes and life skill programs would engage a younger generation more open to addressing death and dying.

Regarding extent of utilization, MorseLife points out that hospices in Palm Beach County perform better than expected, indicating that efforts exist to inform, educate and outreach. Using the Agency’s Florida Need Projections for Hospice Programs for the years indicated (2010 to 2015), MorseLife illustrates that Hospice Service Area 9C had a CAGR of 2.31 percent (for hospice admissions) and 2.47 percent (for the horizon year forecast). See the table below.

**Palm Beach County Hospice Admissions and  
Forecasted Admissions by CY**

<b>CY</b>	<b>Hospice Admissions</b>	<b>Horizon Year Forecast</b>	<b>Difference</b>	<b>Percent Above Forecast</b>
2010	9,296	8,850	446	5.0%
2011	9,634	9,119	515	5.6%
2012	9,649	9,283	366	3.9%
2013	9,986	9,340	646	6.9%
2014	10,321	9,690	631	6.5%
2015	10,418	9,998	420	4.2%
<b>CAGR</b>	<b>2.31%</b>	<b>2.47%</b>		

Source: CON application #10469, page 3-7, Table 3-1

According to the applicant, the continued ability of hospices to properly staff the programs with qualified personnel at such a growth rate gives the proposed project enhanced significance. Per the applicant, a well-trained hospice workforce becomes a necessity.

The applicant briefly discusses a 2015 published study (CON application #10469, page 3-7) and indicates that the study results point to delivering end-of-life care from engaged facility personnel returns facility-wide benefit. The Agency notes that the applicant does not provide documentation that current Hospice Service Area 9C hospice providers do not already delivery end-of-life care from engaged facility personnel.

MorseLife discusses conformity with the Health Care Access Criteria (CON application #10469, page 3-8 to page 3-11).

CON application #10469 contends that Palm Beach County’s hospices out-perform the Agency’s forecasts and that the introduction of the proposed project presents little impact that threatens their caseloads, while returning benefit by producing a better-equipped workforce.

**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.**

As previously indicated, Hospice Service Area 9C is currently served by the following hospice providers:

- Hospice by the Sea, Inc.
- Hospice of Palm Beach County, Inc.<sup>3</sup>
- VITAS Healthcare Corporation of Florida

<sup>3</sup> The reviewer notes that according to FloridaHealthFinder.gov that Hospice by the Sea and Hospice of Palm Beach County share the same controlling interest—TrustBridge, Inc.

**CON Action Number: 10469**

The Agency published its statewide Hospice Provider Family Satisfaction Survey Results, available at the Florida HealthFinder.gov website at <http://www.floridahealthfinder.gov/Hospice/CompareHospiceStats.aspx>.

The most recent results of this survey range from January 2014 through March 2014. Providers receive a satisfaction star rating of one star to five stars for each of the following rating categories:

- Patient’s personal needs taken care of
- Patient treated with respect
- Family kept informed of patient’s condition
- Care patient received while under care of hospital
- Hospice team response to your evening/weekend needs

The five-of-five star rating is the highest attainable and indicates respondents were 90 to 100 percent satisfied with the hospice’s performance. A four-of-five star rating indicates respondents were 80 to 89 percent satisfied with the hospices performance. Hospice by the Sea, Inc., and Hospice of Palm Beach County, Inc., each, received four five-of-five star ratings and one four-of-five star rating (capturing all five rating categories). The VITAS Healthcare Corporation of Florida providers, each, received five five-of-five star ratings (capturing all five rating categories). Each existing Hospice Service Area 9C hospice provider that participated in the most recent survey is listed in the table below, which indicates the lowest number and the highest number of respondents for the January 2014 through March 2014 period.

**Hospice Provider Family Satisfaction Survey Results  
January 2014 – March 2014**

<b>Hospice</b>	<b>Main Office (City)</b>	<b>Lowest # of Respondents</b>	<b>Highest # of Respondents</b>
Hospice by the Sea, Inc.	Boca Raton	174	242
Hospice of Palm Beach County, Inc.	West Palm Beach	210	277
VITAS Healthcare Corporation of Florida	North Miami Beach	187	226
VITAS Healthcare Corporation of Florida	Boynton Beach	276	366
VITAS Healthcare Corporation of Florida	Melbourne	298	375

Source: Florida HealthFinder.gov website run date of 12/16/2016

In February 2016, the Department of Elder Affairs (DOEA) updated its statewide 2015 Report on Hospice Demographic and Outcome Measures, available on the DOEA’s website at:

[http://elderaffairs.state.fl.us/doea/Evaluation/2015\\_Hospice\\_Report\\_Final.pdf](http://elderaffairs.state.fl.us/doea/Evaluation/2015_Hospice_Report_Final.pdf)

**CON Action Number: 10469**

The report results are shown as percentages for three Outcome Measures--1, 2 and 2A.

Outcome Measure 1 measures the percentage of patients who had severe pain (seven or higher on the 0-to-10 scale) at admission and whose pain was reduced to a level of five or less by the end of the fourth day of care in the hospice program.

Outcome Measure 2 includes the following question:

- Did the patient receive the right amount of medicine for his or her pain?

Outcome Measure 2A includes the following question:

- Based on the care the patient received, would the patient and/or responsible party recommend hospice services to others?

Each existing Hospice Service Area 9C hospice provider (or parent/affiliate) participated in this DOEA report and 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	
Hospice by the Sea, Inc. / Boca Raton	81%	100%	94%	3,912
Hospice of Palm Beach County, Inc. / West Palm Beach	83%	100%	98%	7,258
VITAS Healthcare Corporation of Florida / Boynton Beach	88%	94%	97%	7,465
VITAS Healthcare Corporation of Florida / Melbourne	83%	94%	97%	7,533
VITAS Healthcare Corporation of Florida / North Miami	79%	96%	97%	6,753
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

The DOEA's report for CY 2015 indicates that pain measure results (Outcome Measure 1) may vary by hospice, as some hospices start reporting pain on the day of admission while others start on the first day of care received. In addition, when multiple pain scores were reported on the fourth day, the score selected varied. Some hospices use the first pain score reported, some use the lowest pain score reported, and others use the highest pain score reported.

MorseLife Therapy Corp. is a development stage corporation and has no operating history. However, the parent (MHS) operates The Joseph L. Morse Health Center, Inc. Upon project approval, the applicant plans on renaming itself MorseLife Hospice Institute, Inc.

Below is the mission, vision and core values of MorseLife, according to the MHS website at <http://www.morselife.org/mission>:

The Mission of MorseLife Health System

Dedicated to enhancing the lives of seniors with a deep respect to Jewish values and traditions.

Vision

To be nationally recognized as a center of excellence for seniors.

Core Values

- Provide the highest standard of care
- Honor those we care for with dignity, compassion and respect
- Seek ways to provide services and those most in need
- Provide uncompromising service
- Provide active lifestyles through a wide spectrum of activities
- Recognize that our employees, volunteers and leadership are our greatest assets

The applicant provides mission, vision and values statements in the application (CON application #10469, page 1-7 and 1-8) along with a mission and vision statement (CON application #10469, page 4-1) and a core values statement (CON application #10469, page 4-2).

The reviewer notes that the parent (MorseLife) and the applicant share the same mission in the parent's website and the application (CON application #10469, page 4-1), however, the applicant includes the following distinct and additional mission statement (CON application #10469, page 1-7):

Establish through MorseLife Therapy Corp, to be renamed Morselife Hospice Institute, Inc., a comprehensive curricula for education and training of persons engaged in end-of-life care. The goals include:

- Developing and disseminating best practices in hospice services
- Disseminating topical information to licensed professionals as well as students from a variety of disciplines to include decision making involving palliative care, cessation of curative options, compassionate care, factors in quality of life, along with spiritual and emotional dimensions facing the patient and the family
- Providing training and continuing education using venues such as practicums, seminars, symposiums and conferences

- Publishing “how to” guides for engaging patients and families in discussions about end-of-life care to include skill sets, techniques, and management in the course of disease progression with a focus on hospice care
- Creating a competent workforce with the capability to address patients and families throughout the end-of-life experiences treating those in care with compassion, dignity and respect

The reviewer notes that the parent and the applicant share the same vision on the parent’s website. However, the applicant includes the following distinct and additional vision statement (CON application #10469, page 1-8): To become a preeminent institute for research and education in end-of-life care through an integrated program within the teaching nursing home.

The reviewer notes that the parent and the applicant share the same core values on the parent’s website. However, the applicant includes the following distinct and additional values statement (CON application #10469, page 1-8):

- Provide residents with effective services of highest quality care
- Affirm and support those who deliver care
- Commit to the respect and dignity of life
- Teach others methods and means that relieve pain, remove fear, and give honor

The applicant maintains that in addition to MorseLife’s values and vision, the proposed project will incorporate the ten components of quality in hospice care, as identified by the National Hospice and Palliative Care Organization’s (NHPCO’s) Quality and Standard Committee.

MorseLife maintains that the proposed project will comply with all CMS standards. MorseLife discusses a Centers for Medicare and Medicaid Services (CMS) hospice-specific Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey of caregivers. The reviewer notes that MorseLife does not provide a copy of CAHPS for Agency review. MorseLife states the use of CAHPS in the home health agency and uses other similar systems such as Press Ganey and InnerView for its SNF and that the proposed hospice will use the CAHPS results to inform its quality assessment and performance improvement (QAPI) functions. The review notes that no CAHPS results are provided regarding MorseLife and also notes that none of the applicant’s/parent’s existing QAPI materials are included in CON application #10469. MorseLife asserts that proposed project is designed to create best practices benefits from the rigors and ongoing development of care coupled with QAPI practices.

MorseLife asserts that the services central to the proposed project include:

- Electronic medical records (EMR)
- Rabbinical services
- Complementary therapies
- Community-based support groups

Each of the four above-stated services is described in further detail (CON application #10469, page 4-5).

MorseLife indicates that the proposed project reaches beyond other hospice programs to create a center of excellence for all hospices to use as a resource and as a preferred place from which to recruit a qualified workforce. MorseLife further indicates that the proposed project's research and education components go beyond hospice, and reach into the broader community to train existing physicians, social service agencies and others working with seniors in how to engage potential hospice patients timely with information about end-of-life care.

The applicant states and the reviewer confirms that MorseLife's "teaching nursing home" (the 310-bed community SNF The Joseph L. Morse Health Center, Inc., f/k/a The Joseph L. Morse Geriatric Center, Inc.) is a Governor's Gold Seal facility (1/1/2015 – 12/31/2016), per the Agency's FloridaHealthFinder.gov website. The reviewer also notes that from the same source, for the rating time period of April 2014 to September 2016 (the most recent time period available), the SNF had an Agency-issued overall five-of-five overall inspection rating. According to FloridaHealthFinder.gov, a five-of-five inspection rating means that the overall inspection measure, the facility ranked better than 81 percent to 100 percent of the facilities in its region, that is, five stars means that the facility ranked in the top 20 percent of facilities in its region.

The reviewer notes that according to the CMS Nursing Home Compare website at <https://www.medicare.gov/nursinghomecompare/search.html?>, as of December 30, 2016, The Joseph L. Morse Health Center, Inc., f/k/a The Joseph L. Morse Geriatric Center, Inc., had a five-of-five "Much Above Average" overall inspection rating.

Agency records indicate that for the three-year period ending December 15, 2016, the SNF The Joseph L. Morse Health Center, Inc., f/k/a The Joseph L. Morse Geriatric Center, Inc., had no substantiated complaints.

- 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.**

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 benchmarks 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.

Below is an analysis of the audited financial statements for MorseLife Health System, Inc., the parent company of the applicant who is funding the project, and where the short term and long term measures of the parent fall on the scale (highlighted in gray) for the most recent year.

<b>The MorseLife Obligated Group</b>		
	<b>May-16</b>	<b>May-15</b>
Current Assets	\$28,967,922	\$33,904,274
Total Assets	\$151,638,759	\$135,336,695
Current Liabilities	\$12,888,434	\$10,398,062
Total Liabilities	\$101,684,744	\$85,190,550
Net Assets	\$49,954,015	\$50,146,145
Total Revenues	\$54,551,081	\$47,334,836
Excess of Revenues Over Expenses	\$144,803	(\$857,055)
Cash Flow from Operations	\$8,201,912	\$5,353,751
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	2.2	3.3
Cash Flow to Current Liabilities (CFO/CL)	63.64%	51.49%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	177.8%	149.1%
Total Margin (ER/TR)	0.27%	-1.81%
<b>Measure of Available Funding</b>		
Working Capital	\$16,079,488	\$23,506,212

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

**Capital Requirements:**

On Schedule 2, the applicant indicates capital projects totaling \$1,011,437 which is made up entirely of this project. The applicant also indicates on Schedule 3 of its application that funding for the project will be provided by operating cash flows. To support the availability of funding, the applicant provided a letter from MorseLife Health System, Inc. committing to fund the project along with FY 2015 and 2016 audited financial statements. The most recent fiscal year showed the applicant's parent had operating cash flows of \$8,201,912.

**Staffing:**

**Year One (Ending December 31, 2018) and  
Year Two (Ending December 31, 2019)**

<b>Position</b>	<b>Number of FTEs Year One Ending DEC 31, 2018</b>	<b>Number of FTEs Year Two Ending DEC 31, 2019</b>
<b>Administration</b>		
Administrator	1.4	1.4
Admissions Director	1.4	1.4
Team Coordinator	1.0	1.0
Team Assistant	1.4	1.4
Finance Coordinator	0.5	0.5
HR/Personnel/Liaison	0.5	0.5
Volunteer Coordinator	1.0	1.0
Clinical Coordinator	1.4	1.4
Curricula Coordinator	1.0	1.0
<b>Physicians</b>		
Medical Director	0.5	0.7
Teaching Physician	0.3	0.5
<b>Nursing</b>		
ARNP/Case Management	0.5	0.5
RN	1.5	1.5
LPN	1.7	1.7
Program Evaluator	0.3	0.3
Materials Developer	0.3	0.3
Outreach Liaison	0.5	0.5
24 Hours on Call	2.4	2.4
Hospice Aide	1.5	1.5
<b>Social Services</b>		
Chaplin	0.5	0.5
Social Worker	1.0	1.0
<b>Total</b>	<b>20.5</b>	<b>20.9</b>

Source: CON application #10469, Schedule 6

**Conclusion:**

Funding for this project 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.

**CON Action Number: 10469**

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.

CON application #10469	MorseLife Therapy Corp.				
Palm Beach	Wage Component	Wage Index	Adjusted Wage Amount	Unadjusted Component	Payment Rate
Base Rate Calculation					
Routine Home Care 1-60 days	\$130.93	0.9376	\$122.76	\$59.62	\$182.38
Routine Home Care 61+ days	\$102.94	0.9376	\$96.52	\$46.88	\$143.40
Continuous Home Care	\$662.80	0.9376	\$621.44	\$301.83	\$923.27
Inpatient Respite	\$92.55	0.9376	\$86.77	\$78.42	\$165.19
General Inpatient	\$470.44	0.9376	\$441.08	\$264.50	\$705.58
<b>Year Two Comparison</b>					
	Inflation Factor Year Two	Inflation Adjusted Payment Rate	Schedule 7 Revenue Year 2	Continuous Service Hours Provided	Calculated Patient Days
Routine Home Care	1.094	\$199.57	\$1,880,355		9,422
Routine Home Care	1.094	\$156.91	\$0		0
Continuous Home Care	1.094	\$1,010.28	\$27,844	24	28
Inpatient Respite	1.094	\$180.76	\$4,030		22
General Inpatient	1.094	\$772.08	\$182,137		236
		<b>Total</b>	<b>\$2,094,366</b>		<b>9,708</b>
				Days from Schedule 7	9,600
				<b>Difference</b>	<b>-108</b>
				<b>Percentage Difference</b>	<b>-1.12%</b>

The applicant's projected patient days are 1.12 percent or 108 days less than the calculated patient days. Operating profits from this project are expected to increase from \$14,220 for year one to \$23,567 for year two.

**Conclusion:**

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.**

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care and in hospice specifically. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient costs 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 forces truly do not begin to take shape until existing business' market share is threatened. Given the existing barriers to price-based competition, it is not foreseen that a new entrant will have a material impact on quality and cost-effectiveness.

**Conclusion:**

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

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

There are no construction costs and methods associated with the proposal to establish the new hospice program, as submitted.

- 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.

Below is the applicant's projected admissions and days by payer for each payer type, for the proposed year one and year two of operation.

**Admissions and Patient Days, First Two Years, by Payer**

<b>Payer</b>	<b>Percent Days</b>	<b>Year One Admits</b>	<b>Year Two Admits</b>	<b>Year One Days</b>	<b>Year Two Days</b>
Medicare	89.3%	71	107	4,644	8,573
Medicaid	6.8%	5	8	354	653
Insurance	2.0%	2	2	104	192
Self-Pay and Charity	1.9%	2	3	99	182
<b>Total</b>	<b>100.0%</b>	<b>80</b>	<b>120</b>	<b>5,200</b>	<b>9,600</b>

Source: CON application #10469, page 2-14, Table 2-1 and page 9-1, Table 9-1

Schedule 7A of the application indicates year one (ending December 31, 2018) and year two (ending December 31, 2019), 6.8 percent and 1.9 percent Medicaid and self-pay, total annual patient days, respective, for each year.

**F. SUMMARY**

**MorseLife Therapy Corp. (CON application #10469)**, a development-stage, Florida non-profit corporation and an affiliate of MorseLife Health System, proposes to establish a new hospice program in Hospice Service Area 9C, serving Palm Beach County, Florida. The proposal is stated to be an adjunct “teaching hospice” to the MorseLife’s “teaching nursing home” - The Joseph L. Morse Geriatric Center, Inc. The applicant indicates that the proposed project will be located on the campus of MorseLife. Upon project approval, the applicant plans on renaming itself MorseLife Hospice Institute, Inc. The Agency notes that there is no statutory definition or designation of a teaching hospice.

The applicant is proposing total project costs of \$1,011,437.

Schedule C for CON application #10469 includes conditions presented on page four of this report.

**Need/Access:**

In Volume 42, Number 191 of the Florida Administrative Register, issued September 30, 2016 the Agency indicated a hospice program net need of zero in Hospice Service Area 9C for the January 2018 Hospice Planning Horizon.

The Agency’s need methodology resulted in 708 projected admissions short of the necessary 350 admissions required to trigger published numeric need. Based on the methodology as of the 12 months ending June 30, 2016, existing Hospice Service Area 9C hospice providers, collectively, had the sixth highest penetration rate statewide.

Hospice Service Area 9C is currently served by the following hospice providers:

- Hospice by the Sea, Inc.
- Hospice of Palm Beach County, Inc.
- VITAS Healthcare Corporation of Florida

The applicant is applying to establish a hospice program in the absence of published numeric need.

The Agency notes that the applicant indicates that existing hospices in Hospice Service Area 9C out-perform the Agency's forecasts, perform better than average.

MorseLife indicates that the following "Not Normal Circumstances" exist to justify project approval, as proposed:

- No distinct platform exists for training of professionals in how to engage all persons regarding end-of-life decisions and care is a deficit in the system of care and the proposed project will fill this gap, furthering the mission of all hospices
- The aim is for all hospice programs to benefit by developing a workforce of professionals and caregivers already trained in end-of-life care
- Most importantly, death and dying must move to the forefront of social discourse and acceptance by supplying methods of engagement, relevant information and ways to segment the discussion to fit the intended audience
- There is no teaching hospice statewide and the proposed project would be the first in Florida
- Establishment of a comprehensive curricula for education and training of persons engaged in end-of-life care with goals to include:
  - Developing and disseminating best practices in hospice services
  - Disseminating topical information to licensed professionals as well as students from a variety of disciplines to include decision making involving palliative care, cessation of curative options, compassionate care, factors in quality of life, along with spiritual and emotional dimensions facing the patient and the family
  - Providing training and continuing education using venues such as practicums, seminars, symposiums and conferences
  - Publishing "how to" guides for engaging patients and families in discussions about end-of-life care to include skill sets, techniques and management in the course of disease progression with a focus on hospice care

**CON Action Number: 10469**

- Creating a competent workforce with the capability to address patients and families throughout the end-of-life experiences treating those in care with compassion, dignity and respect
- Provide students, interns and fellows, with a depth of understanding and best practices in the clinical, social, emotional, spiritual and medical management of patients and their families nearing and at the end-of-life
- Expanding to community physicians giving them guidance, tools and strategies to engage their patients and their families in dialogue about end-of-life, what to expect, to remove fear, to plan appropriately, and to engage hospice care among choices
- Becoming a preeminent institute for research and education in end-of-life care through an integrated program within the teaching nursing home

The applicant maintains that continued growth of the elderly population (age 65+) indicates that the proposed project will have a lack of adverse impact on existing hospice programs in the area.

The Agency recognizes that the applicant does not indicate “Special Circumstances” but rather states that “Not Normal Circumstances” justify the proposed project. The Agency confirms that the applicant provides no documentation and offers no contention to indicate a circumstance to warrant the proposal, pursuant to Rule 59C-1.0355 (4)(d), Florida Administrative Code. The Agency finds that the applicant does not provide evidence or other documentation that existing hospices in Hospice Service Area 9C do not already provide hospice services that meet Agency admission expectations and to satisfy the hospice needs of area patients and their families.

The applicant failed to demonstrate the applicable criteria specified in Section 408.035, Florida Statutes and 59C-1.0355 Florida Administrative Code, including:

- Need for the service was not established
- No gap in availability, accessibility, extent of utilization or quality of care was established in Hospice Service Area 9C
- The applicant did not provide evidence to demonstrate that the proposed service would enhance access to hospice services for residents of Palm Beach County
- The applicant did not demonstrate that circumstances exist to justify approval of the project nor did the applicant document that a specific population within Hospice Service Area 9C is not being served

**Quality of Care:**

MorseLife Therapy Corp. is a development stage corporation and has no operating history. However, the parent, MHS operates The Joseph L. Morse Health Center, Inc., a Governor's Gold Seal (1/1/2015 – 12/31/2016), 310-bed community SNF located in Palm Beach County.

MorseLife states that use of CAHPS in the home health agency and uses other similar systems such as Press Ganey and InnerView for its SNF and that the proposed hospice will use the CAHPS results to inform its QAPI functions. However, no CAHPS results were provided regarding MorseLife and none of the applicant's existing QAPI materials were included in CON application #10469.

The CMS Nursing Home Compare website at <https://www.medicare.gov/nursinghomecompare/search.html?>, as of December 30, 2016, indicates that The Joseph L. Morse Health Center, Inc., had a five-of-five "Much Above Average" overall inspection rating.

From the rating time period of April 2014 to September 2016 (the most recent time period available), the SNF had an Agency-issued overall five-of-five overall inspection rating.

Agency records indicate that for the three year period ending December 15, 2016, the SNF The Joseph L. Morse Health Center, Inc., f/k/a The Joseph L. Morse Geriatric Center, Inc. had no substantiated complaints.

The parent demonstrated that it is a high quality care provider of skilled nursing services.

**Financial Feasibility/Availability of Funds:**

- Funding for this project should be available as needed
- This project appears to be financially feasible
- This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

**Medicaid/Charity Care:**

Hospice programs are required by federal and state law to provide services to everyone requesting them and therefore the Agency would not place Medicaid or charity care conditions on this proposal.

Schedule 7A of the application indicates year one (ending December 31, 2018) and year two (ending December 31, 2019), 6.8 percent and 1.9 percent Medicaid and self-pay, total annual patient days, respective, for each year.

**G. RECOMMENDATION**

Deny CON #10469

**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**