



**CON Action Number: 10502**

- The proposal will assist the Jackson Health System to accomplish its mission statement of embracing the needs of the entire community by serving a rapidly growing population in the area of west Miami-Dade County
- The underserved population deserves the opportunity to receive the level of care that can be provided by University of Miami physicians, community partners and Jackson Health System without having to travel
- More than 500,000 people live within five miles of the proposed site<sup>1</sup>
- The area of west Miami-Dade County is among the fastest growing in the entire county as a whole, especially among young families and the elderly
- In 2015, the City of Doral was considered the third fastest growing city in the United States by the South Florida Business Journal and two years later, Miami Today indicates that Doral is the fastest growing large city in Florida<sup>2</sup>--this is not likely to change
- The area is home to a significant number of elderly patients and the proposed hospital would provide them ready access to health care
- The proposal would expand and better coordinate care within the Jackson Health System to the west Miami-Dade County area—reducing medial errors, duplication of efforts and unnecessary testing
- Ongoing and outpatient medical care that is streamlined (medical records, referrals, consult reports) all within one campus is extremely helpful
- Heavy traffic in Miami-Dade County can make a 10-mile drive an average 45-75 minute commute and the proposed project would cut this commute to 15 minutes
- Public transportation in the area sometimes leads to missed appointments in the existing area hospital arrangement (particularly for the Doral and the surrounding area residents)
- Some patients in the Doral and surrounding area are having to seek inferior options compared to those provided in the Jackson Health System and those options would be improved with approval of the proposed project
- The proposed project would complement and complete the Jackson West Campus – opening the door for area residents to access additional specialized health services near their homes

<sup>1</sup> The reviewer notes that according to the applicant's Rationale #2 in item E.1.a. of this report, the population of the proposed 12-ZIP Code service area is currently more than 430,000 and will increase to nearly 460,000 by 2020.

<sup>2</sup> The reviewer notes that according to the applicant's Rationale #2 in item E.1.a. of this report, residential and commercial development in western Miami-Dade and Doral is the fastest growing in the State of Florida and one of the 15 fastest growing in the United States.

Some support letters are noted from the following:

- Oscar Braynon, II (35<sup>th</sup> District and Democratic Leader) and Daphne Campbell, RN (38<sup>th</sup> District), State Senators, The Florida Senate
- Manny Diaz, Jr., (District 103), Jose A. Oliva (District 110), Bryan Avila (District 111), Daisy J. Baez (District 114) and Jose Felix Diaz (District 116), State Representatives, The Florida House of Representatives
- Miami-Dade County, Board of County Commissioners<sup>3</sup>
- University of Miami Health System representatives
- Area Physicians
- Chairman and CEO of Catalyst Pharmaceuticals, Inc.<sup>4</sup>
- CEO of Network and Communication Services, Inc., (NCS)<sup>5</sup>
- Executive Director for the Miami-Dade County League of Cities
- Jackson Health System representatives
- Executive Director for the Jackson Health Foundation

The remaining 44 letters of support are from residents of Miami-Dade County, some of whom indicate being life-long residents of the area and some indicating residency in Doral.

## **C. PROJECT SUMMARY**

**The Public Health Trust of Miami-Dade County, Florida (CON application #10502)** also referenced as TPHTMDC or the applicant, an affiliate of Jackson Health Systems (JHS), proposes to establish a new 100-bed general acute care hospital (JHW) in Miami-Dade County, Florida, District 11/ Subdistrict 11-1.<sup>6</sup> The proposed 100-bed community hospital will focus on non-tertiary inpatient care and will include a mix of general medical/surgical beds, intensive care and general obstetrics.

<sup>3</sup> The reviewer notes that this is the full complement of Miami-Dade Board of County Commissioners with the exception of Miami-Dade County District 9 commissioner.

<sup>4</sup> According to the Catalyst Pharmaceuticals (CP) website at <http://www.catalystpharma.com/about-us.shtml>, CP is a biopharmaceutical company focused on developing and commercializing innovative therapies for people with rare debilitating neuromuscular and neurological diseases.

<sup>5</sup> According to the NCS website at <http://ncsworldwide.com/aboutus.php>, "We pride ourselves on our ability to work as a team to accomplish well planned, well designed and well implemented projects. The NCS team is comprised of a talented and dedicated group of managers and engineers that have over 20 years of experience in the Information Technology field. Our clientele range in size from large enterprises to small mom and pops and are spread across many different fields including the Banking and Financial industry, Energy development, Insurance, Medical, Travel as well as Government."

<sup>6</sup> The applicant comments and the reviewer confirms that the applicant previously filed CON applications #10395 (Hospital Beds & Facilities 2<sup>nd</sup> Batching Cycle 2015) and #10433 (Hospital Beds & Facilities 1<sup>st</sup> Batching Cycle 2016) to construct a 100-bed hospital at the same location.

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As required in Section 408.037(2), Florida Statutes, the applicant provides the proposed project location by ZIP Code - 33122, on the JHW campus--an ambulatory campus that is currently under development in the City of Doral area of western Miami-Dade County. An approximate location of the proposed project is on the eastern side of Doral, on a 27-acre parcel of land that extends north from NW 25<sup>th</sup> Street to NW 29<sup>th</sup> Street and west from Palmetto Expressway to NW 79<sup>th</sup> Avenue in Doral.

The Public Health Trust of Miami-Dade County, Florida offers 12 ZIP Codes to account for the total proposed service area, with the following eight ZIP Codes as the primary service area (PSA) and the remaining four ZIP Codes as the secondary service area (SSA), all in Miami-Dade County.

PSA ZIP Codes:

- 33122 (Doral)
- 33126 (Miami)
- 33144 (Miami)
- 33166 (Miami Springs)
- 33172 (Doral)
- 33174 (University Park)
- 33178 (Doral)
- 33182 ((Tamiami)

SSA ZIP Codes:

- 33155 (Coral Terrace)
- 33165 (University Park)
- 33175 (Tamiami)
- 33184 (Tamiami)

The reviewer compared the applicant's stated ZIP Code city name (above) to the ZIP Code default city name and all other recognized city name(s), according to the United States Postal Service (USPS) website at <https://tools.usps.com/go/ZipLookupAction!input.action>. The reviewer notes that the stated ZIP Code city names (above) are consistent with the USPS website, with the following exceptions:

PSA ZIP Codes:

- 33174 (default city-Miami/No other recognized city(ies) listed for this ZIP Code)
- 33182 (default city-Miami/Other recognized city listed for this ZIP Code-Doral)

SSA ZIP Codes:

- 33155 (default city-Miami/No other recognized city(ies) listed for this ZIP Code)
- 33165 (default city-Miami/Other recognized city listed for this ZIP Code-Olympic Heights)
- 33175 (default city-Miami/Other recognized city listed or this ZIP Code-Olympic Heights)
- 33184 (default city-Miami/Other recognized city for this ZIP Code-Doral)

The applicant anticipates that for the proposed project, from 2020 (year one) through 2021 (year two), 76.2 percent of forecasted volume will originate from the PSA, 23.8 percent will originate from the SSA and 0.00 percent will originate from beyond the 12-ZIP Code proposed total service area. If approved, the applicant expects the project to begin six to 12 months after the commencement of the Jackson West Campus (slated to open in 2019).

The applicant proposes seven conditions to CON approval on the applicant's Schedule C:

1. Site: The applicant will build the proposed 100-bed hospital at the site specified in the CON application. The site address is:  
7800 NW 29<sup>th</sup> Street Miami, FL 33122
2. Transfer of Beds: The applicant will transfer 100 beds from Jackson Memorial Hospital to Jackson Hospital West. The total licensed beds in the Jackson Health System and the market will remain the same.
3. Development of Jackson West Campus:
  - a. The applicant will build the Jackson West campus including outpatient and ancillary services, including freestanding emergency department, primary care, specialty care, outpatient lab and radiology, and ambulatory surgery.
  - b. The applicant will construct all buildings on the Jackson West Campus to be LEED Silver Certified.
  - c. The applicant will work to develop the Jackson West Campus to be accessible to residents via the Doral Trolley.
  - d. The applicant will develop a community advisory board to provide oversight for the development of the Jackson West project until the Jackson West Hospital building is complete.
4. Patient Access: Jackson Health System, including Jackson Hospital West, will provide high levels of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically the applicant will:
  - a. Provide care to patients classified as Non-Pay in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges.

- b. Provide care to patients classified as Medicaid in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 22 percent of discharges.
- 5. Promotion of Local Small Businesses: The applicant will develop a mentorship program with construction managers to promote the use of small business for contractors and subcontractors for Jackson West.
- 6. Population Health Management Activities: The application will enhance the delivery of population health management initiatives to residents of the service area in all payer categories. Specifically:
  - a. The applicant will establish chronic disease management programs for cardiac and diabetes related illnesses.
  - b. The applicant will establish preventative diagnostic and procedural programs with patient education for the following: men's health, women's health, childhood obesity, and mental health.
  - c. The applicant will develop multispecialty outreach programs with a focus on women's, men's, and family wellness in the following: primary care, cardiology, GI, ENT, Orthopedics, general surgery and vascular medicine.
- 7. Outreach, Education and Community Health Improvement Activities: The applicant will participate in and develop numerous programs and activities aimed at improving the overall health and wellness of the west Miami-Dade community. The outreach activities will include educational workshops, health screenings, sponsorship of community wellness activities, and other programs to be determined as dictated by community needs. Specifically:
  - a. To ensure improved access, the applicant will provide an additional point of access to the Jackson Prime program. The purpose of Jackson Prime is to identify and improve access to underserved and underinsured populations.
  - b. The applicant will partner with local service area employers to conduct free/discounted health screenings on a quarterly basis.
  - c. The applicant will sponsor quarterly healthy activities including fun-runs, races and memory walks that occur in the community and will provide specific education related to health and wellness including diabetes, heart disease, weight loss, and fitness at the event.
  - d. The applicant will offer monthly healthy lifestyle workshops and educational lifestyle seminars on the facility campus (nutrition/cooking classes, smoking cessation, classes for expectant mothers, new parents/siblings, etc.)

NOTE: Should the proposed project be approved, the applicant's conditions would be reported in the annual condition compliance report, as required by Rule 59C-1.013 (3) Florida Administrative Code. The Agency will not impose conditions on already mandated reporting requirements.

The reviewer notes that pursuant to Section 408.036(5), Florida Statutes, through the notification process, the applicant may add or delete any number of acute care beds, at any time, at any of its licensed facilities where licensed acute care beds already exist.

The reviewer notes that within its conditions, the applicant uses the terms Jackson Hospital West and Jackson West Hospital interchangeably.

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

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

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

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

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

As part of the fact-finding, the consultant, Steve Love, analyzed the application in its entirety.

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

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

**1. Statutory Review Criteria**

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

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

The existence of unmet need is not determined solely on the absence of a health service, health care facility or beds in the district, subdistrict, region or proposed service area. The reviewer composed the following table to show the utilization (occupancy) of each existing acute care facility in the subdistrict and the corresponding utilization in aggregate for the district and statewide, for calendar year (CY) 2016. See the table below.



**Acute Care Hospital Utilization  
Subdistrict 11-1, District 11 and Statewide  
CY 2016**

Hospital Name	Acute Care Beds	Total Bed Days	Reported Patient Days	Utilization Percent
Anne Bates Leach Eye Hospital	100	36,600	287	0.78%
Aventura Hospital & Medical Center	351	128,466	98,101	76.36%
Baptist Hospital of Miami	669	244,854	168,025	68.62%
Coral Gables Hospital	245	89,670	36,392	40.58%
Doctors Hospital	281	102,846	30,075	29.24%
Douglas Gardens Hospital	32	11,712	2,017	17.22%
Hialeah Hospital	356	130,296	51,472	39.50%
Homestead Hospital	142	51,972	36,450	70.13%
Jackson Memorial Hospital	1,048	383,568	261,901	68.28%
Jackson North Medical Center	325	118,950	53,914	45.32%
Jackson South Community Hospital	222	76,308	38,967	51.07%
Kendall Regional Medical Center	381	139,446	106,107	76.09%
Larkin Community Hospital	100	36,500	15,888	43.41%
Larkin Community Hospital Palm Springs Campus	247	90,402	26,642	29.47%
Mercy Hospital A Campus of Plantation General Hospital	435	159,210	62,407	39.20%
Miami Medical Center	69	25,254	1,211	4.80%
Mount Sinai Medical Center	502	183,732	104,517	56.89%
Nicklaus Children's Hospital	218	79,778	47,187	59.14%
North Shore Medical Center	279	102,254	55,456	54.23%
Palmetto General Hospital	305	110,574	70,794	64.02%
South Miami Hospital	391	145,038	62,379	43.01%
University of Miami Hospital	456	166,896	98,368	58.94%
University of Miami Hospital & Clinics	40	14,640	13,714	93.57%
West Kendall Baptist Hospital	133	48,678	34,689	71.26%
Westchester General Hospital	98	35,868	13,365	37.26%
<b>Subdistrict 1 Total</b>	<b>7,425</b>	<b>2,713,622</b>	<b>1,490,325</b>	<b>54.92%</b>
<b>District 11 Total</b>	<b>7,582</b>	<b>2,771,084</b>	<b>1,505,967</b>	<b>54.35%</b>
<b>Statewide</b>	<b>51,457</b>	<b>18,739,935</b>	<b>10,667,771</b>	<b>57.99%</b>

Source: Florida Hospital Bed Need Projections & Service Utilization by District-January 2016 thru December 2016, issued July 21, 2017

Based on the table above, for CY 2016, Subdistrict 11-1 had an aggregate of 7,425 licensed acute care beds, with an overall occupancy rate of 54.92 percent, which was an occupancy rate 0.57 percent greater than District 11 overall (54.35 percent) but an occupancy rate 3.07 percent lower than the state overall (57.99 percent).

Acute care bed utilization in the district/subdistrict over the past three years is shown in the chart below.

**District 11/Subdistrict 11-1 Acute Care Hospital Utilization  
Three Years Ending December 31, 2016**

	JAN 2014 DEC 2014	JAN 2015 DEC 2015	JAN 2016 DEC 2016
Number of Acute Care Beds	7,456	7,468	7,425
Percentage Occupancy Rate	52.30%	54.78%	54.92%

Source: Florida Hospital Bed Need Projections & Service Utilization by District, issued July 2014-July 2017

As shown in the chart above, for the three years ending December 31, 2016, while acute care hospital utilization increased from 52.30 percent (CY 2014) to 54.92 percent (CY 2016)—a rise of 2.62 percent—licensed acute care bed totals, in aggregate, decreased overall (from 7,456 in CY 2014 to 7,425 in CY 2016 – a reduction of 31 acute care beds over the same three-year period).

TPHTMDC presents the following five major rationales to support need for the proposed project followed by a brief summary of the applicant's details for each respective rationale.

**Rationale #1:** *The development of a comprehensive infrastructure of emergency, outpatient and physician services is currently underway at Jackson West, which will enhance JHS's ability to focus on population health through a coordinated/integrated continuum of care. While the outline components of Jackson West are excluded from CON review, the array of services under development provides a solid platform for success and results in a need for inpatient bed capacity at the site.*

- The development of Jackson West and the proposed 100-bed hospital is driven by changes in health care delivery as care models transition from volume-driven approaches to outcomes-driven approaches. Population health is a guiding force behind the development and design of the full in- and outpatient Jackson West project.
- This initiative, located on the same campus as the proposed hospital, will provide the necessary infrastructure, additional physician network and patient base to ensure the hospital's success.
- The development of the Jackson West campus provides a logical jumping off point for the addition of needed acute care beds.
- Campus development is occurring independent of a CON decision for inpatient beds, with groundbreaking scheduled for October 2017.
- The outpatient project, along with the complementary inpatient hospital capacity, will address unmet needs of the western Miami-Dade community and provide access to a fully integrated continuum of care within JHS.
- JHS is currently developing Jackson West that will initially include an ambulatory center and freestanding ED. Upon approval of the CON application, JHS will build out the interior space that will house the proposed beds.

TPHTMDC indicates that a number of states, including Florida, are testing payment models that reward good outcomes over greater volume and allow providers to invest in nonmedical interventions that improve health. The applicant maintains that JHS has implemented several strategies aimed at improving population health, including:

- ✓ An increased focus on prevention and wellness through a robust primary care infrastructure

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- ✓ Development of urgent care centers embedded in local communities to increase access to non-emergent care
- ✓ Development of Jackson Prime, which manages the continuum of care for unserved and underserved populations who typically have challenges in accessing health care services in a timely manner
- ✓ Development of a hub and spoke model of health delivery, placing primary care, outpatient care and community hospital beds in the four quadrants of Miami-Dade County with Jackson Memorial serving as the hub for tertiary and quaternary referrals

The applicant maintains that all of these initiatives are aimed at efficiently managing the continuum of care for residents of Miami-Dade County and that the proposed project will bring this level of care continuum into the western quadrant of the county. The applicant further maintains that no other health system in Miami-Dade can offer what JHS can in a fully integrated system. The applicant contends that a system like JHS is well positioned to provide effective and efficient care given the level of continuity that is inherent in a system that contains every component of patient care. The applicant asserts that the proposed project will ensure continuity of care, active care management and seamless IT/medical record integration with other components in JHS.

The reviewer notes that Jackson Prime is conditioned within the application. TPHTMDC states that Jackson Prime is an extension of JHS's charity care program through which JHS aims to manage care for the unserved and underserved, essentially operating as a population health/prevention program. The applicant indicates that once a patient is enrolled in Jackson Prime, the patient is paired with a team of health advocates including social workers, nutritionists and nurse "navigators" who help reduce delays in treatment by coordinating specialist referrals and follow-up visits. The applicant notes that this type of service is not presently available from any other existing provider in the proposed service area.

TPHTMDC indicates that the proposed project along with the overall Jackson West Campus development is part of a medical home model to:

- ✓ Create an integrated outpatient delivery system accessible to all Miami-Dade County residents
- ✓ Enhance collaboration within JHS medical staff and facilities
- ✓ Increase primary care physician coverage for patients who do not currently have a primary care physician (PCP)
- ✓ Identify patient populations for health management (chronic illness, "frequent flyers" and high risk patients)
- ✓ Enhance opportunities for collaboration with University of Miami Miller School of Medicine

- ✓ Decrease registration time
- ✓ Decrease patient wait time/”throughput” time
- ✓ Increase patient satisfaction scores

Stating the use of JHS internal data, TPHTMDC provides a figure to account for full year 2015-2016 and annualized 2017 emergency and outpatient visits data for Jackson Prime patients who reside in the proposed 12-ZIP Code area. See the figure below.

**Emergency and Outpatient Visits at JHS Facilities  
Jackson Prime Patients Residing in 12-ZIP Code JHW Service Area**

<b>Visit Type</b>	<b>2015</b>	<b>2016</b>	<b>Six Months 2017</b>	<b>Annualized 2017</b>
Emergency Room Visits (Non-Trauma)	1,049	1,182	637	1,274
Outpatient Visits (Non-Emergency)	19,345	19,157	9,533	19,066

Source: CON application #10502, page 27, Figure 1

TPHTMDC indicates the visit totals shown above result in services provided regardless of payor source or ability to pay.

Stating the use of the same source, the applicant provides a figure to account for a total of 55,805 total emergency and outpatient visits (all payors) at JHS facilities for patients residing in the total service area (2015) and 54,105 total emergency and outpatient visits (all payors) at JHS facilities for patients residing in the same area (2016). See the figure below.

**2015-2016 Emergency and Outpatient Visits at JHS Facilities  
Patient Residing in 12-ZIP Code JHW Service Area – All Payors**

<b>Area/ZIP Code</b>	<b>2015</b>	<b>2016</b>
<b>PSA</b>		
33122/33172	6,064	6,462
33126	9,102	9,312
33144	4,279	4,231
33166	7,494	5,064
33174	3,654	3,975
33178	3,607	3,654
33182	1,311	1,372
<b>PSA Subtotal</b>	<b>35,511</b>	<b>34,070</b>
<b>SSA</b>		
33155	5,499	5,289
33165	6,711	6,711
33175	5,588	5,707
33184	2,496	2,373
<b>SSA Subtotal</b>	<b>20,294</b>	<b>20,080</b>
<b>12-ZIP Code Area Total</b>	<b>55,805</b>	<b>54,150</b>

Source: CON application #10502, page 28, Figure 2

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The reviewer notes that the applicant does not equate the number of the emergency visits and/or outpatient visits into inpatient general acute care hospital admissions. The reviewer notes that from a health planning perspective, a significant number of hospital admissions manifest from ER visits.

TPHTMDC comments that the proposed project site in Doral (western Miami-Dade) was chosen for a variety reasons, including the large and growing population base, the ease of access via major transportation routes within the area, the large number of outpatients within JHS who reside in the area and the highly fragmented market of inpatient discharges, as evidenced by large numbers of hospitals that serve the area. The applicant indicates that consistent with the goal of a fully integrated continuum of care, the primary care function will be supported by a variety of adult and pediatric specialists and specialty clinics including:

- ✓ General surgery
- ✓ Digestive diseases/GI
- ✓ Women's health (OBGYN and GYN)
- ✓ Musculoskeletal (orthopedics, outpatient rehabilitation)
- ✓ Ophthalmology
- ✓ ENT
- ✓ Urology
- ✓ Hematology/Oncology

The applicant discusses that the proposed project will offer a unique service environment that will include inter-disciplinary, outcomes-based programming that is different from other ambulatory campuses around the Miami-Dade area, including a "clinical neighborhood" model (pages 29-30 of the application). Additionally, the applicant discusses a state-of-the-art technology platform, site planning, ambulatory clinics (medical office building), hospital building and support building (pages 31-34 of the application).

TPHTMDC maintains that more than 80 credentialed JHS physicians with offices in the proposed service area treated patients of any age at Jackson facilities for in- and/or outpatient care in 2016. The applicant provides a figure to detail the range of physician specialists who currently have offices within the area and referred adult patients to JHS facilities last year. See the figure below.

**JHS-Referring Physician Specialists with Office Locations  
Within the Proposed Jackson Hospital West Service Area**

Cardiovascular Disease
Dermatology
Family Medicine
Infectious Disease
Med, Critical Care Medicine
Med, Gastroenterology
Med, Internal Medicine
Med, Nephrology
Med, Pulmonary
Med, Pulmonary and Critical Care
Nephrology
Neurological Surgery
Neurology
Neurology, Vascular Neurology
OBGyn
Orthopaedics
Orthopaedics, Podiatry
Physical Medicine and Rehabilitation
Psychiatry
Psychiatry, Neuropsychology
Psychiatry, PsyD Psychology
Radiology
Surgery, Cardiovascular Thoracic
Surgery, General
Surgery, Plastic Surgery
Surgery, Vascular
Urology

Source: CON application #10502, page 35, Figure 5

The applicant contends that the proposed 100-bed hospital is a critical component of the overall vision to create a fully-integrated, coordinated, high quality continuum of care within the Doral/western Miami-Dade area. The applicant also contends that the proposed project will result in increased accessibility to JHS for all quadrants of Miami-Dade County and additionally will help to ease the fragmentation of the market, offering patients a consolidated continuum of care close to their homes, with tertiary referrals still being served at hospitals located outside the immediate area.

**Rationale #2:** *The large and rapidly growing population base, as well as rapidly expanding commercial and residential development in the proposed 12-ZIP Code area.*

- The population of the proposed 12-ZIP Code area is currently more than 430,000 and will increase to nearly 460,000 by 2022

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- Residential and commercial development in western Miami-Dade and Doral is record-breaking, resulting in the fastest growth in the State of Florida and one of the 15 fastest growing areas in the United States
- Rapid residential and commercial growth has created traffic and infrastructure concerns, resulting in the need for a comprehensive array of services available locally, including health care services

TPHTMDC includes a figure to account for the total service area (PSA and SSA), by ZIP Code, with corresponding city name attached to each ZIP Code (CON application #10502, page 37, Figure 6). The applicant provides a pictorial map of the total service area indicating that the total proposed service area is west/southwest of I-95, with the SSA contiguous to the south of the PSA and the PSA contiguous to the north of the SSA (CON application #10502, page 38, Figure 7). TPHTMDC asserts that the proposed project ZIP Code (33122) is largely a commercial/industrial area and that this will be combined with ZIP Code 33172, which is another Doral ZIP Code immediately to the west of Jackson West's location. TPHTMDC also asserts that due to the proposed project's home ZIP Code (33122) being largely commercial/industrial, resident populations do not capture the growth in the proposed service area who may seek health care services in the area.

Stating the use of Claritas, Inc. data, the applicant provides PSA, SSA and total service area total population estimates, by ZIP Code, from 2017 to 2022, the change in population and the corresponding aggregated average growth rate (AAGR). TPHTMDC points out that from 2017 to 2022, the expected PSA population change (7.1 percent) and the population AAGR (1.4 percent) are both greater than the corresponding expected Miami-Dade County and State of Florida population change (6.7 percent each) and the population AAGR (1.3 percent each). The reviewer notes that based on the applicant's data, for the same period (2017-2022), the applicant's total service area population change (5.9 percent) and population AAGR (1.2 percent) are both less than the Miami-Dade County and State of Florida estimates (6.7 percent and 1.3 percent, respectively). See the figure below.

**Jackson Hospital West  
2017-2022 Total Service Area Resident Population Growth**

Area/ZIP Code	2017	2022	Change	AAGR
<b>PSA</b>				
33122/33172	42,610	45,903	7.7%	1.5%
33126	50,362	53,317	5.9%	1.2%
33144	28,411	29,870	5.1%	1.0%
33166	24,091	25,321	5.1%	1.0%
33174	34,268	35,814	4.5%	0.9%
33178	54,478	60,875	11.7%	2.3%
33182	14,681	15,427	5.1%	1.0%
<b>PSA Subtotal</b>	<b>248,901</b>	<b>266,527</b>	<b>7.1%</b>	<b>1.4%</b>
<b>SSA</b>				
33155	45,591	47,356	3.9%	0.8%
33165	57,106	58,922	3.2%	0.6%
33175	56,854	59,745	5.1%	1.0%
33184	22,433	23,797	6.1%	1.2%
<b>SSA Subtotal</b>	<b>181,984</b>	<b>189,820</b>	<b>4.3%</b>	<b>0.9%</b>
<b>12-ZIP Code Area Total</b>	<b>430,885</b>	<b>456,347</b>	<b>5.9%</b>	<b>1.2%</b>
<b>Miami-Dade Total</b>	<b>2,751,856</b>	<b>2,939,592</b>	<b>6.7%</b>	<b>1.3%</b>
<b>Florida Total</b>	<b>20,748,693</b>	<b>22,128,720</b>	<b>6.7%</b>	<b>1.3%</b>

Source: CON application #10502, page 39, Figure 8

TPHTMDC states that population growth drives need and believes that particularly the estimated PSA population growth from 2017 to 2022 causes barriers to access for the population of the area. The applicant maintains that the proposed project on the Jackson West Campus will ensure that barriers related to travel time<sup>7</sup> for less acute conditions will be eliminated. TPHTMDC states that education, access and prevention will be an integral part of the programming at Jackson West and JHW.

The applicant comments on a stated study released by Florida International University’s Metropolitan Center, showing that Doral’s population increased by 26.1 percent, or 12,000 residents between 2010 and 2016 and that now, Doral has a population of more than 58,000 residents. TPHTMDC indicates that according to the City of Doral, there are more than 9,000 approved residential units in the Doral area, with more than 3,000 currently under construction. The reviewer notes that this is documented (CON application #10502, Exhibit C/City of Doral Economic Snapshot/City of Doral Planning and Zoning Department-Growth Projection). TPHTMDC lists the following 13 developments, with ZIP Code, street address and a brief description of each, as being recent or currently underway residential developments in the area:

- Central Park: Adagio
- Central Park: Astoria
- Central Park: Madison Point
- CityPlace Doral
- Downtown Doral

<sup>7</sup> The reviewer notes that the applicant provides no travel time studies specific to the proposed ZIP Codes that the applicant intends to serve through this proposal.



- Isles of Grand Bay
- Landmark Condominiums
- Landmark Two-Story Townhomes
- Landmark Three-Story Townhomes
- Midtown Doral
- Modern Doral
- NeoVita Doral
- Oasis Park Square

TPHTMDC states that in early 2016, “it was announced” that Miami-based Codina Partners and Lennar Corp. won a joint bid to purchase the now closed White Course golf course in Doral, with the land being adjacent to Downtown Doral, with plans for 343 single-family homes and 52 townhomes. The applicant indicates that according to the City of Doral Economic Snapshot, more than two million square feet of commercial developments have been approved in the area, with over 600,000 square feet under construction. The reviewer notes that this is documented (CON application #10502, Exhibit C/City of Doral Economic Snapshot/City of Doral Planning and Zoning Department-Growth Projection). TPHTMDC maintains that in September 2017, the City of Doral announced it was entering a bid to become home to Amazon’s second U.S. headquarters. TPHTMDC points out that this would bring thousands of high-paying jobs to Doral and would spark even more residential and commercial development to the area. The applicant also notes that Miami-Dade Public School System is currently planning to add two new K-8 schools and convert Doral Middle School into a second high school for the city.

TPHTMDC states that over the past several years, the Miami Herald has published numerous articles related to increasing traffic and transportation challenges throughout Miami. The reviewer notes that the applicant includes examples of such articles (CON application #10502, Exhibit C), some of which are:

- Miami Herald, May 17, 2015-No way out: for drivers caught in gridlock, little relief down the road
- Miami Herald, August 25, 2015-New study confirms Miami traffic is really jammed up
- Miami Herald, Date Not Provided-Business slowdown: Traffic jams up south Florida’s economy

The applicant highlights this excerpt from the Miami-Herald May 17, 2015 article (page 41 of the application):

“For many, the sheer unpredictability and sense of impotence is the worst part of it. It used to be rush hour was dependably bad, but other times were clear sailing. Now there’s no telling how long a car trip will take, be it mid-morning or mid-afternoon or even in the evening. Doral to downtown Miami? Could be 20 minutes, could be 45. Heading back? Might take 90.”

TPHTMDC comments on an Urban Mobility Scorecard released by the Texas A&M Transportation Institute in August 2015, detailing South Florida’s traffic woes. The reviewer notes that this traffic study is described in the Miami Herald: “New study confirms Miami traffic is really jammed up”. The reviewer notes that the study, as described by the media, is not specific to the PSA/SSA of the proposed project but more broadly encompassing Miami as a whole. The reviewer notes that no contracted time studies that indicate travel time from any portion of the total service area to the nearest locations of existing inpatient general acute care hospitals were included within the application.

The applicant contends that adequate planning of infrastructure including medical services within areas that have a large and growing population base, such as Doral, are necessary to ensure residents have access to timely inpatient and outpatient care. The applicant asserts that JHW will be easily accessible to Doral and the surrounding communities by public transportation—critically important to JHS’ patient population. The applicant also asserts that JHW will have a Doral Trolley stop allowing ease of access for patients that rely on public transportation and that there will be a shuttle bus that travels between JHW and Jackson Memorial Hospital’s downtown Miami campus.

In the next two figures, stating the use of Claritas, Inc. data, TPHTMDC provides a 2017-2022 total service area as well as Miami-Dade County and State of Florida estimates, for population distribution by age cohort and projected population growth by gender and age (females age 18-44). The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated subtotals and the reviewer also deletes the totals column for 2017 and for 2022, as the PSA, SSA, Miami-Dade County and State of Florida age cohorts sum to 100.0 percent in all cases. See the figures below.

**Jackson Hospital West Service Area  
2017-2022 Population Distribution by Age Cohort**

Area	2017 Age Distribution				2022 Age Distribution			
	0-17	18-44	45-64	65+	0-17	18-44	45-64	65+
PSA Subtotal	18.7%	36.9%	27.6%	16.8%	18.4%	34.6%	28.9%	18.2%
SSA Subtotal	16.6%	33.1%	28.8%	21.5%	16.1%	31.9%	29.0%	22.9%
<b>PSA and SSA Total</b>	<b>17.8%</b>	<b>35.3%</b>	<b>28.1%</b>	<b>18.8%</b>	<b>17.4%</b>	<b>33.5%</b>	<b>28.9%</b>	<b>20.1%</b>
<b>Miami-Dade Total</b>	<b>20.5%</b>	<b>36.5%</b>	<b>27.1%</b>	<b>15.9%</b>	<b>20.2%</b>	<b>34.8%</b>	<b>27.5%</b>	<b>17.4%</b>
<b>Florida Total</b>	<b>20.1%</b>	<b>33.3%</b>	<b>26.4%</b>	<b>20.1%</b>	<b>19.6%</b>	<b>32.6%</b>	<b>25.5%</b>	<b>22.2%</b>

Source: CON application #10502, page 42, Figure 9

As shown in the figure above, the applicant indicates that the total service area population is diverse in terms of age. The applicant maintains that by 2022, the adult population (18-44) will account for a larger portion of the total resident population than the statewide average and that again by 2022, the adult population (45-64) of the PSA will account for more of the total PSA population than both the county and statewide averages. Also, the applicant points out that with regard to the elderly population, by 2022, the PSA’s elderly population (65+) will account for a larger percentage of the overall PSA than the Miami-Dade average.

The applicant indicates that, in 2017, the proposed 12-ZIP Code service area is home to 74,273 females ages 18 to 44. The applicant expects that by 2022 this population will rise to 78,416 and that this is estimated to result in a 5.6 percent increase in this population cohort, with an AAGR of 1.1 percent—greater than Miami-Dade County as a whole. The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated subtotals. See the figure below.

**Jackson Hospital West Service Area  
2017-2022 Projected Female Population, Ages 18 - 44**

Area	Females Ages 14 - 44			
	2017	2022	Change	AAGR
PSA Subtotal	44,715	47,356	5.9%	1.2%
SSA Subtotal	29,558	31,060	5.1%	1.0%
<b>PSA and SSA Total</b>	<b>74,273</b>	<b>78,416</b>	<b>5.6%</b>	<b>1.1%</b>
<b>Miami-Dade Total</b>	<b>499,712</b>	<b>515,550</b>	<b>3.2%</b>	<b>0.6%</b>
<b>Florida Total</b>	<b>3,424,012</b>	<b>3,669,294</b>	<b>7.2%</b>	<b>1.4%</b>

Source: CON application #10502, page 44, Figure 11

The applicant asserts that the large population base in childbearing women ages 18-44 generated nearly 2,500 normal newborns in 2016, according to data reported in the Agency’s Inpatient Database. The reviewer notes that the applicant does not provide documentation of the state Agency database records. The applicant contends that clearly, demand for obstetrics and other women’s services will remain consistent as the total population continues to grow.

TPHTMDC discusses and provides median household income estimates for the PSA and SSA by ZIP Code, for the total service area and for Miami-Dade County as a whole, for 2017 to 2022, as well as the estimated increase for each geographic area. The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated subtotals. See the figure below.

**Jackson Hospital West Service Area  
2017-2022 Median Household Income**

<b>Area</b>	<b>2017</b>	<b>2022</b>	<b>Increase</b>
Average, PSA	\$49,884	\$57,855	\$8,011
Average, SSA	\$52,501	\$57,083	\$4,582
<b>PSA and SSA Average</b>	<b>\$50,730</b>	<b>\$57,597</b>	<b>\$6,868</b>
<b>Miami-Dade</b>	<b>\$46,205</b>	<b>\$49,893</b>	<b>\$3,688</b>

Source: CON application #10502, page 45, Figure 12

According to TPHTMDC, the diverse socioeconomic status of the population of the proposed service area ensures patients of all socioeconomic backgrounds are able to easily access inpatient care within their community. The applicant states that JHS serves all patients regardless of payor source or socioeconomic status. The reviewer notes that the applicant’s Medicaid and charity care conditions were previously indicated in item C of this report.

The applicant contends that there is a lack of an available and accessible community hospital for the growing population. TPHTMDC points out that currently there is one operational hospital within the PSA ZIP Codes that the applicant plans to serve, that hospital being Miami Medical Center (ZIP Code 33126). The reviewer confirms that per the Agency’s FloridaHealthFinder.gov website, The Miami Medical Center is located at ZIP Code 33126 and that there is no other licensed hospital within the boundaries of the applicant’s proposed PSA. The applicant describes The Miami Medical Center as a 69-bed “boutique” hospital with limited services that does not offer an emergency department (ED) and does not accept Medicaid or traditional Medicare patients. The reviewer confirms that The Miami Medical Center had 69 licensed acute care beds as of December 31, 2016. The reviewer notes that according to this same table, The Miami Medical Center had a total occupancy rate of 4.80 percent, the second lowest occupancy rate of any acute care hospital in the district/subdistrict for CY 2016. According to the FloridaHealthFinder.gov website, The Miami Medical Center does not offer emergency services. This same source also indicates that The Miami Medical Center’s owner/licensee (controlling interest) is Miami International Medical Center, LLC. TPHTMDC asserts that given that The Miami Medical Center is not a “full-service” general community hospital, it is not a similar alternative to the development of the proposed project.

The reviewer also notes that The Miami Medical Center entered an inactive license status on October 30, 2017 after having transferred or discharged all patients.

TPHTMDC discusses prior CON cases (CON applications #10394 and #10395) and notes that cases are pending Final Order. The reviewer confirms that these cases are pending Final Order. TPHTMDC contends that given the large population growth and development underway in western Miami-Dade, including the Doral area, there is sufficient reason to support an additional hospital in the area, namely JHW, which will be located to the south and east of East Florida-DMC's (DMC) proposed facility. The reviewer notes that the applicant provides discussion and description (CON application #10502, pages 46-51, including Figures 13-17) offering comparisons between the proposed project and DMC. The reviewer notes CON application #10502 is the sole general acute care hospital project under review in the current batching cycle for Miami-Dade County.

**Rationale #3:** *The fact that JHS currently serves a significant and growing number of patients who reside in the area including a large number of patients covered under the Jackson Prime program, which represents a historically vulnerable and/or underserved population. Further, the market is highly fragmented, as evidenced by the fact that residents seek care at a large number of providers.*

- This patient population of the PSA and SSA represented 2,149 non-tertiary discharges and 493 obstetrics discharges at JHS facilities, resulting in an average daily census (ADC) of 36 patients in 2016. When JHW filed its original CON application in 2015, JHS facilities discharged an ADC of 28 service area patients in the previous year (2014).
- The majority of these JHS discharges would reasonably choose to be treated at the new hospital offering greater patient convenience.
- 32,627 non-tertiary discharges and 4,902 obstetrics discharges generated by the 12-ZIP Code service area in 2016 were spread amongst a large number of hospitals.
- There were more than 54,000 outpatient/emergency visits to Jackson facilities of residents of the proposed 12-ZIP Code area in 2016, including more than 20,000 who were covered by Jackson Prime, a historically vulnerable and/or underserved population.
- As a safety net hospital, JHS is in a unique position to meet the needs of all Miami residents.
- Development of the proposed 100-bed hospital, even without assuming significant system-wide redirection, would have no effect on other providers in terms of utilization.

Stating the use of Agency Inpatient Database records, TPHTMDC provides the following figure to account for 2014-2016 annualized discharges (non-tertiary, tertiary and OB) for the total service area (all ages)<sup>8</sup>. The applicant indicates that non-tertiary discharges exclude tertiary discharges that are not likely to be treated in a community hospital.

**2014-2016 Annualized Discharges by Type  
Proposed Jackson Hospital West Service Area Residents**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Change</b>	<b>Two-Year AAGR</b>
Non-Tertiary Discharges	32,695	33,048	32,627	-0.2%	-0.1%
Tertiary Discharges	10,907	11,196	10,689	-2.0%	-1.0%
OB Discharges	4,778	4,787	4,902	2.6%	1.3%
<b>Total Service Area Discharges, All Ages Excluding Normal Newborns</b>	<b>48,380</b>	<b>49,031</b>	<b>48,218</b>	<b>-0.3%</b>	<b>-0.2%</b>
<b>Non-Tertiary and OB Only</b>	<b>37,473</b>	<b>37,835</b>	<b>37,529</b>	<b>0.1%</b>	<b>0.1%</b>

Source: CON application #10502, page 52, Figure 18

TPHTMDC points out that the proposed project will not have a dedicated pediatric unit and that data analysis related to market share illustrates that patient migration patterns and projected utilization of the proposed project is based on non-tertiary and obstetrics discharges. Regarding the non-tertiary discharge data shown in the applicant’s Figure 18 above, the applicant offers a total non-tertiary profile of these discharges by age cohort (CON application #10502, page 53, Figure 19) and in comparison to Miami-Dade County as a whole (CON application #10502, page 53, Figure 20). The applicant reiterates that the Doral area is the fastest growing population in the state and that considering this, non-tertiary discharges in the total service area should not be in slight decline (-0.2 percent) compared to a Miami-Dade countywide non-tertiary discharge rise (1.5 percent), from 2014 to 2016. TPHTMDC indicates that this is inconsistent and is perhaps indicative of the existence of a barrier to access to hospital services for residents of the area. Additionally, the applicant points out that during this same period (2014-2016), the single highest-age cohort for non-tertiary discharges in the total service area was the age 65+ cohort (ranging from 57.1 percent of total non-tertiary discharges in 2014 to 58.4 percent of total non-tertiary discharges in 2016). Further, the applicant points out that in 2016, the elderly age cohort had a higher non-tertiary discharge percentage (58.4 percent) in the total service area than in Miami-Dade County overall (49.9 percent).

<sup>8</sup> CON application #10502, Exhibit D-Excluded Tertiary MS-DRGs: 001-017, 052-055, 215-251, 286-287, 456-460, 461-462, 469-470, 471-473, 652, 736-743, 754-756, 789-794, 820-830, 834-849, 876-887, 894-897, 913-914, 927-929, 933-935, 945-946, 955-959, 963-965, 981-987. CON application #10502, page 52 indicates OB as MS-DRGs 765-782 and that excluded also are normal newborns, discharges from CMR hospitals, LTAC facilities and psychiatric facilities.

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The applicant asserts that the residents of the proposed PSA experience challenges in accessing advanced health care services and that the proposed project will offer the residents of the area every component of a comprehensive continuum of care.

The applicant offers an obstetrics profile of discharges by age cohort (CON application #10502, page 55, Figure 23) and in comparison to Miami-Dade County as a whole (CON application #10502, page 56, Figure 24). TPHTMDC points out that of all the referenced 4,902 obstetrics discharges from residents of the total service area in 2016, 99.2 percent of these discharges (4,865) were in the age 18-44 cohort. Additionally, the applicant points out that during this same period (2014-2016), the total service area realized a female age 18-44 discharge growth percentage of 2.6 percent, while the corresponding growth percentage for Miami-Dade County overall was 0.8 percent. The applicant indicates plans to offer an array of women’s services on the outpatient side, including an OBGYN specialty clinic. The Agency notes that outpatient women’s services and an OBGYN specialty clinic would not be subject to CON review.

Stating the use of Agency Inpatient Database records (and using the same OB MS-DRGs, excluding normal newborns and the other exclusions in CON application #10502), the applicant provides the following three figures to account for 2014-2016 actual JHS facility non-tertiary discharges, actual JHS facility obstetric discharges and the actual JHS facility combined non-tertiary and obstetrics discharges (for residents from the proposed total service area), with the corresponding JHS market share of each. TPHTMDC contends that based on the three figures above, service area reliance on JHS for non-tertiary and obstetrics care continues to increase. See the figures below.

**2014-2016 Actual JHS Non-Tertiary Discharges  
Proposed Jackson Hospital West Service Area Residents**

	Non-Tertiary Discharges				
	2014	2015	2016	Change	Two-Year AAGR
Jackson Memorial Hospital	1,335	1,351	1,510	13.1%	6.6%
Jackson South Medical Center	368	444	599	62.8%	31.4%
Jackson North Medical Center	33	41	40	21.2%	10.6%
<b>JHS Total Area Non-Tertiary</b>	<b>1,736</b>	<b>1,836</b>	<b>2,149</b>	<b>23.8%</b>	<b>11.9%</b>
<b>Service Area Total Non-Tertiary</b>	<b>32,695</b>	<b>33,048</b>	<b>32,627</b>	<b>-0.2%</b>	<b>-0.1%</b>
<b>JHS Market Share, Non-Tertiary</b>	<b>5.3%</b>	<b>5.6%</b>	<b>6.6%</b>		

Source; CON application #10502, page 57, Figure 25

**2014-2016 Actual JHS Obstetrics Discharges, All Ages  
Proposed Jackson Hospital West Service Area Residents**

	Obstetrics Discharges				
	2014	2015	2016	Change	Two-Year AAGR
Jackson Memorial Hospital	291	303	393	35.1%	17.5%
Jackson South Medical Center	61	80	83	36.1%	18.0%
Jackson North Medical Center	5	8	17	240.0%	120.0%
<b>JHS Total Area OB</b>	<b>357</b>	<b>391</b>	<b>493</b>	<b>38.1%</b>	<b>19.0%</b>
<b>Service Area Total OB</b>	<b>4,778</b>	<b>4,787</b>	<b>4,902</b>	<b>2.6%</b>	<b>1.3%</b>
<b>JHS Market Share, OB</b>	<b>7.5%</b>	<b>8.2%</b>	<b>10.1%</b>		

Source; CON application #10502, page 57, Figure 26

**2014-2016 Actual JHS Non-Tertiary and Obstetrics Discharges  
Proposed Jackson Hospital West Service Area Residents**

	Combined Non-Tertiary and Obstetrics				
	2014	2015	2016	Change	Two-Year AAGR
Jackson Memorial Hospital	1,626	1,654	1,903	17.0%	8.5%
Jackson South Medical Center	429	524	682	59.0%	29.5%
Jackson North Medical Center	38	49	57	50.0%	25.0%
<b>JHS Total Area Non-T and OB</b>	<b>2,093</b>	<b>2,227</b>	<b>2,642</b>	<b>26.2%</b>	<b>13.1%</b>
<b>Service Area Total Non-T &amp; OB</b>	<b>37,473</b>	<b>37,835</b>	<b>37,529</b>	<b>0.1%</b>	<b>0.1%</b>
<b>JHS Market Share, Non-T &amp; OB</b>	<b>5.6%</b>	<b>5.9%</b>	<b>7.0%</b>		

Source; CON application #10502, page 58, Figure 27

TPHTMDC states that JHS non-tertiary discharges from the 12-ZIP Code service area increased by approximately 400 discharges between 2014 and 2016, with the majority of the growth at Jackson Memorial Hospital which according to the applicant is the closest JHS facility to the proposed service area (CON application #10502, page 58, Figure 28).

Stating the use of Agency Inpatient Database records from 2014 to 2016, the applicant states that the combined non-tertiary and obstetrics average daily census (ADC) among patient days for patients from the 12-ZIP Code total service area has increased from an ADC of 28.1 (2014) to 36.0 (2016), a 7.9 ADC (27.9 percent increase). The applicant emphasizes that this increase is significant and increasing. Given this, the applicant expects that these patients would seek care at the proposed new hospital, given its geographic proximity to their homes. Though the proposed project is to establish a non-tertiary facility, the applicant points out that in 2016, the residents of the proposed total service area sought tertiary services first at Kendall Regional Medical Center, which has a 21.6 percent market share for tertiary services and second at Jackson Memorial Hospital, which has a 13.5 percent market share for tertiary services (CON application #10502, page 60, Figure 31).



The applicant discusses and provides a July 2015 article from US News and World Report – “Can Your Community Hospital Handle This”, (CON application #10502, Exhibit E) detailing the trend and increased need to travel to an academic medical center or tertiary care facility for certain complex conditions or advanced stages of disease. The applicant notes JHS’s Jackson Memorial Hospital and its wide range of highly complex and advanced medical offerings.

TPHTMDC provides a breakdown by Major Diagnostic Category (MDC) of the 2016 actual JHS non-tertiary 2,149 discharges of patients who reside in the proposed 12-ZIP Code total service area (previously listed in the applicant’s Figure 25 above). According to this breakdown of the 2,149 discharges, the single highest number of discharges by MDC is MDC 6 – Diseases and Disorders of the Digestive System, capturing 400 discharges or 18.6 percent of the total 2,149 discharges (CON application #10502, page 62, Figure 33). Each of the remaining 17 MDCs captured 286 or fewer discharges. The applicant emphasizes that JHW will have a “critical mass” of GI/digestive services built into its physician, diagnostic and interventional platforms. The reviewer notes that in the applicant’s Rationale #1, digestive disease/GI was mentioned as a planned area of attention for the proposed project, as well as JHS physician referrals in the planned service area with specialty in Med/Gastroenterology. The reviewer also notes that the applicant provides a figure (CON application #10502, page 63, Figure 34) to account for the 2016 actual JHS non-tertiary discharges by the top 20 MS-DRGs, excluding obstetrics, for residents of the total proposed service area. The applicant’s Figure 34 indicates that of these 2,149 discharges (all MS-DRGs excluding obstetrics), a total of 680 discharges fall within 20 MS-DRGs. Further, the reviewer notes that the applicant conditions to the development of multispecialty outreach programs with a focus on GI, including others (see Item C-Program Summary: Condition #6.c.).

Regarding service area market shares, the applicant previously indicated that the PSA and SSA generated 32,627 non-tertiary discharges in 2016 and that these 32,627 discharges were spread among 115 different hospitals. TPHTMDC emphasizes that this represents a high level of market fragmentation.

CON application #10502, page 64, Figure 35 indicates that two licensed hospitals are located within the applicant’s SSA: Kendall Regional Medical Center or KRMC (a Class 1 Hospital) and Nicklaus Children’s Hospital or NCH (a Class 2 Hospital for Children). The reviewer notes that KRMC is located in ZIP Code 33175 and NCH is located in ZIP Code 33155. The reviewer confirms that both these ZIP Codes are in the applicant’s SSA.

Stating the use of Agency Inpatient Discharge Database records (and the same excluded MS-DRGs as indicated previously), the applicant provides the 2016 identified service area non-tertiary discharges and market share for the 10 hospitals that service the highest number of proposed total service area residents. The 10 hospitals are ranked in descending order by discharges below.

**2016 PSA and SSA Combined Non-Tertiary Discharges and Market Share**

<b>Rank</b>	<b>Hospital Name</b>	<b>2016 Discharges</b>	<b>2016 Market Share</b>
1	Kendall Regional Medical Center	10,069	30.9%
2	Baptist Hospital of Miami	5,090	15.6%
3	South Miami Hospital	2,215	6.8%
4	Doctor's Hospital	2,012	6.2%
5	Coral Gables Hospital	1,897	5.8%
6	Jackson Memorial Hospital	1,510	4.6%
7	University of Miami Hospital	1,287	3.9%
8	Mercy Hospital-Campus of Plantation General Hospital	1,152	3.5%
9	Nicklaus Children's Hospital	1,039	3.2%
10	West Kendall Baptist Hospital	1,035	3.2%
<b>Total 12-ZIP Code Area Non-Tertiary Discharges and Share, Top 10 Facilities</b>		<b>27,306</b>	<b>83.7%</b>
All Other Discharges		5,321	16.3%
<b>Total 12-ZIP Code Area Non-Tertiary Discharges</b>		<b>32,627</b>	<b>100.0%</b>
<b>JHS Total 12-ZIP Code Non-Tertiary Discharges and Shares</b>		<b>2,149</b>	<b>6.6%</b>

Source: CON application #10502, page 65, Figure 36

TPHTMDC emphasizes that care is fragmented and there is no single dominant health care provider with 50 percent or more of the market share in the proposed service area. The applicant emphasizes that this high degree of fragmentation provides evidence of the need for a medical home model of care for the area. TPHTMDC breaks down the above table as the market share percentage by hospital, by PSA ZIP Code and by SSA ZIP Code. Regarding the PSA ZIP Codes, the applicant indicates that a total of 94 hospitals discharged residents of the eight-ZIP Code PSA in 2016 and regarding the SSA ZIP Codes, the applicant indicates that a total of 89 hospitals discharged residents of the four-ZIP Code SSA in 2016. The applicant also uses these same two figures (Figure 37 and Figure 38) to indicate that JHS facilities ranked fifth in terms of PSA market share and ranked eighth in terms of SSA market share. The applicant projects that it will realize 76.2 percent of its year one and year two discharges from the proposed eight-ZIP Code PSA (CON application #10502, page 67).

Stating the use of Agency Inpatient Discharge Database records, the applicant provides the 2016 service area Obstetrics discharges and market share for the 10 hospitals that service the highest number of proposed total service area residents. The 10 hospitals are ranked in descending order by discharges below.

**2016 PSA and SSA Combined Obstetrics Discharges and Market Share**

<b>Rank</b>	<b>Hospital Name</b>	<b>2016 Discharges</b>	<b>2016 Market Share</b>
1	Kendall Regional Medical Center	1,096	22.4%
2	South Miami Hospital	1,022	20.8%
3	Baptist Hospital of Miami	832	17.0%
4	Mercy Hospital-Campus of Plantation General Hospital	410	8.4%
5	Jackson Memorial Hospital	393	8.0%
6	West Kendall Baptist Hospital	212	4.3%
7	Mount Sinai Medical Center	183	3.7%
8	Memorial Hospital Miramar	173	3.5%
9	Palmetto General Hospital	162	3.3%
10	Hialeah Hospital	141	2.9%
<b>Total 12-ZIP Code Area OB Discharges and Share, Top 10 Facilities</b>		<b>4,624</b>	<b>94.3%</b>
All Other Discharges		278	5.7%
<b>Total 12-ZIP Code Area OB Discharges</b>		<b>4,902</b>	<b>100.0%</b>
<b>JHS Total 12-ZIP Code OB Discharges and Shares</b>		<b>493</b>	<b>10.1%</b>

Source: CON application #10502, page 68, Figure 39

TPHTMDC breaks down the above table as the market share percentage by hospital, by PSA ZIP Code and by SSA ZIP Code. Regarding the PSA ZIP Codes, the applicant indicates that Jackson Memorial Hospital had a 9.6 percent market share (the fifth highest volume) of OB discharges for residents in 2016 and regarding the SSA ZIP Codes, the applicant indicates that Jackson Memorial Hospital had a 5.6 percent market share (the fifth highest volume) and Jackson South Medical Center had a 2.3 percent market share (the seventh highest volume), for OB discharges in 2016. The applicant indicates that with JHS already having a presence in the planned service area, it is reasonable that some portion of these patients would choose to seek care closer to their homes and in a brand new state-of-the-art facility.

Stating the use of Agency Inpatient Discharge Database records and Claritas, Inc., data (and excluding normal newborns and Obstetrics), TPHTMDC indicates that the overall discharge rates per 1,000 population for non-tertiary discharges in the 12-ZIP Code service area are consistent with the Miami-Dade average (CON application #10502, pages 69-70 and Figure 42). However, using the same source and exclusions for 2016 data, the applicant discusses that age-specific rates show significant differences in several age cohorts (CON application #10502, page 70, Figure 43). The applicant contends that lower age-specific discharge rates per 1,000 population generated by the service area population as

compared to the county average provide some evidence of access issues, given the historical and future projected growth in the service area population.

TPHTMDC shares that the proposed project's utilization is projected separately for non-tertiary and obstetrics cases. TPHTMDC also shares that the proposed project is being submitted for a variety of reasons and assumptions:

- ✓ The large number of service area patients currently discharged from JHS hospitals
- ✓ The low discharge rate per 1,000 population in the service area compared to the county experience
- ✓ The lack of a full-service community hospital within the PSA (home to approximately a quarter of a million residents)
- ✓ The increased number of discharges produced by the market (current projections are based on the 2014-2016 market trends)
- ✓ The increased ADC of service area residents being served in JHS facilities (28 in 2014 versus 36 in 2016)
- ✓ The increased average length of stay (ALOS) for non-tertiary discharges generated by the 12-ZIP Code area (4.5 days in 2014 versus 4.8 days in 2016)
- ✓ No redirection of any existing JHS patients and based solely on market growth
- ✓ Decreased fragmentation of the existing market to create a medical home for patients who require acute and chronic care

The applicant emphasizes that the likelihood of redirection due to patient convenience and preference strongly supports the reasonability of the proposed project utilization projections but even without redirection, the estimates are sustainable and conservative.

*Projected Non-Tertiary Utilization*

Stated assumptions for projected non-tertiary utilization include:

- Non-tertiary discharge rates for the 0-64 population would remain constant at 2016 levels
- Non-tertiary discharge rates for the 65+ population would experience lowered levels of decline or growth, based on each individual ZIP Code and age cohort's 2014-2016 trend
- Projected non-tertiary ALOS used to project service area patient days and census would remain constant at actual 2016 levels for the for the proposed 12-ZIP Code area

*Step 1: Service Area Trend, Non-Tertiary Discharge Rates Per 1,000 Population by ZIP Code and Age Cohort*

Concerning non-tertiary utilization estimates, stating the use of Agency Inpatient Discharge Database records and Claritas, Inc., data (and excluding normal newborns and Obstetrics), TPHTMDC provides 2014-2016 discharges per 1,000 population by age cohort, with an overall AAGR of -1.2 percent (the only positive AARG by age cohort being 1.6 percent for the age 85+ population). See the figure below.

**2014-2016 Discharges per 1,000 Population by Age Cohort  
Non-Tertiary Discharges Only  
Proposed Jackson Hospital West Service Area Residents**

Age Cohort	Discharges per 1,000			AAGR
	2014	2015	2016	
0-17	27.6	26.5	23.8	-6.9%
18-44	27.2	28.6	27.0	-0.4%
45-64	68.3	67.2	64.5	-2.8%
65-74	150.3	142.4	137.0	-4.4%
75-84	287.1	277.8	278.9	-1.4%
85+	493.8	517.6	509.2	1.6%
<b>12-ZIP Area Total</b>	<b>78.6</b>	<b>78.5</b>	<b>76.6</b>	<b>-1.2%</b>

Source: CON application #10502, page 73, Figure 44

The applicant states that overall, the non-tertiary discharge rate per 1,000 population in the service area has decreased at a modest rate of approximately 1.2 percent annually driven primarily by the decline in the discharge rate of the 0-17 and 65-74 population and that further, it is reasonable to assume slowing of the rate of decline and/or growth going forward.

The applicant offers 2016 and 2020-2021 non-tertiary discharge estimates per 1,000 population by each ZIP Code and age cohort (with the same age-cohorts shown in the figure above) in the PSA (CON application #10502, page 74, Figure 45) and 2016 and 2020-2021 non-tertiary discharge estimates per 1,000 population by the same ZIP Codes and the same age cohorts in the SSA (CON application #10502, page 75, Figure 46).

TPHTMDC emphasizes that JHS does not assume that the development of a comprehensive continuum of care within the area will stop the decline in elderly use rates in the area, but reasonably assumes that it will slow the rate of decline in the discharge rate of the elderly population based on the historical growth/decline in use rate by age cohort within each particular ZIP Code in the proposed service area. The applicant indicates that it did not factor in the likelihood of an increase in overall utilization from the ease of access of JHW.

*Step 2: Apply Projected Use Rates to Projected 2020 Population by Age Cohort and ZIP Code to Projected Discharges by Age Cohort and ZIP Code*

The applicant expects 34,905 total non-tertiary discharges at the proposed project by year one (2020) and 35,556 total non-tertiary discharges at the proposed project by year two (2021). The applicant provides figures to break down these expected totals by identifying the discharge for each distinct ZIP Code and also by identifying each previously defined age cohort. See the figures below.

**2020 and 2021 Projected Non-Tertiary Discharges  
Generated by Residents of the Proposed 12-ZIP Code Service Area**

Area/ZIP Code	Market Discharges		
	2016	2020	2021
<b>PSA</b>			
33122/33172	2,871	3,271	3,386
33126	3,936	4,064	4,100
33144	2,538	2,518	2,516
33166	2,007	2,194	2,249
33174	2,728	2,871	2,909
33178	1,636	1,913	1,992
33182	822	927	940
<b>PSA Subtotal</b>	<b>16,598</b>	<b>17,758</b>	<b>18,092</b>
<b>SSA</b>			
33155	3,821	3,874	3,887
33165	5,309	5,505	5,557
33175	4,985	5,567	5,736
33184	1,914	2,201	2,284
<b>SSA Subtotal</b>	<b>16,029</b>	<b>17,147</b>	<b>17,464</b>
<b>12-ZIP Code Area Total</b>	<b>32,627</b>	<b>34,905</b>	<b>35,556</b>

Source: CON application #10502, page 76, Figure 47

**2020 and 2021 Projected Non-Tertiary Discharges by Age Cohort  
Generated by Residents of the Proposed 12-ZIP Code Service Area**

Age Cohort	Market Discharges		
	2016	2020	2021
0-17	1,815	1,864	1,875
18-44	4,106	4,112	4,113
45-64	7,660	8,176	8,314
65-74	5,494	5,884	6,004
75-84	7,368	7,723	7,817
85+	6,184	7,146	7,433
<b>12-ZIP Code Area Total</b>	<b>32,627</b>	<b>34,905</b>	<b>35,556</b>

Source: CON application #10502, page 77, Figure 48

The applicant again points out that a continuing decline in the overall discharge rate per 1,000 for residents of the proposed service area, with varying levels of growth or decline by ZIP Code and age cohort based on historical trends, still results in an increase in market discharges, based solely on population growth over the next three years.

*Step 3: Calculate Jackson Hospital West 2020 Non-Tertiary Discharges Based on Projected Market Share*

TPHTMDC reiterates that from CON application #10502, Figure 25, JHS’s combined non-tertiary market share in the proposed total service area is 6.6 percent which ranks fourth in terms of service area market share. The applicant also reiterates the high fragmentation in the proposed service area. Based on these considerations, the applicant anticipates capturing an overall non-tertiary market share of approximately 7.8 percent of the total service area discharges in 2020 (year one), increasing to 11.9 percent discharges in 2021 (year two). The applicant maintains that these estimates are projected based on geographic proximity and historical experience. The applicant reaches this total service area estimate by a ZIP Code calculation (CON application #10502, page 78, Figure 49). TPHTMDC estimates all non-tertiary discharges, ALOS, patient days and ADC for year one (2020) and year two (2021) as shown below:

**Projected Non-Tertiary Utilization, Excluding OB,  
Year One (2020) and Year Two (2021)  
Jackson Hospital West**

<b>Non-Tertiary</b>	<b>2020</b>	<b>2021</b>
Discharges	2,710	4248
ALOS	4.8	4.8
Patient Days	13,008	20,390
ADC	35.6	55.9

Source: CON application #10502, page 78, Figure 50

*Projected Obstetrics Utilization*

Stated assumptions for projected Obstetrics utilization include:

- The obstetrics discharge rates by ZIP Code for the 18-44 population would remain constant at 2016 levels through the projection period
- Projected obstetrics ALOS used to project service area patient days and census would remain constant at actual 2016 levels for the proposed 12-ZIP Code area

*Step 1: Service Area Trend, Obstetrics Discharge Rates Per 1,000 Population by ZIP Code (Females 18-44)*

Concerning obstetrics utilization estimates, stating the use of Agency Inpatient Discharge Database records and Claritas, Inc., data (Obstetrics defined as MS-DRGs 765-782), TPHTMDC provide 2014-2016 discharges per 1,000 population by females (age 18-44), with an overall service area AAGR of 0.2 percent. See the figure below.

**2014 - 2016 Discharges per 1,000 Population by ZIP Code  
Obstetrics Discharges Only  
Proposed Jackson Hospital West Service Area Residents**

Area/ZIP Code	Discharges per 1,000			2014-2016
	2014	2015	2016	AAGR
<b>PSA</b>				
33122/33172	65.9	71.0	72.0	4.6%
33126	73.0	70.3	72.4	-0.4%
33144	65.2	65.1	66.9	1.3%
33166	80.3	82.9	82.4	1.3%
33174	47.7	48.4	51.2	3.7%
33178	70.1	65.3	66.0	-2.9%
33182	41.9	56.7	48.1	7.4%
<b>SSA</b>				
33155	69.9	65.0	62.0	-5.3%
33165	69.0	69.0	76.6	5.6%
33175	64.9	63.2	61.1	-2.9%
33184	64.0	57.4	58.7	-4.1%
<b>12-ZIP Code Area Total</b>	<b>66.0</b>	<b>65.4</b>	<b>66.2</b>	<b>0.2%</b>

Source: CON application #10502, page 79, Figure 51

TPHTMDC comments that the obstetrics discharge rate per 1,000 population in the service area has remained constant in recent years (ranging from a low of 65.4 in 2015 to a high of 66.2 in 2016). The applicant projects that the rates will remain constant at 2016 levels (66.2) in Year 1 (2020) and Year 2 (2021). The applicant applies the same MS-DRGs for these estimated discharges as indicated previously. See the figure below.

**2016 and 2020 - 2021 Obstetrics Discharges per 1,000 Population by ZIP Code  
Proposed Jackson Hospital West Service Area Residents**

Area/ZIP Code	Discharges per 1,000		
	2016	2020	2021
<b>PSA</b>			
33122/33172	72.0	72.0	72.0
33126	72.4	72.4	72.4
33144	66.9	66.9	66.9
33166	82.4	82.4	82.4
33174	51.2	51.2	51.2
33178	66.0	66.0	66.0
33182	48.1	48.1	48.1
<b>SSA</b>			
33155	62.0	62.0	62.0
33165	76.6	76.6	76.6
33175	61.1	61.1	61.1
33184	58.7	58.7	58.7
<b>12-ZIP Code Area Total</b>	<b>66.2</b>	<b>66.2</b>	<b>66.2</b>

Source: CON application #10502, page 80, Figure 52



*Step 2: Apply Projected Use Rates to Projected 2020 Population by ZIP Code to Projected Discharges by ZIP Code*

The applicant expects 5,097 total obstetrics discharges at the proposed project by year one (2020) and 5,158 total obstetrics discharges at the proposed project by year two (2021). The applicant provides a figure to break down these expected totals by identifying the expected discharge for each distinct ZIP Code. See the figure below.

**2016 and 2020 – 2021 Projected Obstetrics Discharges by ZIP Code  
Proposed Jackson Hospital West Service Area Residents**

Area/ZIP Code	Market Discharges		
	2016	2020	2021
<b>PSA</b>			
33122/33172	561	558	557
33126	616	641	647
33144	283	288	290
33166	328	366	377
33174	329	338	340
33178	699	776	796
33182	128	127	127
<b>PSA Subtotal</b>	<b>2,944</b>	<b>3,094</b>	<b>3,134</b>
<b>SSA</b>			
33155	461	465	466
33165	670	709	719
33175	570	600	608
33184	220	229	231
<b>SSA Subtotal</b>	<b>1,921</b>	<b>2,003</b>	<b>2,024</b>
<b>12-ZIP Code Area Total</b>	<b>4,865</b>	<b>5,097</b>	<b>5,158</b>

Source: CON application #10502, page 81, Figure 53

*Step 3: Calculate Jackson Hospital West 2020 Obstetrics Discharges Based on Projected Market Share*

TPHTMDC reiterates that from CON application #10502, Figure 26, JHS’s combined obstetrics market share in the proposed total service area is 10.1 and also ranks fourth in terms of service area market share. Based on these considerations, the applicant anticipates capturing an overall obstetrics market share of approximately 8.5 percent of service area discharges in 2020 (year one), increasing to 13.0 percent of service area discharges in 2021 (year two). The applicant maintains that these estimates are projected based on geographic proximity, discussions with JHS administration and leadership, and historical experience. TPHTMDC estimates all obstetrics discharges, ALOS, patient days and ADC for year one (2020) and year two (2021) as shown below:

**Projected Obstetrics Utilization  
Year One (2020) and Year Two (2021)  
Jackson Hospital West**

<b>Obstetrics</b>	<b>2020</b>	<b>2021</b>
Discharges	432	670
ALOS	2.8	2.8
Patient Days	1,216	1,886
ADC	3.3	5.2

Source: CON application #10502, page 82, Figure 55

*Combined Projected Utilization Summary*

The applicant combines the proposed project’s non-tertiary estimates (CON application #10502, Figure 50) and the proposed project’s obstetrics estimates (CON application #10502, Figure 55), to provide non-tertiary and obstetrics (combined) total discharges, ALOS, patient days and ADC for year one (2020) and year two (2021). The applicant anticipates total occupancy at 39.0 percent (year one) and 61.0 percent (year two). See the figure below.

**Projected Overall Utilization, Years 1 and 2  
Jackson Hospital West**

<b>Non-Tertiary</b>	<b>2020</b>	<b>2021</b>
Discharges	2,710	4248
ALOS	4.8	4.8
Patient Days	13,008	20,390
ADC	35.6	55.9
<b>Obstetrics</b>	<b>2020</b>	<b>2021</b>
Discharges	432	670
ALOS	2.8	2.8
Patient Days	1,216	1,886
ADC	3.3	5.2
<b>Non-Tertiary and OB</b>	<b>2020</b>	<b>2021</b>
Total Discharges	3,142	4,918
Total ALOS	4.5	4.5
Total Patient Days	14,224	22,276
Total ADC	39.0	61.0
Total Beds	100	100
<b>Total Occupancy</b>	<b>39.0%</b>	<b>61.0%</b>

Source: CON application #10502, page 82, Figure 56

TPHTMDC discusses (CON application #10502, page 83) “the original CON application in 2015” and the “current CON” application and offers a figure to compare market discharges, market share, discharges, ALOS, ADC and occupancy rates, between the “original CON” and the “current CON” (CON application #10502, page 82, Figure 57). The reviewer notes CON application #10502 is the sole general acute care hospital project under review in the current batching cycle in Miami-Dade County.

The applicant asserts that given the conservative nature of JHS’s assumptions related to market discharges, market share and ALOS with consideration of the large population base in the service area as well as the high level of market fragmentation resulting from the lack of dedicated hospital beds in the PSA, the projected utilization of JHW is not only reasonable but also conservative.

TPHTMDC reiterates having not only relied upon redirection of current service area residents treated in JHS facilities to reach its predicted volume noting that in 2016, approximately 36 patients (non-tertiary and obstetrics) were treated in JHS facilities on any given day. Although, the applicant contends that it is reasonable to assume that 75 percent of these 36 ADC patients would choose JHW as opposed to a more distant JHS facility. The applicant concludes that this 75 percent estimate would result in a redirected census of 27 patients. The applicant also concludes a 61.0 ADC at the proposed project (by year two -2021) with 44.2 percent of the ADC resulting from redirection. The applicant maintains that this calculation serves as a reasonability test to the conservative nature of its proposed project projections. See the figure below.

**Potential Effect of Redirection from Other JHS Facilities to JHW  
ADC Non-Tertiary and Obstetrics Patients**

JHS Projected Year 2 (2021) ADC	61.0
2016 JHS Non-Tertiary and OB ADC from 12-ZIP Area	36.0
Percent Redirection from JHW	75.0%
Redirected ADC to JHW	27.0
<b>Percent of JHW ADC Resulting from Redirection</b>	<b>44.2%</b>

Source: CON application #10502, page 84, Figure 58

*Step 4: Assess Year Two Impact on Existing Providers, Including Other JHS Hospitals*

The applicant anticipates that in total, there will be a net loss in ADC of approximately 21.2 patients spread among more than 100 hospitals, in the proposed project’s second year of operation (2021). TPHTMDC contends that in order to calculate impact, JHW’s discharges (4,918) were subtracted from the projected market cases (40,714) to calculate the number of discharges remaining for each existing provider (35,796). See the figure below.

**2021 Projected Market Discharges Remaining for Other Providers  
Accounting for Jackson Hospital West’s Entry into the Market**

	<b>Non-Tertiary and OB Discharges</b>
Projected Market Discharges	40,714
Projected JHW Discharges	4,918
<b>Discharges Remaining for Existing Providers</b>	<b>35,795</b>

Source: CON application #10502, page 85, Figure 59

The reviewer notes that based on the applicant’s estimates, 35,795 discharges would be the remaining discharges for the totality of existing providers, but not for each provider.

TPHTMDC expects that per Agency Inpatient Discharge Database records for 2016 and considering incremental growth and market share shift, by 2021 (year two of the proposed project), of the 15 hospitals in the area that realized the highest volume of the proposed total service area’s residents that had a discharge from one of these 15 hospitals, 14 of the 15 facilities would lose 3.2 percent or less of their total ADC and most would lose under 1.0 percent. One facility (West Kendall Baptist Hospital) would realize a slight rise in their ADC (0.3 percent). See the figure below.

**Projected Impact on the Top 15 Service Area Providers  
Considering Incremental Growth and Market Share Shift Only  
Effect on Patient Census by 2021 (Year 2)**

Hospital Name	Service Area Non-Tertiary and OB			Total Hospital	Lost ADC  % of Total Hospital
	2016 ADC	Change	2021 ADC	2016 ADC	
Kendall Regional Medical Center	118.4	(1.2)	117.1	290.7	-0.4%
Baptist Hospital of Miami	93.7	(3.1)	90.5	460.3	-0.7%
South Miami Hospital	35.4	(2.3)	33.1	170.9	-1.3%
Doctor’s Hospital	29.4	(2.7)	26.7	82.4	-3.2%
Coral Gables Hospital	22.7	(2.6)	20.1	99.7	-2.6%
Jackson Memorial Hospital	29.9	(2.0)	27.9	717.5	-0.3%
University of Miami Hospital	17.6	(1.0)	16.6	269.5	-0.4%
Mercy Hospital-Campus of Plantation General Hospital	19.4	(1.4)	17.9	171.0	-0.8%
Nicklaus Children’s Hospital	11.4	(0.5)	10.9	129.3	-0.4%
West Kendall Baptist Hospital	13.0	(0.3)	13.3	95.0	0.3%
Westchester General Hospital	15.3	(1.0)	14.4	36.6	-2.6%
Hialeah Hospital	10.3	(0.9)	9.4	141.0	-0.6%
Mount Sinai Medical Center	12.1	(0.8)	11.3	286.3	-0.3%
Palmetto General Hospital	8.2	(0.5)	7.7	194.0	-0.3%
Jackson South Medical Center	5.3	(0.1)	5.1	106.8	-0.1%
All Other Hospitals	24.2	(1.3)	23.0		
<b>Total All Hospitals</b>	<b>466.3</b>	<b>(21.2)</b>	<b>445.1</b>		

Source: CON application #10502, page 85, Figure 60

The applicant states that it is important to note that the analysis of adverse impact does not account for any overall increases in utilization between 2016 and 2021 at any existing provider. TPHTMDC again reiterates an area project submitted by East Florida –DMC, Inc., in a prior batching cycle and provides estimates on how these same 15 hospitals would be adversely impacted if both CON application #10502 and the prior CON application #10394 by East Florida –DMC, Inc., project were both approved (CON application 10502, page 87, Figure 61). In this latter example, TPHTMDC expects that by 2021, of the 15 hospitals in the area that realized the highest volume of the proposed total service area’s residents that had a discharge from one of these 15 hospitals, each of the 15 facilities would lose 5.4 percent or less of their

total ADC and most would lose less than 2.9 percent. The applicant asserts that the community benefits of the development of dedicated hospital beds in western Miami-Dade far outweigh any impact.

TPHTMDC provides other discussion (CON application #10502, pages 87-88) regarding the Recommended Order for CON application #10394.

Stating the use of the Agency's publication Hospital Need Projections and Service Utilization by District, July 15 – July 17 Batching Cycles, the applicant comments that the 15 facilities mentioned above, in aggregate, realized acute care patient days of 1,134,227 (for the 12 months ending December 31, 2014), realized acute care patient days of 1,178,420 (for the 12 months ending December 31, 2015) and realized acute care patient days of 1,186,645 (for the 12 months ending December 31, 2016), from patients that reside in the 12-ZIP Code proposed service area. Again, in aggregate, the applicant notes that this is a 4.6 percent growth rate from 2014 through 2016 (CON application #10502, page 88, Figure 62). The reviewer confirms that the stated aggregate growth rate is arithmetically correct.

TPHTMDC stresses that the proposed project will benefit the community by increasing access to high quality, academically-affiliated services closer to home.

**Rationale #4:** *The expansion of partnership opportunities with the University of Miami (UM) to expand the world-class expertise and long-standing success of the JHS/UM collaboration to the western Miami-Dade area.*

- UM affiliated physicians are anticipated to provide medical services at JHW
- Hospital could serve as a rotation site for various UM medical residencies
- Jackson West Campus will include UM branded services

The applicant provides a September 11, 2017 Miami-Herald article “Jackson Health, University of Miami extend annual medical partnership” (CON application #10502, Exhibit F) as well as an August 31, 2017 Letter of Intent (LOI), signed by parties, between the Public Health Trust of Miami-Dade County, Florida - the Trust - and the University of Miami - the Institution – (CON application #10502, Exhibit G). A review of the LOI indicates that the Trust and the Institution, “agree to collaborate and cooperate with regards to the provision of inpatient and outpatient community health clinical services as required by the Trust to the west Miami-Dade area, including but not limited to the Jackson West campus”. The reviewer notes that the LOI does not

expressly address serving as a rotation site for various UM medical residencies. The reviewer additionally notes that #8 of the two-page LOI specifically states that:

“This LOI contains all the terms and conditions agreed upon by the parties. No other contract, oral or otherwise, regarding the subject matter of this LOI shall be deemed to exist or bind the parties hereto”.

TPHTMDC provides an excerpt which the reviewer confirms is embedded in the referenced Miami-Herald article:

“Jackson and the University of Miami Health System have embarked on more partnerships in the past year, including a network of co-branded urgent care centers and plans for a new hospital in Doral”.

TPHTMDC contends that JHW and specifically the proposed hospital at Jackson West will provide enhanced and expanded educational opportunities for medical students and residents from UM.

**Rationale #5:** *The overwhelming community support for the proposed hospital as evidenced by letters of support from physicians, elected officials, community leaders, service area employers/employees, residents, current and former JHS patients, Jackson employees, and other representatives of community organizations. In particular, the patient letters speak to the challenges associated with travel from western Miami-Dade into downtown to seek care at Jackson Memorial Hospital, as well as the benefit of having local access to JHS expertise in the community.*

Community support/letters of support were briefly summarized in item B of this report.

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

TPHTMDC states that the proposed facility was planned in response to the needs of the western Miami-Dade community and to ensure accessibility of high quality in- and outpatient services for residents of the area. The applicant notes that JHS partnered with the Health

Council of South Florida to develop the 2015 Community Health Needs Assessment. The applicant indicates that the assessment was developed using surveys of residents, community leaders, stakeholders, in-depth interviews with key JHS executives, and analysis of demographic and utilization data for the area.

The applicant maintains that while the entire plan focused on increasing access to services and the importance of population health management programs to focus on primary and preventive care, one of the five priority areas identified for JHS was in the western Miami-Dade area where there is a lack of a dedicated health care delivery system. Per TPHTMDC, the lack of a delivery systems includes the lack of emergency services, primary care, specialty services and inpatient care within the PSA. Also, a need was identified to bring resources closer to communities, thus reducing the need for patients to travel to existing facilities.

TPHTMDC next maintains that a determination was made of specific services needed in the western Miami-Dade community and what types of continuum of care would be most coordinated, efficient and cost-effective for patients, payers and the system. The applicant contends that the challenges in accessing care within current provider campuses outside of the Doral area serve as a deterrent for preventive care and chronic disease management. The reviewer again notes that none of the five area physician support letters indicate an estimated or approximate number of their patients, past or present, who have experienced or are experiencing poor, delayed or substandard health care outcomes as a result of the current arrangement of hospitals that serve the residents of the applicant's proposed total service area.

The applicant again reiterates that no other System in Miami-Dade can offer what Jackson can, offering every component of health care delivery, where patients could be managed and treated from birth until death without ever having to seek care outside the System.

The applicant contends that during the planning of JHW in the framework of population health management it was determined that there was a high level of fragmentation of inpatient discharges generated by the service area population, rapidly expanding residential/commercial development and travel challenges created by expansion presenting an opportunity to develop a full continuum of non-tertiary services (including inpatient beds) for adult and pediatric residents of the area. The applicant states that the ultimate goal is to better manage population health through:

- Creation of a single continuum of care access point (primary care and freestanding ED) that is convenient for residents of the area

- Enhancement of more efficient and timely movement within the continuum of care (appointments with specialists, diagnostic testing and minor procedures)
- Encouragement of better coordination of care when higher level specialty care or inpatient admission is required
- Better health status of the population in the area and enhanced outcomes when interventions are required.

The applicant comments that all of the above mentioned goals have a direct impact on the cost-effectiveness of care. The applicant indicates that increased access to preventative care and chronic disease management in the earlier stages of illness are crucial to the management of costs and charges for patient care. The applicant ensures that the Jackson West campus and the proposed JHW will enhance access to health care for the residents of the service district and will promote quality of care and cost-effectiveness.

TPHTMDC stresses that patients should have a choice of providers with different philosophies, recourses, values and objectives. The applicant also stresses that Jackson West and JHW will increase efficiency and cost-effectiveness for patients and the provider.

The Agency notes that competition is not enhanced or promoted in the circumstance where patients are managed and treated from birth until death without ever having to seek care outside a single system—but would be enhanced if patients had multiple systems to choose health care services from within a geographic area.

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

The table below illustrates the Medicaid/Medicaid HMO days and percentages as well as charity percentages provided by the applicant's flagship hospital – Jackson Memorial Hospital - and District 11 overall, in fiscal year (FY) 2016 by data from the Florida Hospital Uniform Reporting System (FHURS).



**Medicaid, Medicaid HMO and Charity Data  
The Public Health Trust of Miami-Dade County, Florida  
(CON application #10502) for  
Jackson Memorial Hospital and District 11  
FY 2016**

<b>Applicant/Area</b>	<b>Medicaid and Medicaid HMO Days</b>	<b>Medicaid and Medicaid HMO Percent</b>	<b>Percent of Charity Care</b>	<b>Percent Combined Medicaid, Medicaid HMO and Charity Care</b>
JMH	182,391	40.85%	6.82%	47.67%
<b>District 11 Total</b>	<b>477,134</b>	<b>25.94%</b>	<b>3.90%</b>	<b>29.84%</b>

Source: Agency for Health Care Administration Florida Hospital Uniform Reporting System

As shown in the table above, the applicant’s Jackson Memorial Hospital had a combined Medicaid, Medicaid HMO and charity care patient day percentage of 47.67 percent, the highest percentage of combined Medicaid, Medicaid HMO and charity care patient days of any Class 1 hospital in District 11 for FY 2016, with the combined District 11 average being 29.84 percent. According to the same source for the same time period, Homestead Hospital had the second highest combined Medicaid, Medicaid HMO and charity care patient day percentage (46.23 percent) of any Class 1 hospital in District 11. The highest combined Medicaid, Medicaid HMO and charity care patient day percentage (62.67 percent) in District 11 for this same time period was Nicklaus Children’s Hospital – a Class 2 Hospital for Children.

The table below illustrates the applicant’s state fiscal year (SFY) 2016-2017 low-income pool (LIP) and disproportionate share hospital (DSH) program participation, as of July 7, 2017.

**The Public Health Trust of Miami-Dade County, Florida  
(CON application #10502) for  
Jackson Memorial Hospital (JMH)  
LIP and DSH Program Participation  
SFY 2016-2017**

<b>Program/Facility</b>	<b>Annual Total Allocation</b>	<b>Year-to-Date Total Allocation as of July 7, 2017</b>
LIP/JMH	\$107,395,764	\$107,395,764
DSH/JMH	\$57,081,440	\$57,081,440

Source: Agency Division of Medicaid, Office of Program Finance

As shown in the table above, the applicant’s Jackson Memorial Hospital has drawn the entirety of their SFY 2016-2017 respective LIP and DSH allocations.

For comparative purposes, the reviewer notes that for SFY 2016-2017 and from the same source, Jackson Memorial Hospital received the highest LIP and the highest DSH funding of any hospital statewide. For this same SFY, the second highest LIP funding of any hospital statewide was UF Health Jacksonville (District 4) at \$70,191,719.

The Agency notes that for SFY 2016-2017, of the state's total of 157 hospitals that participated in the LIP program, Jackson Memorial Hospital was allocated and drew down 18.62 percent of the aggregate LIP funding, as of July 7, 2017. For this same SFY, of the state's 51 hospitals that participated in the DSH program, Jackson Memorial Hospital was allocated and drew down 18.30 percent of the aggregate DSH funding, as of July 7, 2017. See the table below.

**LIP and DSH Aggregated Allocation Statewide, JMH Allocation and JMH Statewide Percentage  
SFY 2016-2017**

<b>Program</b>	<b>Annual Aggregated Allocation Statewide</b>	<b>Total Number of Participating Hospitals Statewide</b>	<b>Year-to-Date Total Allocation for JMH as of July 7, 2017</b>	<b>JMH Percentage of Annual Allocation Statewide</b>
LIP	\$576,755,884	157	\$107,395,764	18.62%
DSH	\$311,965,134	51	\$57,081,440	18.30%

Source: Agency Division of Medicaid, Office of Program Finance

The Agency concludes that for SFY 2016-2017, JMH was allocated and drew down the greatest LIP funding and the greatest DSH funding of any single hospital statewide, both in terms of total dollars and by percentage.

TPHTMDC indicates that it will maintain its charitable mission with the proposed 100-bed new hospital by providing a significant amount of care to populations that are uninsured or underinsured. Based on the most recent FHURS, LIP and DSH data shown above, the Agency concurs that TPHTMDC is a significant provider of medical services to the medically indigent/underinsured/uninsured population in Miami-Dade County.

TPHTMDC notes again that JHS currently serves a large number of Jackson Prime patients who reside within the proposed 12-ZIP Code service area. Stating the use of FHURS data, the applicant provides the figure below which details the five-year financial access history of JHS's three referenced hospital - Jackson Memorial Hospital, Jackson South Medical Center and Jackson North Medical Center. See the table below.

**Jackson Health System Patient Access Indicators  
Fiscal Years Ended September 30, 2012-2016**

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>Admissions</b>					
Medicaid	9,953	9,780	8,308	3,045	11,126
Medicaid CMO	6,044	6,289	7,529	13,459	15,462
Mcaid + Mcaid CMO Admissions	15,997	16,069	15,837	16,504	26,588
Total Admissions	60,203	57,069	56,432	58,091	63,728
<b>Mcaid + Mcaid HMO% of Total</b>	<b>26.6%</b>	<b>27.8%</b>	<b>28.1%</b>	<b>28.4%</b>	<b>41.7%</b>
Bad Debt	\$493,772,340	\$440,772,340	\$471,097,788	\$561,105,056	\$542,762,519
Charity Care	\$367,198,167	\$345,959,830	\$317,445,225	\$322,019,247	\$342,068,704
<b>Total Bad Debt + Charity Care</b>	<b>\$860,970,507</b>	<b>\$786,585,240</b>	<b>\$788,543,013</b>	<b>\$883,124,303</b>	<b>\$884,831,223</b>

Source: CON application #10502, page 105, Figure 63

Regarding the applicant’s provision of non-pay and Medicaid patient access to the total proposed service area, CON application #10502 conditions (Condition #4, a. and b.), as follows:

Patient Access: Jackson Health System, including Jackson Hospital West, will provide high levels of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically the applicant will:

- Provide care to patients classified as non-pay in an amount which would exceed the prior year’s 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges.
- Provide care to patients classified as Medicaid in an amount which would exceed the prior year’s 12-ZIP Code area average discharges, not to be less than 22 percent of discharges.

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

In the previous sections of this report, TPHTMDC provided a thorough and complete description of the proposed 100-bed general acute care hospital, a statement of its purpose and the need it will meet. The applicant previously indicated ZIP Code 33122 as the location of the proposed project as well as the accompanying PSA and SSA, by ZIP Codes.

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TPHTMDC estimates that in year one (2020) and in year two (2021), 76.2 percent of total discharges will originate from residents in the PSA and that in year one and in year two, 23.8 percent of total discharges will originate from residents in the SSA. The reviewer notes that in this same two-year period, the applicant estimates that 100 percent of discharges are expected from residents within the proposed total service area. See the figure below.

**Jackson West Hospital  
Proposed PSA and SSA Discharges**

<b>Area/ZIP Code</b>	<b>2020</b>	<b>2021</b>
<b>PSA</b>		
33122/33172	498	788
33126	611	949
33144	274	421
33166	333	525
33174	313	487
33178	263	418
33182	102	160
<b>PSA Subtotal</b>	<b>2,394</b>	<b>3,748</b>
<b>SSA</b>		
33155	184	283
33165	236	367
33175	235	372
33184	93	148
<b>SSA Subtotal</b>	<b>748</b>	<b>1,170</b>
<b>12-ZIP Code Area Total</b>	<b>3,142</b>	<b>4,918</b>
<b>% from PSA</b>	<b>76.2%</b>	<b>76.2%</b>
<b>% from SSA</b>	<b>23.8%</b>	<b>23.8%</b>

Source: CON application #10502, page 106, Figure 64

TPHTMDC emphasizes that ZIP Codes 33122 and 33172 are shown together due to the fact that 33122 has very little population and generates very few discharges on an annual basis. The reviewer notes that according to the United States Bureau of Census “American FactFinder” website at [https://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml#\\_af=33122](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml#_af=33122), the census 2010 total population of ZIP Code 33122 was one and the population of 33172 was 37,664. Therefore, the Agency concurs that ZIP Code 33122 would have very little population and generate very few discharges on an annual basis.

The applicant contends that ss.408.037(2), Florida Statutes, has no reference to discharges being sorted by ZIP Codes, from largest to smallest volume. TPHTMDC provides a short excerpt of the referenced statute (CON application #10502, page 107). The applicant does provide a figure for the year two (2021) ZIP Codes from highest to lowest volume, with the corresponding cumulative totals.

**JHW Projected Discharges by ZIP Code  
Sorted in Descending Order**

Area/ZIP Code	Area	Year Two 2021	Cumulative Percent of Total
33126	PSA	949	19.3%
33122/33172	PSA	788	35.3%
33166	PSA	525	46.0%
33174	PSA	487	55.9%
33144	PSA	421	64.5%
33178	PSA	418	73.0%
33175	SSA	372	80.5%
33165	SSA	367	88.0%
33155	SSA	283	93.7%
33182	PSA	160	97.0%
33184	SSA	148	100.0%
<b>12-ZIP Area Total</b>		<b>4,918</b>	

Source: CON application #10502, page 107, Figure 65

TPHTMDC discusses (CON application #10502, page 108) the expected volume totals of some of the stated ZIP Codes and indicates that it would not be appropriate to include ZIP Code 33175 in JHW’s proposed primary service area since it is geographically farther away from the proposed project than ZIP Code 33182 and has an acute care hospital. Again, the reviewer confirms that according to the Agency’s HealthFinder.gov website, ZIP Code 33175 is the location of Kendall Regional Medical Center.

**F. Written Statement(s) of Opposition**

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

The Agency received three detailed written statements of opposition (WSO) regarding CON application #10502. These opposition statements are from:

- April Andrews-Singh, General Counsel and Senior Vice President of Legal Affairs, Miami Children’s Health System, Variety Children’s Hospital d/b/a Nicklaus Children’s Hospital (NCH), on behalf of NCH. This WSO is 44 pages with an additional 80-page Attachment<sup>9</sup>. This WSO is referenced below as NCH WSO

<sup>9</sup> The 80-page Attachment is the Recommended Order from the Division of Administrative Hearings (DOAH) regarding DOAH Case Nos. 16-0112CON, 16-0113CON, 16-0114CON and 16-0115CON.

- Craig D. Miller, Associate, Rutledge Ecenia, P.A., Attorneys and Counselors at Law, on behalf of Kendall Regional Medical Center (KRMC). This WSO is 19 pages with an additional 13-page Attachment<sup>10</sup>. This WSO is referenced below as KRMC WSO
- M. Cristina Jimenez, CEO, Coral Gables Hospital; Ben A. Rodriguez, CEO, Hialeah Hospital; Ana Mederos, MBA, CEO, Palmetto General Hospital on behalf of Tenet Healthcare Corporation (THC). This WSO is 119 pages with three additional Attachments<sup>11</sup>. This WSO is referenced below as THC WSO.

Each of the three written statements of opposition is briefly summarized below.

### **NCH WSO**

NCH points out that while the applicant states a dedicated pediatric unit will not be established, forecasted utilization and market share includes all populations of the service area, including children and adolescents. Opposition points out that the application was not conditioned on the fact that a dedicated pediatric unit would not be established and further points out that if the proposal is approved, there is no prohibition that a dedicated pediatric unit cannot be established. The reviewer confirms that CON application #10502 does not condition against the establishment of a dedicated pediatric unit.

NCH contends that the proposed project will be a duplication of readily available and accessible pediatric services and that when it comes to pediatric care—there is a direct correlation between quality and volume. NCH also contends that within the applicant’s proposed PSA, NCH’s market share is 60 percent inpatient and 57 percent outpatient emergency department market share. This WSO indicates that NCH will be severely impacted with the approval of CON application #10502.

Opposition discusses three bulleted findings regarding prior CON application #10395 (pages 2 and 3 of the WSO), regarding DOAH Case No. 16-0112CON – 16-0115CON, 27 bulleted findings and conclusions of law (pages 3 to 7 of the WSO) and seven conclusions of law (pages 7 and 8 of the WSO), with the corresponding DOAH Recommended Order.

<sup>10</sup> The 13-page Attachment is Leapfrog Hospital Ratings and Comparisons: JHS and HCA.

<sup>11</sup> Attachment A is 46 unduplicated letters of opposition. Attachment B is the 80-page Recommended Order from the DOAH, DOAH Case Nos. 16-0112CON, 16-0113CON, 16-0114CON and 16-0115CON. Attachment C is the 72-page State Agency Action Report for co-batched CON application #10432 and #10433.

NCH's history is noted, along with 2017 awards and recognitions bestowed upon NCH (pages 11 to 17 of the WSO). Opposition also points out 12 bulleted characteristics of NCH and seven bulleted community outreach features of NCH (pages 17 to 19 of the WSO). NCH stresses that it is fully immersed and dedicated to caring for children and adolescents of the service area defined by CON application #10502 (page 19 of the WSO).

NCH comments that one of its comprehensive outpatient centers is located within ZIP Code 33178 (the Doral Outreach Center). The reviewer confirms that ZIP Code 33178 is one of the proposed PSAs for CON application #10502. NCH also comments that the following are pediatric services that NCH provides at its ZIP Code 33178 center. The reviewer summarizes these services:

- Pediatric urgent care
- Diagnostic services – include x-ray, ultrasound and free EKGs
- Rehabilitation services
- Subspecialty medical services
- Pediatric and adolescent dental services
- Teaching optimal peer interactions and social skills (TOPS)
- Handwriting group program
- Community wellness and enrichment programs

NCH indicates that in 2016, the Doral Outreach Center treated approximately 13,500 patients in its urgent care center with nearly 1,900 imaging tests performed, more than 26,500 therapy visits and 30,500 dental visits for children and adolescents. NCH also indicates that in YTD 2017 (nine months) the facility is on track to meet or exceed these visit counts. NCH provides a three-year (2014–2016) visit count history for the service lines offered, as well as a three-year (2014–2016) urgent care services quality metrics history at the Doral Outreach/Outpatient Center (page 21 of the WSO). Additionally, NCH discusses the Miami Children's Hospital Ambulatory Surgery Center (MCHASC) at Florida International University (FIU) on page 22 of the WSO. According to NCH, the MCHASC is on the FIU University Park campus at 11200 Southwest 8<sup>th</sup> Street, Miami, Florida 33199, that 33199 is a unique ZIP Code and that ZIP Code 33199 is within ZIP Code 33174, with the latter ZIP Code being a CON application #10502 proposed PSA ZIP Code.

The reviewer notes that according to USPS Look-Up a ZIP Code™ website at <https://tools.usps.com/go/ZipLookupAction!input.action>, 11200 Southwest 8<sup>th</sup> Street, Miami, Florida is located at ZIP Code 33199-2516. However, the reviewer also notes that according to NCH website <https://www.nicklauschildrens.org/about-us/locations-and-directions/ambulatory-surgery-center>, the MCHASC is located at 800 SW 108<sup>th</sup> Ave, Suite 200, Miami, Florida 33174.

NCH stresses that NCH, as well as its Doral Outpatient Center and MCHASC are located within the CON application #10502's proposed service area. NCH contends that NCH's role with the Jackson West population is "remarkable", representing the majority provider in each of the following three service groupings – inpatient, emergency room and ambulatory.

Indicating the age 0-17 population and the use of CY 2016 Agency Inpatient Data Tapes, Agency Emergency Department (ED) Data Tapes and Agency Ambulatory Surgery (AS) Data Tapes, NCH indicates that within the applicant's defined PSA, NCH has 60 percent market share of non-tertiary inpatient market share (volume), 57 percent ED market share (volume) and 61 percent AS market share (volume). For the same source and time frame, NCH also indicates the proposed SSA percentages for these same three groupings and for the proposed total PSA and SSA market shares – 53.2 percent non-tertiary inpatient market share (volume), 47.5 percent ED market share (volume) and 63.8 percent ambulatory surgery market share (volume). NCH states that its table is based on:

- Non-tertiary is defined by CON application #10502
- ED visits are outpatient only, all patients admitted via ED are captured within the inpatient category
- Ambulatory surgery center (ASC) visits are outpatient services only

The reviewer collapses the discreet PSA and SSA ZIP Codes and percentages into aggregated subtotals and a final sum total. NCH contends that some of the individual ZIP Code percentages in the CON application #10502 are much higher than shown in the aggregate. See the table below.

**Nicklaus Children's Hospital Market Share  
Jackson West Service Area ZIP Codes  
Ages 0-17  
CY 2016**

<b>ZIP Codes (in aggregate)</b>	<b>Non-Tertiary Inpatient Market Share</b>	<b>ED Market Share</b>	<b>AS Market Share</b>
PSA	59.6%	56.9%	61.3%
SSA	46.5%	37.6%	67.2%
<b>Total</b>	<b>53.2%</b>	<b>47.5%</b>	<b>63.8%</b>

Source: NCH WSO, page 24

The opposition states that in sum, NCH relies on the JHW defined service area to generate 1,416 hospital discharges annually, 19,000 ED visits and 1,700+ AS visits. NCH also emphasizes that NCH relies on the applicant's proposed total service area to capture 13.5 percent market share of total inpatient discharges, 24.7 percent of total ED visits and 15.3 percent of total AS visits. NCH states that its table is based on:



- Inpatient discharges are total discharges
- ED visits are outpatient only, all patients admitted via ED are captured within the inpatient category
- ASC visits are outpatient services only

The reviewer collapses the discreet PSA and SSA ZIP Codes and discharge/visit counts (cases) into aggregated subtotals and a final sum total. See the table below.

**Nicklaus Children’s Hospital Cases from  
Jackson West Service Area ZIP Codes  
CY 2016**

<b>ZIP Codes (in aggregate)</b>	<b>Inpatient Discharges</b>	<b>ED Discharges</b>	<b>AS Discharges</b>
PSA	810	11,634	978
SSA	606	7,343	784
<b>Total</b>	<b>1,416</b>	<b>18,991</b>	<b>1,762</b>
NCH Total	10,496	76,896	11,544
<b>NCH Reliance on Service Area</b>	<b>13.5%</b>	<b>24.7%</b>	<b>15.3%</b>

Source: NCH WSO, page 25

NCH asserts that the data clearly supports that NCH is the primary provider of pediatric services in the JHW defined service area and that the development of any pediatric services at the proposed hospital will materially impact NCH as currently between 48 and 75 percent of children in the area use NCH for services.

NCH provides discussion regarding Florida Statutory Review Criteria and Florida Administrative Code rule criteria, regarding CON application #10502 (page 27 of the WSO). According to NCH, CON application #10502 failed to meet the Statutory Review Criteria for the proposed project in that:

- The applicant fails to demonstrate need in Doral
- The proposal will not enhance access
- The proposal is not warranted by lack of availability, accessibility, lack of extent of utilization of other area providers as no barriers to access were demonstrated
- The proposal will not foster competition that promotes cost-effectiveness or quality of care
- While population is increasing, medical treatment trends for inpatient services are continuing to decrease at a rate greater than the population increase
- Area providers are sufficiently equipped, staffed and operated to provide the necessary services to the entirety of the subdistrict, including the applicant’s defined service area

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- No need methodology was presented, only estimated future use rates, resulting in market cases and an expected market share
- A projection of future utilization is not a bed need methodology that supports the addition of licensed beds within a subdistrict<sup>12</sup>

Opposition maintains that approval of CON application #10502 will have a detrimental impact on quality of care to pediatric programming. NCH contends that the proposed project would decrease volume at NCH, potentially affecting its outcomes while simultaneously establishing a low volume pediatric provider which accordingly will have questionable outcomes.

NCH next provides a more detailed discussion of literature sources to indicate a nexus between volume and quality (page 29 of the WSO). The reviewer notes that NCH does not provide a transcript of the stated literature.

Concerning accessibility, NCH states the use of Google Maps to capture the distance and time from each proposed PSA and SSA ZIP Code area's geographic centroid to NCH's main campus in ZIP Code 33155, NCH's Doral Outpatient Center in ZIP Code 33178 and NCH's AS center in ZIP Code 33199. The reviewer notes that according to the NCH's Google Maps table (page 30 of the WSO), all of the applicant's proposed PSA ZIP Code centroids are within no more than 20 minutes of NCH's three locations and all of the SSA's ZIP Code centroids are within no more than 23 minutes of NCH's three locations. The reviewer notes that NCH does not provide a transcript of the stated centroid travel times.

NCH points out that in CY 2014, NCH had an occupancy rate of 54.7 percent, increasing to 56.1 percent in CY 2015 and again increasing to 59.1 percent in CY 2016. See the table below.

**Nicklaus Children's Hospital Acute Care Occupancy Trend  
CYs 2014 - 2016**

<b>Acute Care</b>	<b>CY 2014</b>	<b>CY 2015</b>	<b>CY 2016</b>
<b>Occupancy</b>	<b>54.7%</b>	<b>56.1%</b>	<b>59.1%</b>

Source: NCH WSO, page 31

The reviewer notes that CY percentages in the table above are consistent with the Agency's Florida Hospital Bed Need Projections & Service Utilization by District publication, for the referenced years, with the

<sup>12</sup> The reviewer notes that pursuant to ss 408.036(5)(c), Florida Statutes, an existing general hospital can add or delete acute care beds through the notification process, which does not require projections of future utilization.

exception for the CY 2015, Miami Children’s Hospital had a total occupancy rate of 58.08 percent. NCH indicates that there are approximately 3,300 vacant beds in the subdistrict<sup>13</sup>.

NCH believes that if CON application #10502 is approved, the proposed project would adversely affect other providers without providing any meaningful benefit to the residents of the area. Opposition states the belief that taxpayer funds should not be used to the detriment of the existing hospital community (page 32 of the WSO). NCH comments that, “Residents of the Doral area have reasonable access to numerous hospitals in all directions, many being located within 4 to 8 miles of the Jackson West site” (page 33 of the WSO) and that NCH is just seven miles from the JHW site.

NCH briefly summarizes and restates the five rationales presented to justify CON application #10502 (for a reviewer of the five rationales, see item E.1.a of this report).

Opposition provides a table of stated similarities and differences between CON application #10502 and prior applications (CON application #10395 and CON application #10433), found on page 35 of the WSO.

NCH stresses that the applicant has provided no evidence of geographic, financial or programmatic access barriers for the Doral area and also stresses that the market’s needs are already being met by many different existing providers which are reached in all directions of the defined PSA within a reasonable time (page 36 of the WSO). NCH asserts that Jackson Health System hospitals are not a provider of choice in its other communities where it has hospitals and that further, patients will bypass a Jackson hospital for one of the other health systems in Miami. The reviewer notes that NCH does not provide documentation to verify this assertion. NCH contends that CON application #10502 does not propose to offer anything different than what is already readily available at multiple hospitals throughout the area.

Opposition provides 16 additional criticisms of the proposed project (pages 37 – 40 of the WSO) and the reviewer briefly summarizes these contentions below:

- Jackson West did not present a separate projection by age cohort
- The proposal is weak and lacks substance
- Though the proposal is not to have a specific pediatric unit, all forecasted utilization incorporates ages 0 to 17 and the same market share is applied to children as adults and elderly

<sup>13</sup> The reviewer notes that Condition #2 in CON application #10502 indicates the transfer of 100 beds from Jackson Memorial Hospital to Jackson Hospital West and that the total licensed beds in the Jackson Health System and the market will remain the same.

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- Though the proposal’s (non-CON regulated) Jackson West clearing and site preparation is scheduled for October 2017, as of November 1, 2017 the current unaffiliated warehouse business that sits on the site owned by the applicant entity still stands and nothing has physically happened on the site since October 2016 (NCH provides a stated picture of this site on page 28 of the WSO)
- That there is an access issue illustrated by “fragmented care”, the fact that resident utilize several different hospitals is no different than any other large metropolitan city with a number of different hospital operators in each and every direction
- Existing hospital expansion in the area provides additional access and access points well into the next decade
- The project poses a greater potential adverse impact on NCH and Tenet
- NCH is opening its brand new high risk obstetrics unit this year which may redirect some volume away from other nearby hospitals
- Population or population increases in and of itself is not proof that a hospital is needed and no bed need methodology was provided in CON application #10502
- Stating a review of the CY 2014 through CY 2016, NCH maintains that use rates (per 1,000 population) in Doral are lower than the balance of the service area and additionally, the elderly population is also lower than the other areas of the defined service area, with non-tertiary discharge rates are stated to also be declining (see below)

**Jackson West Service Area  
Non-Tertiary Discharge Use Rates per 1,000 Population  
Ages 0-17  
CYs 2014 - 2016**

	Discharges			Change 14-16	Percent Change 14-16
	CY 2014	CY 2015	CY 2016		
PSA	24.3	22.6	20.3	(4.0)	-19.5%
SSA	31.4	31.4	28.7	(2.7)	-9.5%
<b>Total Service Area</b>	<b>27.2</b>	<b>26.1</b>	<b>23.7</b>	<b>(3.5)</b>	<b>-14.9%</b>

Source: NCH WSO, page 39

- Jackson West keeps pediatric rates constant despite evidence to the contrary and additionally, keeps use rates 18 to 64 constant—an unreasonable analysis
- Market share forecasts by ZIP Code area may be understated and Jackson did not provide market share at the age cohort level
- If the service area differs from that provided in the CON application, impact estimates could increase from that provided in this WSO
- If pediatric volumes at Jackson West are “low”, this could negatively impact pediatric care quality in the service area

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- Jackson West’s observation regarding inconsistent use rates between its defined service area and the County does not indicate there is an access barrier
- An LOI between CON application #10502 and the University of Miami is discussed (page 40 of the WSO)—the LOI has no substance as agreeing to collaborate or cooperate can take on any type of meaning and is truly meaningless if the LOI can be cancelled within 30 days without any cause

NCH asserts that the proposal is solely based on institution-specific wants and not the need of the community. NCH further asserts that the proposal is not in conformance with any of “the applicable five Statutes, nor does it enhance Health Care Access under the Criteria” (page 40 of the WSO).

Opposition discusses the non-tertiary discharge use rate trend per 1,000 pediatric population in the applicant’s total service area (page 41 of the WSO). Stating the use of Agency Inpatient Data Tapes and Claritas, Inc., data for 2014 to 2016 non-tertiary discharges for the age 0-17 population in the proposed service area, NCH contends that the pediatric population has shown a decline, with a 3.5 per 1,000 population decline (a 13.0 percent per 1,000 population decline) from 2014 to 2016 and a 2.5 per 1,000 population decline (a 9.5 percent per 1,000 population decline) from 2015 to 2016. NCH states that it excluded the MDC 14 (obstetrics) category in its non-tertiary totals. The reviewer collapses the discreet PSA and SSA ZIP Codes and discharge totals into aggregated subtotals and a final sum total. See the table below.

**Jackson West Service Area Discharge Use Rate per 1,000 Population  
Non-Tertiary Discharges  
Ages 0-17  
CYs 2014 - 2016**

<b>ZIP Code</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Change 2014- 2016</b>	<b>Percent Change 2014-2016</b>	<b>Change 2015- 2016</b>	<b>Percent Change 2015-2016</b>
PSA	24.3	22.6	20.3	-4.0	-16.3%	-2.3	-10.2%
SSA	31.4	31.4	28.7	-2.7	-8.7%	-2.7	-8.5%
<b>Total</b>	<b>27.2</b>	<b>26.1</b>	<b>23.7</b>	<b>-3.5</b>	<b>-13.0</b>	<b>-2.5</b>	<b>-9.5%</b>

Source: NCH WSO, page 41

According to NCH, this decrease is supported by the fact of the continued increase in outpatient services in the place of inpatient services across service lines and ages.

Regarding NCH’s expected impact of the proposed project, opposition anticipates that based on the above use rates for both total discharges (excluding neonates) and non-tertiary discharges based on the applicant’s definition of non-tertiary, there will be 1,875 non-tertiary cases in the service area by 2021. The reviewer notes that this is

consistent with CON application #10502, page 77, Figure 48 (see item E.1.a of this report). However, NCH also expects a total discharge range of 1,875 to 2,000 cases in 2021. Based on this, NCH expects to lose between 161 and 177 hospital cases if Jackson West is approved. NCH additionally expects an impact on its outpatient activity as well.

NCH states a sophisticated cost accounting system enabling it to consolidate inpatient and outpatient activity at the service line level, identify outpatient encounters, inpatient days and then gross revenue, net revenue, variable costs and contribution margin. NCH also states that accordingly, the total impact to NCH, at a minimum, is a decrease in contribution margin of between \$5.0 million and \$5.5 million annually, if Jackson West received CON approval. NCH emphasizes that if Jackson West has disproportionate admissions of better paying patients, the NCH contribution margin per patient day will increase accordingly, increasing the annual impact on NCH.

Opposition contends that if approved, the proposed project will dilute the work force, resulting in upward pressure on salaries and benefits, thereby increasing costs. NCH respectfully requests that CON application #10502 be denied.

The reviewer notes that after NCH's DWSO was timely received and reviewed and after a response to NCH's DWSO was timely received by the Agency from the applicant—the Agency received a withdrawal of the DWSO from the legal representative for Variety Children's Hospital d/b/a NCH, Mr. Geoffrey Smith. The withdrawal was filed and accepted by the Agency on November 20, 2017.

### **KRMC WSO**

KRMC provides a narrative background concerning prior CON applications (CON application #10394 and #10395) and corresponding DOAH Case No. 16-0112CON, as well as DOAH Case No. 16-3819CON.

KRMC contends that the bases for approval are without merit, as presented by JHS. KRMC also contends that JHW does not satisfy the relevant statutory criteria under ss. 408.035, Florida Statutes. KRMC asserts that "it is clear that JHW's data does not take into account the approved hospital, DMC, that will serve the needs identified by JHW". The reviewer notes that no Final Order has been issued concerning the referenced proposals and therefore, at this time, there is no final Agency "approved hospital", as these projects remain in litigation.

KRMC indicates that JHW sets forth the following bases for approval of the proposed project:

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- The large and growing population base, as well as rapidly expanding commercial and residential developments in the proposed 12-ZIP Code area
- The Jackson Health System currently serves residents of the defined eight ZIP Code PSA and four ZIP Code SSA
- The proposed service area represents a fragmented medical market capable of supporting its own community hospital without impact to exiting providers
- The Jackson West Freestanding ED and ambulatory center development project is underway and provides unique development infrastructure for the proposed hospital
- The JHW Campus provides additional opportunity for partnership with University of Miami's Miller School of Medicine and further affiliation with Florida International University's Herbert Wertheim College of Medicine
- There is strong physician and community support for the development of an integrated network of services in West Miami-Dade as evidenced by letters of support

Kendall Regional Medical Center states that it concurs with JHW that there is a need for an acute care hospital in the Doral area of Miami-Dade County but does not agree that JHW is the appropriate applicant to address this need. KRMC indicates that the City of Doral is isolated geographically from the rest of Miami-Dade County and that JHW has failed to demonstrate that it (JHW) can adequately address the identified need in the area for the following six reasons.

1. *JHW's site is poorly situated to serve Doral residents.*

KRMC comments that JHW is placing its hospital in the center of an industrial/warehouse/commercial center that is not accessible to any of the communities that JHW targets. KRMC states that the proposed project is next to a retention pond and is surrounded by warehouses and industrial sites. KRMC emphasizes that a site in the middle of an area with no population (ZIP Code 33122) surrounded by industrial facilities is not appropriate for a new hospital. KRMC points out that the proposed project location is on the western side of Miami International Airport (MIA) and that the area is expected to be at a decibel noise level (NDL) greater than 65. KRMC also points out that a 65 NDL is considered a high noise level zone, that sound-proofing of the area would be absolutely necessary and that even with such considerations, the air traffic and sound will be of discomfort to patients, guests and employees as they enter and exist the hospital location. KRMC states that these additional sound-proofing measures would

require more capital costs on top of other planned construction costs. The reviewer notes that there is no statutory criteria for the Agency to consider regarding the reasonableness of construction costs in a general acute care hospital proposal.

KRMC contends that according to Google Maps, for the driving mile distances for 13 new Doral residential areas between the JHW site and for the DMC site, the JHW site is more distant in 10 cases and the DMC site is more distant in three cases. See the exhibit below.

**Driving Distance Comparison between JHW and DMC  
for New Doral Residential Units**

<b>Residential Unit</b>	<b>ZIP Code</b>	<b>Distance from JHW (in miles)</b>	<b>Distance from DMC (in miles)</b>
Neo Vita Doral	33178	6.3	2.6
Landmark 2 Story Townhomes	33178	6.9	1.7
Landmark 3 Story Townhomes	33178	6.9	1.7
Landmark Condominium	33178	6.9	1.7
Central Park: Madison Point	33178	7.4	3.3
Central Park: Adagio	33178	7.4	3.3
Central Park: Astoria	33178	7.4	3.3
Midtown Doral	33178	6.4	2.3
Downtown Doral	33166	2.3	2.9
Modern Doral	33178	6.4	2.3
Oasis Park Square	33166	0.7	3.1
CityPlace Doral	33122	1.2	2.8
Isles of Grand Bay	33178	7.4	3.4

Source: KRMC WSO, page 5, Exhibit 1

2. *JHW’s service area is unreasonable and does not consider DMC approval.*

KRMC contends that for citizens of the City of Doral, the JHW location is neither convenient nor accessible. KRMC provides exhibits (KRMC WSO, page 6, Exhibit 2 – Jackson Health West’s PSA and page 7, Exhibit 3 – Overlapping PSA of JHW and DMC). KRMC maintains that ZIP Codes 33172, 33178 and 33182 comprise most of the City of Doral and that most of the Doral population resides in the northwestern quadrant of the city. According to KRMC, citizens of Doral will not be well served by a community hospital placed in the southeastern quadrant of Doral where none of the community lives.

KRMC points out and the reviewer confirms that ZIP Code 33166 is part of JHW’s PSA. KRMC comments that this ZIP Code comprises the communities of Virginia Springs and Miami Springs. KRMC also comments that these are not the “communities” that Jackson states have a need for a community hospital and KRMC additionally comments that the residents of these communities have proximate hospitals just northeast of them in Hialeah Park. KRMC notes that JHW does not explain how its proposed hospital



location will be accessible to those living in Virginia Springs and Miami Springs. KRMC asserts that clearly, residents of the area will not choose to access JHW – it is simply too difficult. KRMC states that between these communities and the JHW site are various geographic barriers:

- Miami International Airport (MIA)
- An immense rail switching yard that connects to MIA
- A canal that runs diagonally through the area

Opposition contends that though JHS indicates that the Tamiami community has a need for a local hospital, the JHS site is not located in or near the Tamiami community and that additionally, Kendall Regional Medical Center is more easily accessible to those residents. KRMC states that KRMC already has an established presence in the Tamiami area, as well as in Doral, Fountainbleau and University Park. KRMC indicates that due to all of its access limitations, University Park would not be well served by the proposed project.

KRMC comments that CON application #10502's SSA includes ZIP Codes 33155, 33165 and 33175. Opposition maintains that Westchester General Hospital is located in ZIP Code 33155 and that KRMC is located in ZIP Code 33175. KRMC asserts that it would be most unlikely that residents of these three ZIP Codes with two hospitals in their neighborhoods, or close by, would travel through dense south Miami traffic into the eastern portion of Doral to seek treatment at JHW's proposed site. KRMC maintains that JHW's proposed service area is too broad.

3. *JHS has overstated its historical presence in the Doral area.*

KRMC indicates that JHW's overly broad service area is a transparent attempt to inflate JHW's presence in the Doral area and that JHW's stated historical patient base and physician presence in Doral is dramatically overstated by the inappropriate inclusion of ZIP Codes east of JHW's proposed site. KRMC again reiterates that JHS facilities are not providers of choice for Doral area residents.

KRMC reiterates a portion of the first bullet in CON application #10502, Rationale #3 (that in 2016, the patient population of the PSA and SSA represented 2,149 non-tertiary discharges and 493 obstetrics discharges at JHS facilities – totaling 2,642 discharges). KRMC contends that this is not a large volume of patients on which to rely for the development of a new hospital. KRMC

provides a map (KRMC WSO, page 9, Exhibit 4 – JHW’s Non-Tertiary Service Area Patients by ZIP Code) to reinforce the conclusion that the JHW’s historical inpatient services to Doral residents is limited.

Opposition asserts that Kendall Regional Medical Center is the largest provider of non-tertiary services to JHW’s proposed PSA, with a 23.9 share of non-tertiary discharges (page 8 of the WSO) and within the ZIP Codes that encompass the City of Doral, KRMC’s market share exceeds 40 percent. According to KRMC, clearly, this shows that Kendall Regional Medical Center and its medical staff are providers of choice for Doral residents.

KRMC further asserts that, given that JHS has not served the Doral area to any significant extent, JHW will not be able to achieve the level of utilization it projects, the proposed hospital would operate at low rates of occupancy and would not be financially feasible. The reviewer notes that there is no statutory criteria for the Agency to consider regarding financial feasibility in a general acute care hospital proposal.

4. *JHS’s market share is not growing in the service area and is inferior to HCA’s market share.*

According to KRMC, JHS’s non-tertiary market share in the proposed service area only increased 0.3 percent in the PSA between 2014 and 2016 and that Jackson Memorial’s hospital ranking number remains the same for both years. Also according to KRMC, JHS’s low and stagnant market share means that it will have to redirect a significantly greater number of patients from unaffiliated existing providers. KRMC comments that even when combining market share for Jackson Memorial, Jackson South and Jackson North for the proposed PSA and SSA, Kendall Regional Medical Center has almost five times more market share. KRMC notes that Kendall Regional Medical Center is the number one provider for non-tertiary and obstetrics services within the proposed service area.

Opposition contends that historically, patients have shown a clear preference for HCA facilities in comparison to other providers and health systems in the Doral area and Miami-Dade County as a whole.

5. *JHS uses unreasonable rates for its projected utilization and market share analysis.*

KRMC maintains that some of the applicant’s projected growth rates are unreasonable and have no clear bases. KRMC references CON application #10502, page 73, Figure 44 (see item E.1.a of this report) and points out that JHS indicates that the discharges per 1,000 population for the 85+ age group is only growing at a rate of 1.6 percent. KRMC contends that average annual growth rates of 3.3 percent to 7.0 percent are unreasonable (among the age 85+ area residents) for the following three ZIP Codes:

**JHW Proposed Growth Rates in Service Area for 85+**

<b>ZIP Code</b>	<b>2016</b>	<b>2020</b>	<b>2021</b>	<b>AAGR%</b>
33122/33172	514.6	674.3	721.5	7.0%
33175	621.2	788.5	836.9	6.1%
33184	573.2	652.4	673.8	3.3%

Source: KRMC WSO, page 10, Exhibit 5

The reviewer notes that ZIP Codes 33122/33172 are in the applicant’s PSA and ZIP Codes 33175 and 33184 are in the applicant’s SSA. According to KRMC, in the exhibit above, the applicant’s estimates are skewed and overstated for the 2020 and 2021 projected market discharge rates. Opposition discusses (page 11 of the WSO) and emphasizes that JHS did not consider DMC’s coexistence in the market when determining its (JHS’s) market share.

6. *JHS does not have the experience to operate a small community hospital.*

KRMC contends that JHS’s primary mission is to operate a large academic medical center and serve as Miami-Dade’s public hospital. KRMC also contends that the two smaller hospitals in JHS’s system are not well utilized. The reviewer notes that KRMC does not name “..the two smaller hospitals in JHS’s system”. However, a review of all the acute care hospital utilization rates in CY 2016, including all JHS acute care hospitals, is available in item E.1.a of this report. KRMC asserts that JHS’s affiliation with the University of Miami to provide much of its medical staff also is a different model than is needed to successfully operate a community hospital that relies on the support of community physicians who control much of the inpatient volume in a given area.

The reviewer notes that KRMC offers other criticisms of CON application #10502, as indicated below.

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KRMC contends that JHS’s proposed “transfer” of 100 beds to JHW is not meaningful. The reviewer previously noted that pursuant to ss. 408.036(5), Florida Statutes, through the notification process, the applicant may add or delete any number of acute care beds, at any time, at any of its licensed facilities where licensed acute care beds already exist (see item C-Project Summary).

KRMC comments that there is nothing about the applicant’s “Jackson Prime” program that requires the presence of a community hospital in Doral to implement it and that moreover, JHS can use its proposed Jackson West outpatient campus for “Jackson Prime” purposes, without the need for a community hospital.

KRMC provides transcripts of the Fall 2017 Leapfrog Hospital Safety Score® for the following JHS and HCA hospitals:

**Fall 2017 Leapfrog Hospital Safety Grade Overall Scores**

<b>Organization</b>	<b>Hospital</b>	<b>Grade</b>
JHS	Jackson Memorial Hospital	C
JHS	Jackson North Medical Center	D
JHS	Jackson South Community Hospital	C
HCA	Aventura Hospital and Medical Center	B
HCA	Kendall Regional Medical Center	A
HCA	Mercy Hospital	A

Source: KRMC WSO, Attachment 1

The reviewer confirms that the Fall 2017 Leapfrog Hospital Safety Score® results for the referenced hospitals are consistent with the grades shown above. KRMC emphasizes that for the past seven rating terms (Fall and Spring 2014-2017) Jackson hospitals have never scored above a “C” in safety ratings. The reviewer notes that KRMC does not provide Leapfrog transcripts to confirm this contention, only the transcripts for Fall 2017. KRMC asserts that based on these ratings, the approval of JHW’s project, to be operated by JHS, will not result in competition that will improve quality.

KRMC contends that approval of CON application #10502 will have a significant adverse impact on DMC and KRMC. KRMC references CON application #10502, page 85, Figure 60 (see item E.1.a of this report) and points out that JHS predicts 1.2 percent adverse impact on Kendall Regional Medical Center (a facility with relatively high market share) and higher percentages of adverse impact on providers with less market share. KRMC states that it is unclear what bases JHS used for its impact analysis. KRMC expects that if JHW is to achieve the projected utilization presented in its application, it will have to increase its market share in the Doral

area ZIP Codes to much higher levels than it assumed. KRMC also expects that the market share that JHW would capture would fall disproportionately on Kendall Regional Medical Center.

KRMC indicates that the proposed project will cost tax payers more to develop and operate, that JHS already relies heavily on subsidies from the state and county and that the proposed project would lead to greater dependence on such funding to offset even larger losses from operations. Stating the use of the Agency’s FloridaHealthFinder.gov website, KRMC indicates that Jackson Memorial Hospital has experienced negative operating margins over the three fiscal years (FYs) ending in 2016. See the exhibit below.

**Jackson Memorial Hospital Operating Margin  
FY 2014 – FY 2016**

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Operating Margin	-27.4%	-25.5%	-32%

Source: KRMC WSO, page 16, Exhibit 8

The reviewer notes that there is no statutory criteria for the Agency to consider regarding capital and operating expenditures (such as operating margin) in a general acute care hospital proposal.

KRMC indicates that approval of the JHW project will impact the state’s Medicaid budget. Using what the KRMC references as the “FL Provider DRG Calculator SFY 2017-2018”, KRMC indicates that Jackson Memorial Hospital has a higher provider average per discharge automatic rate enhancement payment (\$2,820.06) and a higher provider annual automatic rate enhancement allocation (\$70,693,318), when compared to other providers in the area, with all referenced providers having the same DRG base rate (\$3,310.98). See the exhibit below.

**Medicaid Reimbursement Disparity**

<b>Hospital</b>	<b>DRG Base Rate</b>	<b>Provider Avg Per-Discharge Automatic Rate Enhancement Payment</b>	<b>Provider Annual Automatic Rate Enhancement Allocation</b>
Jackson Memorial Hospital	\$3,310.98	\$2,820.06	\$70,693,318
Baptist Hospital of Miami	\$3,310.98	\$668.28	\$2,753,314
University of Miami	\$3,310.98	\$366.59	\$950,924
Kendall Regional Medical Center	\$3,310.98	\$147.27	\$1,006,723
Aventura Hospital and Medical Center	\$3,310.98	--	--
Mercy Hospital	\$3,310.98	--	--

Source: KRMC WSO, page 16, Exhibit 9

KRMC states that while JHS's additional payments recognize Jackson Memorial Hospital's role as a safety-net hospital, there is no reason to create a community hospital in Doral that would receive similar enhanced Medicaid reimbursement when a less costly alternative is available (DMC).

The reviewer notes that extensive review was provided regarding Jackson Memorial Hospital's recent Medicaid, LIP and DSH participation (see item E.1.c of this report). The reviewer notes that KRMC reiterates its major contentions in opposition to CON application #10502 (KRMC WSO, pages 17 – 19).

### **THC WSO**

THC contends that each of the following three Tenet Healthcare Corporation (or Tenet) hospitals individually and collectively strongly oppose CON application #10502 and would be substantially and adversely impacted if CON application #10502 is approved:

- Lifemark Hospital of Florida, Inc. d/b/a Palmetto General Hospital (PGH)
- Tenet Hialeah Healthsystem, Inc. d/b/a Hialeah Hospital (HH)
- CGH Hospital, Ltd. d/b/a Coral Gables Hospital (CGH)

THC discusses three bulleted findings regarding prior CON application #10395 (pages one and two of the WSO), and regarding DOAH Case No. 16-0112CON – 16-0115CON, 29 bulleted findings and conclusions of law (pages two through seven of the WSO) and eight conclusions of law (pages seven and eight of the WSO), with the DOAH Recommended Order (pages eight and nine of the WSO).

The opposition briefly summarizes and restates the five rationales presented to justify CON application #10502 (page nine and again duplicated on page 63 of the WSO). The applicant's five rationales are in item E.1.a of this report. THC provides a table of stated similarities and differences between CON application #10502 and prior applications (CON application #10395 and CON application #10433). These stated similarities and differences are provided on page 10 and again duplicated on page 63 of the WSO.

THC stresses that the applicant has provided no evidence of geographic, financial or programmatic access barriers for the Doral area and also stresses that the market's needs are already being met by many different existing providers which are reached in all directions of the defined PSA within a reasonable time (page 10 of the WSO). THC asserts that Jackson Health System hospitals are not a provider of choice in its other communities where it has hospitals and that further, patients will bypass a Jackson hospital for one of the other health systems in Miami. The

reviewer notes that THC does not provide documentation to attest to this contention. THC asserts that CON application #10502 does not propose to offer anything different than what is already readily available at multiple hospitals throughout the area. Opposition provides historical background about JHS and JMH (pages 12 – 13 of the WSO).

Opposition notes that CON application #10502 does not condition that it will not have a dedicated pediatric unit and this is confirmed by the reviewer. THC notes that though the proposal is not to have a specific pediatric unit, all forecasted utilization incorporates ages 0 to 17 and the same market share is applied to children as adults and elderly. THC also notes that the application does not identify how many beds would be dedicated to the obstetrics unit.

THC points out that though the proposal's (non-CON regulated) Jackson West clearing and site preparation is scheduled for October 2017, as of November 11, 2017 the current unaffiliated warehouse business that sits on the site owned by the applicant entity still stands and nothing has physically happened on the site since October 2016 (THC provides three stated pictures of this site on pages 15 -16 of the WSO). THC also discusses that in the same area there are extremely loud and low flying planes (landing at Miami International Airport) and that the area is anything but "serene" (THC provides three stated pictures of the descending planes on pages 17 – 18 of the WSO).

Opposition indicates that in a health care environment where discharge use rates from hospitals are declining year over year, and ambulatory surgical centers are increasingly gaining steam to accommodate overnight patients for 24 to 48 hours, the need for new 100-bed community hospitals diminish.

THC challenges that "fragmented care" is an issue, considering that residents of the area utilize several different hospitals and that this is no different than any other large metropolitan city with a number of different hospital operators in each and every direction. THC asserts that residents of Doral have access to inpatient, outpatient and emergency hospital services.

Opposition contends that CON application #10502 failed to meet the CON Statutory Review Criteria (ss. 408.035, Florida Statutes) and applicable rules (Florida Administrative Code). THC discusses these statutes/rules.

THC points out that area providers are sufficiently equipped, staffed and operated to provide the necessary services to the entirety of the subdistrict, including the applicant's defined service area. THC further points out that no need methodology was presented.

THC indicates the use of Google Maps to estimate the distance, in miles and travel time in minutes, between the three most negatively impacted THC hospitals and the proposed project.

<b>TCH Miami-Dade Hospital General Information</b>			
<b>Hospital</b>	<b>Address</b>	<b>Distance (miles)</b>	<b>Time Travel (minutes)</b>
PGH	2001 W 68 <sup>th</sup> St. Hialeah, FL 33016	6.9	12
CGH	3100 S Douglas Rd Coral Gables, FL 33134	8.6 or 9.3	21 or 19
HH	651 E 25 <sup>th</sup> St Hialeah, FL 33013	7.4	17

Source: THC WSO, page 21

THC maintains that while none of these hospitals (the three shown above) are physically situated within the JHW defined service area, all three are accessible to some or all of the defined service area residents. The reviewer verifies that none of the three ZIP Codes shown in the table above are within the proposed PSA or SSA of CON application #10502. THC also maintains that the applicant's defined service area is unreasonable.

Stating the use of Agency Inpatient Data Tapes and NHA Analysis for CY 2016, THC shows PGH's, HH's and CGH's non-tertiary, obstetrics, all other cases and total cases inpatient reliance on the proposed project's total service area (PSA and SSA). This data indicates that for all discharges in CY 2016, PGH's inpatient reliance on the applicant's total service area was 6.5 percent, HH's reliance was 7.8 percent and CGH's reliance was 25.4 percent. THC states that CGH does not have an obstetrics program and that the total excludes normal newborns. The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated subtotals. See the table below.



**Tenet Healthcare Hospital Discharge from Jackson West Defined Service Area  
CY 2016**

ZIP Code	Non-Tertiary			Obstetrics		
	PGH	HH	CGH	PGH	HH	CGH
PSA Total	542	676	1,442	129	110	3
SSA Total	115	133	455	33	27	0
Service Area	657	809	1,897	162	137	3
All Other	11,349	9,957	5,461	1,558	1,691	10
Total	12,006	10,766	7,358	1,720	1,828	13
<b>Inpatient Reliance on Service Area</b>	<b>5.5%</b>	<b>7.5%</b>	<b>25.8%</b>	<b>9.4%</b>	<b>7.5%</b>	<b>23.1%</b>
ZIP Code	All Other Cases			Total		
	PGH	HH	CGH	PGH	HH	CGH
PSA Total	345	76	152	1,016	862	1,597
SSA Total	126	43	79	274	203	534
Service Area	471	119	231	1,290	1,065	2,131
All Other	5,776	946	792	18,683	12,594	6,263
Total	6,247	1,065	1,023	19,973	13,659	8,394
<b>Inpatient Reliance on Service Area</b>	<b>7.5%</b>	<b>11.2%</b>	<b>22.6%</b>	<b>6.5%</b>	<b>7.8%</b>	<b>25.4%</b>

Source: THC WSO, page 23

Next, stating the use of Agency Emergency Department (ED) and Ambulatory Tapes and NHA Analysis for CY 2016, THC shows PGH's, HH's and CGH's ED visit and ambulatory surgery visit reliance on the proposed project's total service area. This data indicates that for all ED visits in CY 2016, PGH's ED reliance on the applicant's total service area was 4.8 percent, HH's reliance was 4.9 percent and CGH's reliance was 20.0 percent. Similarly, for all ambulatory surgery visits in CY 2016, PGH's reliance on the applicant's total service area was 7.5 percent, HH's reliance was 11.4 percent and CGH's reliance was 25.6 percent. THC states that ED visits include only outpatient visits, not those who were ultimately admitted from ED and ambulatory surgery center visits are unique patient visits, not the number of procedures performed. See the table below.

Opposition contends that the THC hospital with the heaviest reliance on the Jackson West service area is CGH, although PGH heavily relies on the area, especially for obstetrics patients and HH also has significant reliance on the service area.

**Tenet ED Visits and Ambulatory Surgery Visits  
from Jackson West Defined Service Area  
CY 2016**

<b>ED Visits</b>	<b>Palmetto General Hospital</b>	<b>Hialeah Hospital</b>	<b>Coral Gables Hospital</b>
Service Area Total	2,219	1,310	3,145
All Other Visits	44,177	25,564	12,594
Total Visits	46,396	26,874	15,739
<b>ED Reliance on Service Area</b>	<b>4.8%</b>	<b>4.9%</b>	<b>20.0%</b>
<b>Ambulatory Surgery Center (ASC) Visits</b>			
<b>Ambulatory Surgery Center (ASC) Visits</b>	<b>Palmetto General Hospital</b>	<b>Hialeah Hospital</b>	<b>Coral Gables Hospital</b>
Service Area Total	650	775	1,580
All Other Visits	8,036	6,017	4,597
Total Visits	8,686	6,792	6,177
<b>ASC Reliance on Service Area</b>	<b>7.5%</b>	<b>11.4%</b>	<b>25.6%</b>

Source: THC WSO, page 24

THC provides a narrative to describe the services, programs and recognitions at PGH (pages 25 – 27 of the WSO). THC maintains that PGH defines its PSA to be the continuous set of ZIP Codes from which it obtains 75 percent of its inpatient admissions and provides a table to account for all its PSA, SSA and tertiary service area ZIP Codes. The reviewer reproduces below the ZIP Codes with which PGH states it shares with the applicant either a PSA, an SSA or a tertiary service area by ZIP Code. The reviewer notes that all the ZIP Codes below are in CON application #10502’s PSA with the exception of ZIP Codes 33144 and 33155 which are in CON application #10502’s SSA. See the table below.

**Palmetto General Hospital’s Defined PSA, SSA and Tertiary Service Area ZIP Codes  
Shared with CON application #10502 as a PSA or SSA**

<b>PGH PSA</b>	<b>PGH SSA</b>	<b>PGH Tertiary Service Area</b>
33166	33126	33144
	33155	33165
	33178	33172

Source: THC WSO, page 27

The reviewer notes that according to the Agency’s Hospital Beds and Services List publication, issued July 21, 2017, PGH’s sole tertiary health service, with tertiary defined by Rule 59C-1.002(41), Florida Administrative Code, is a Level II neonatal intensive care unit (NICU). The reviewer also notes that CON application #10502 does not propose any tertiary health services.

THC provides a table (page 29 of the WSO) to capture the PGH’s cases from the Jackson West defined service area and reliance for CY 2016. This table is materially identical to the PGH portion of the tables that THC provided on pages 23 and 24 of the WSO (see above).

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THC provides a narrative to describe the services, programs and recognitions at HH (pages 30 – 31 of the WSO). THC presents a table to account for all of what HH defines as its PSA, SSA and tertiary service area ZIP Codes. The reviewer reproduces below the ZIP Codes with which HH states it shares with the applicant either a PSA, an SSA or a tertiary service area ZIP Code. The reviewer notes that all the ZIP Codes below are in CON application #10502's PSA. See the table below.

**Hialeah Hospital's Defined PSA, SSA and Tertiary Service Area ZIP Codes  
Shared with CON application #10502 as a PSA or SSA**

<b>HH PSA</b>	<b>HH SSA</b>	<b>HH Tertiary Service Area</b>
33166	--	33126
		33172

Source: TCH WSO, page 31

The reviewer notes that according to the Agency's Hospital Beds and Services List publication, issued July 21, 2017, HH's sole tertiary health service, with tertiary defined by Rule 59C-1.002(41), Florida Administrative Code, is a Level II NICU. The reviewer also notes that CON application #10502 does not propose any tertiary health services.

THC provides a table (page 32 of the WSO) to capture the HH's cases from the Jackson West defined service area and reliance for CY 2016. This table is materially identical to the HH portion of the tables that THC provided on pages 23 and 24 of the WSO (see above).

THC presents a narrative to describe the services, programs and recognitions at CGH (page 34 of the WSO). Opposition presents a table to account for all of what CGH defines as its PSA and SSA ZIP Codes. The reviewer reproduces below the ZIP Codes with which CGH states it shares with the applicant either a PSA or an SSA ZIP Code. The reviewer notes that all the ZIP Codes below are in the applicant's SSA with the exception of ZIP Codes 33126 and 33144 which are in CON application #10502's PSA. See the table below.

**Coral Gables Hospital's Defined PSA and SSA ZIP Codes  
Shared with CON application #10502 as a PSA or SSA**

<b>CGH PSA</b>	<b>CGH SSA</b>
33165	33175
33126	
33144	
33155	

Source: THC WSO, page 35

THC provides a table (page 36 of the WSO) to capture the CGH’s cases from the JHW defined service area and reliance for CY 2016. This table is materially identical to the CGH portion of the tables that THC provided on pages 23 and 24 of the WSO (see above).

Next, THC states the use of Agency Inpatient Data Tapes for CY 2016 to illustrate the aggregated market share of Tenet Healthcare hospitals (PGH, HH and CGH only) by age cohort, for non-tertiary and obstetrics cases (with obstetrics cases being ages 18 – 44). THC provides a market share percentage table for this data to capture the market share, in the aggregate, among these three THC area hospitals, for discharges from residents within the applicant’s proposed PSA, SSA and the corresponding totals. The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated age cohorts. See the table below.

**Tenet Healthcare Non-Tertiary and Obstetrics Market Share by Age Cohort  
Jackson West Service Area  
CY 2016**

	<b>PSA</b>	<b>SSA</b>	<b>Total</b>
<b>All Ages</b>	<b>16.1%</b>	<b>4.4%</b>	<b>10.4%</b>
Ages 0-17	2.3%	0.3%	1.4%
Ages 18-44	13.0%	4.2%	9.3%
Ages 45-64	14.7%	4.4%	9.7%
Ages 65+	18.9%	4.8%	11.7%
<b>Obstetrics</b>	<b>8.2%</b>	<b>3.1%</b>	<b>6.2%</b>

Source: THC WSO, page 38

Opposition indicates that based on the above table, in aggregate, for all ages, THC’s three hospitals’ non-tertiary market share was 10.4 percent for CY 2016 and again in aggregate, for obstetrics, THC’s three hospitals’ market share was 6.2 percent for CY 2016.

THC states the use of the same source for the same time period to illustrate the referenced market share for each of the three hospitals individually. The reviewer collapses the discreet PSA and SSA ZIP Codes by hospital and age cohort. See the table below.

**Tenet Healthcare Non-Tertiary and Obstetrics Market Share by Hospital  
and Age Cohort  
Jackson West Service Area  
CY 2016**

<b>Coral Gables Hospital</b>			
<b>Non-tertiary</b>	<b>PSA</b>	<b>SSA</b>	<b>Total</b>
All Ages	8.7%	2.9%	5.8%
Ages 0-17	--	--	--
Ages 18-44	0.7%	0.2%	0.4%
Ages 45-64	1.6%	0.6%	1.1%
Ages 65+	6.4%	2.1%	4.3%
<b>Obstetrics</b>	--	--	--
<b>Palmetto General Hospital</b>			
<b>Non-tertiary</b>	<b>PSA</b>	<b>SSA</b>	<b>Total</b>
All Ages	3.3%	0.7%	2.0%
Ages 0-17	0.1%	0.0%	0.1%
Ages 18-44	0.6%	0.1%	0.3%
Ages 45-64	0.9%	0.2%	0.6%
Ages 65+	1.7%	0.4%	1.0%
<b>Obstetrics</b>	0.8%	0.2%	0.5%
<b>Hialeah Hospital</b>			
<b>Non-tertiary</b>	<b>PSA</b>	<b>SSA</b>	<b>Total</b>
All Ages	4.1%	0.8%	2.5%
Ages 0-17	--	--	--
Ages 18-44	0.6%	0.2%	0.4%
Ages 45-64	1.0%	0.2%	0.6%
Ages 65+	2.5%	0.5%	1.5%
<b>Obstetrics</b>	0.7%	0.2%	0.4%

Source: THC WSO, page 39

According to THC, the previous tables indicate that Tenet has significant market share in the applicant's proposed service area and that further, a new hospital in the area would redirect the existing volume away from Tenet hospitals and away from other facilities that are currently serving the market, having a material adverse impact on existing providers serving the resident population.

THC states, having reported through the Agency Financial Reports, Worksheet C3a, an aggregate of \$102,895,823 in charity care, during 2016. THC indicates that the reported charity care would be the absolute minimum provided, as not all charity care dollars are necessarily identified. See the table below.

**Tenet Hospitals' Charity Care  
Excerpts from Agency Financial Report Worksheet C3a  
December 31, 2016**

Palmetto General Hospital	\$28,255,270
Hialeah Hospital	\$53,213,768
Coral Gables Hospital	\$21,426,785
<b>Total Charity Care</b>	<b>\$102,895,823</b>

Source: THC WSO, page 41

THC points out that CON application #10502 did not include audited financial statements for the most recent two years. The reviewer confirms that this is correct as there is no statutory criteria for the Agency to consider regarding an audited financial statement in a general acute care hospital proposal and audited financial statements are not required in the submission of a general acute care hospital proposal pursuant to 408.037, Florida Statutes. Nonetheless, THC indicates that its review of the FY 2016 and FY 2015 Public Health Trust of Miami-Dade County, Florida's audited financial statements shows county funding, charity care revenue and "inflow/outflow" totals as presented by THC. THC emphasizes that Tenet hospitals and any other private hospitals in Miami-Dade County are not reimbursed to care for these charity care patients. The reviewer collapses the stated ad valorem/non-ad valorem taxes and sales tax revenue into the aggregated total county funding totals.

**Public Health Trust of Miami-Dade County, Florida  
Excerpts from Financial Statements  
September 30, 2016 and 2015**

	<b>FY 2016</b>	<b>FY 2015</b>
Total County Funding	\$412,709,000	\$389,300,000
Charity Care Revenue	(\$361,091,862)	(\$340,464,780)
Inflow/(Outflow)	\$51,617,138	\$48,835,220

Source: THC WSO, page 42

THC states the use of the Agency Inpatient Data Tapes CY 2012 – CY 2016, to indicate that for this five-year period, Jackson Memorial Hospital has declined in the amount of Medicaid and medically indigent inpatient care it has proved to the community. THC provides a table to capture this contention, indicating that in CY 2012, JMH Medicaid and charity care discharges compared to its total was 56.1 percent and that this percentage has declined each CY to reach a current 48.5 percent (THC WSO, page 44).

Opposition discusses JHS hospitals and facilities, their locations and recent occupancy rates at those facilities (THC WSO, pages 45 -47). THC challenges that if JHS cannot fill its existing bed inventory within its existing facilities and existing markets, then how will it be able to begin to fill 100 beds in a new hospital within Doral. THC also challenges that

based on JHS's historical performance in its existing hospitals and no defined access barriers to inpatient services, there is no justification for 100 inpatient beds on the proposed Doral campus.

THC offers a narrative description of the Miami-Dade health care landscape (pages 48 -59 of the WSO). The reviewer notes that these are hospital systems as well as discreet hospitals throughout the subdistrict. THC also provides five-year acute care vacant bed and occupancy rate trends from CY 2012 – CY 2016, for the entirety of the subdistrict. THC additionally offers a narrative concerning outpatient/freestanding EDs, and outpatient centers in Doral. THC asserts that with residents of Doral having lower and decreasing non-tertiary hospital use rates and no demonstrated access barriers in the area, there is no need for a full service medical surgical hospital to be licensed in ZIP Code 33122.

THC provides a response to each of the five rationales presented in CON application #10502 (pages 65 – 85 of the WSO). The reviewer briefly summarizes THC's contentions regarding each rationale that THC has not already presented as a matter of opposition and that is also specific to CON application #10502.

*CON application #10502's Rationale #1*

- There is no Statutory Review or Rule Criteria indicating that because a health system builds outpatient components on a particular parcel of land, it should not be entitled to a CON award for inpatient beds, especially in light of declining inpatient trends locally, countywide and nationally<sup>14</sup>
- The applicant's Figure 1 (see item E.1.a. of this report) is not by service area ZIP Code but is a roll up
- For CYs 2015 and 2016, only between seven and eight percent of JHS's ED visits originated from residents of the proposed service area
- From CY 2014 – CY 2016, JHW service area residents generated between 8,000 and 9,000 ED visits at JHS EDs each year
- Physicians who support the proposal are already JHS physicians and none indicate that they will practice at JHW

*CON application #10502's Rationale #2*

- Population or population increases are not in and of itself proof that a hospital is needed
- There is more population growth set to transpire elsewhere in the County

<sup>14</sup> The reviewer notes that general acute care hospital CON application review is based on need specific to inpatient need in the applicant's proposed service area, not on countywide or national trends, unless an applicant's proposed service area is the entirety of a county. CON application #10502 does not encompass an entire county (see items E.1. and E.1.a. – d. of this report).

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- While population is certainly one metric in computing need, demand minus supply results in need
- The applicant's 2015 Urban Mobility Scorecard published by the Texas A&M Transportation Institute does not specifically examine or mention the Doral area or even western Miami-Dade County
- The proposal is simply for a more favorable payor mix (2017 and projected median household income for the PSA and SSA by Zip Code, page 74 of the WSO and 2017 median household income for Miami-Dade County by ZIP Code, page 75 of the WSO)

*CON application # 10502's Rationale #3*

- The applicant's definition of non-tertiary discharges contained an error in that the applicant did not exclude CMR bed type, therefore, JWH overstated the CY 2016 total service area non-tertiary discharges by 167 discharges
- From CY 2014 to CY 2016, the PSA had 2.5 percent fewer non-tertiary cases originating from the PSA and overall there was a 1.6 percent decline
- The more important point is that non-tertiary discharge use rates per 1,000 population originating from the total service area (CY 2014 – CY 2016) declined 5.7 percent for the PSA and declined 3.2 percent for the total service area
- In CY 2016, 95 percent of total service area residents that experienced a non-tertiary discharge, did so at 15 hospitals and these 15 hospitals were within eight health systems
  - Most of these hospitals are either within one of the applicant's defined service area ZIP Codes or in a ZIP Code area contiguous to or minutes from the defined area
  - For 15 hospitals to provide 95 percent of the care provided to residents originating from a 12-ZIP Code area in a major metropolitan market does not support the applicant's argument of a fragmented medical market
- In CY 2016, 94 percent of total service area residents that received emergency care (had an ED visit) did so at 15 hospitals which are all accessible to the service area residents<sup>15</sup>
- To the extent that care is "fragmented", the addition of yet one more hospital will only serve to fragment it further

*CON application # 10502's Rationale #4*

- While partnerships may be viable business decisions, they should not be considered in the context of review and approval of a new hospital CON application

<sup>15</sup> The reviewer notes that in THC's opposition to CON application #10502 Rationale #5, THC indicates recognition that ED (outpatient) services are non-CON regulated.



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- The greater benefit to be gained by medical students and residents at the University of Miami Miller School of Medicine and JHS's relationship with FIU's Herbert Wertheim College of Medicine will be derived from the outpatient departments of the campus
- With the continuing trend to outpatient, training in non-CON regulated settings can be achieved without the proposed project
- An LOI between CON application #10502 and the University of Miami has no substance or any meaningful provision included therein and is truly meaningless if the LOI can be cancelled within 30 days-notice without any cause

*CON application #10502's Rationale #5*

- The vast majority of physicians in support of the proposal are likely going to continue their practices and affiliation with JHS regardless of a new 100-bed hospital in Doral
- Those physicians based in Doral will still be based in Doral, regardless of whether the proposed project is approved or not

To support its contention that residents of the defined service area have reasonable access, THC indicates the use of Google Maps in an analysis to determine the travel time (with traffic) from each ZIP Code centroid in the applicant's total service area. According to THC, there are 17 hospitals that are accessible to some or all of the total proposed service area. The reviewer notes that based on the THC analysis, with the exception of ZIP Code 33178 (an unpopulated ZIP Code), all the remaining ZIP Codes in the total service area have a minimum of four general hospitals within 20 minutes travel time, but most ZIP Codes in the total service area have more than four general hospitals within 20 minutes travel time (or less). THC indicates that all the applicant's defined PSA ZIP Codes have many, many accessible hospitals.

To address the total service area population, in CY 2016 and forecasted for CY 2020 and CY 2021 (year one and year two of the proposed project), THC indicates the use of Claritas, Inc. and NHA Analysis to determine the total service area population by age cohorts. THC contends what is more important in its population estimate is that the PSA is 263,000 of the 451,000 (by CY 2021), accounting for 58.3 percent of the total service area population. THC also indicates that the PSA is accounting for 47,000 total elderly (CY 2021) or 52 percent of the total elderly in the total service area. THC further points out that of 263,000 PSA residents projected by 2021, only 65,000 will reside within Doral and that the remainder reside within central portions of Miami. THC stresses that of the 47,000 elderly in the PSA (CY 2021), fewer than 6,000 reside within the Doral area. The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated subtotals, for each age cohort. See the table below.

**Jackson West Service Area Population  
CY 2016 and Forecasted for CY 2020 and CY 2021**

2016							
ZIP Code	Ages 0-17	Ages 18-44	Ages 45-64	Ages 65-74	Ages 75-84	Ages 85+	Total
PSA	46,259	91,536	66,783	20,789	13,566	6,313	245,246
SSA	30,399	60,277	51,681	19,841	12,927	5,710	180,836
Total	76,659	151,814	118,464	40,630	26,492	12,023	426,082
Forecasted 2020							
ZIP Code	Ages 0-17	Ages 18-44	Ages 45-64	Ages 65-74	Ages 75-84	Ages 85+	Total
PSA	48,035	92,071	73,634	23,948	14,784	7,006	259,477
SSA	30,414	60,499	54,001	21,871	13,640	6,261	186,686
Total	78,449	152,570	127,635	45,819	28,424	13,266	446,162
Forecasted 2021							
ZIP Code	Ages 0-17	Ages 18-44	Ages 45-64	Ages 65-74	Ages 75-84	Ages 85+	Total
PSA	48,504	92,124	75,303	24,806	15,105	7,160	263,002
SSA	188,253	30,500	60,557	54,547	22,442	13,820	6,387
Total	79,003	152,681	129,850	47,249	28,924	13,547	451,255

Source: THC WSO, pages 88 and 89

The reviewer performed a cursory review of the PSA and SSA population counts and totals in the THC's above table. The reviewer notes that the SSA estimates change substantially from 2020 to 2021 for the following age cohorts: ages 0-17 (an increase of 157,839 total SSA population), ages 18-44 (a decrease of 29,999 total SSA population), ages 65-74 (an increase of 32,676 total SSA population), ages 75-84 (an increase of 8,802 total SSA population), ages 85+ (an increase of 7,559 total SSA population) and the SSA total (a decrease of 180,299 total SSA population). The reviewer notes that there is no explanation for these significant discrepancies in SSA population increases or decreases in one year's time (2020 to 2021). The reviewer further notes that forecasted 2021 PSA and SSA totals for each of the six age cohorts, as well as for the total, are arithmetically incorrect. The reviewer again notes that there is no explanation for these significant discrepancies.

THC states the use of Agency Inpatient Data Tapes and NHA Analysis, for CY 2016, to indicate non-tertiary discharges for residents of the applicant's PSA and SSA, resulting in a PSA total of 16,503 discharges, an SSA total of 15,957 discharges and total discharges of 32,460. THC points out that its non-tertiary definition may differ slightly than that of the applicant, since THC states the exclusion of MDC 14, CMR and LTAC. For the same source for the same time period, THC indicates the total service area's non-tertiary discharge use rate per 1,000 population, with a PSA estimate of 67.3, an SSA estimate of 88.2 and a total estimate of 76.2. The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated subtotals, for each age cohort. See the table below.

**Jackson West Service Area Non-Tertiary Discharges  
Applies Jackson West's Non-Tertiary Definition  
Excluding MDC 14, CMR and LTACs  
CY 2016**

ZIP Code	Ages 0-17	Ages 18-44	Ages 45-64	Ages 65-74	Ages 75-84	Ages 85+	Total
PSA	941	2,360	3,981	2,709	3,477	3,035	16,503
SSA	873	1,726	3,640	2,746	3,841	3,129	15,957
Total	1,814	4,088	7,621	5,455	7,318	6,164	32,460

Source: THC WSO, page 92

**Jackson West Service Area  
Non-Tertiary Discharge Use Rate per 1,000 Population  
CY 2016**

ZIP Code	Ages 0-17	Ages 18-44	Ages 45-64	Ages 65-74	Ages 75-84	Ages 85+	Total
PSA	20.3	25.8	59.6	130.3	256.3	480.8	67.3
SSA	28.7	28.7	70.4	138.4	297.1	548.0	88.2
Total	23.7	26.9	64.3	134.3	276.2	512.7	76.2

Source: THC WSO, page 93

THC indicates that Claritas, Inc., Agency Inpatient Data Tapes and NHA Analysis, for CY 2014-2016, show that non-tertiary discharge use rates are declining throughout Miami-Dade County, including within JHW's service area. According to THC, the non-tertiary discharge rate trend within the total service area went from 78.6 (CY 2014) to 76.2 (CY 2016), a use rate change decline of 2.4 and a percent change of -3.2 percent. THC also indicates declines in Miami-Dade County overall for the same time frame. See the table below.

**Jackson West Service Area  
Non-Tertiary Discharge Use Rate Trend  
CY 2014 - CY 2016**

Area	CY 2014	CY 2015	CY 2016	Change	Percent Change
PSA	71.2	67.8	67.3	(3.9)	-5.7%
SSA	88.5	92.5	88.2	(0.3)	-0.3%
Total	78.6	78.3	76.2	(2.4)	-3.2%
Miami-Dade County	77.8	76.5	75.9	(1.9)	-2.4%

Source: THC WSO, page 94

Stating the use of Agency Inpatient Data Tapes and NHA Analysis, for CY 2014 - CY 2016, THC provides tables for the applicant's total service area, non-tertiary and obstetrics discharges by age cohorts and non-tertiary and obstetrics discharge use rates per 1,000 population by age cohorts, to support the above table (pages 95 and 96 of the WSO). THC emphasizes that non-tertiary discharge use rates within the applicant's total service area are declining at a faster rate than Miami-Dade County overall and that this does not support approval of the proposed project.

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THC indicates that Agency Inpatient Data Tapes and NHA Analysis, for CY 2014-2016, show that both ED visits and ambulatory surgery center visits are rising in the applicant's proposed service area. According to THC, the ED visits rose by 4,179 visits (3.2 percent increase), from CY 2014 to CY 2016 and the ambulatory surgery center visits rose by 2,396 visits (5.3 percent increase) over the same time frame. The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated ED visit subtotals and ambulatory surgery center visit subtotals. See the table below.

**Jackson West Service Area  
ED Visits/CY 2014 – CY 2016**

<b>Area</b>	<b>CY 2014</b>	<b>CY 2015</b>	<b>CY 2016</b>	<b>Change</b>	<b>Percent Change</b>
PSA	67,126	69,264	69,516	2,390	3.6%
SSA	64,397	67,238	66,186	1,789	2.8%
Total	131,523	136,502	135,702	4,179	3.2%

Source: THC WSO, page 98

**Jackson West Service Area  
Ambulatory Surgery Center Visits/CY 2014 – CY 2016**

<b>Area</b>	<b>CY 2014</b>	<b>CY 2015</b>	<b>CY 2016</b>	<b>Change</b>	<b>Percent Change</b>
PSA	20,855	21,836	22,357	1,502	7.2%
SSA	24,752	25,080	25,646	894	3.6%
Total	45,607	46,916	48,003	2,396	5.3%

Source: THC WSO, page 99

THC contends that the above ED and ambulatory surgery center volumes support the argument that the trend in health care today is towards outpatient health care rather than inpatient.

Opposition asserts that the applicant projects some unreasonable increases in the 85 and older use rate. THC offers the following contentions to certain ZIP Codes in the applicant's forecast estimates:

- ZIP Code 33122/33172: The applicant increases the 2016 discharge use rate for the 85+ cohort by 40 percent. That use rate of 514.6 discharges per 1,000 population in 2016 was raised to 721.5 discharges per 1,000 population in 2021.
- SSA Zip Code 33175 had an 85+ use rate reported by the applicant of 621.2 discharges per 1,000 population in 2016 which the applicant increased to 34.7 percent in 2021.
- SSA Zip Code 33184 had an 85+ use rate reported by the applicant of 573.2 discharges per 1,000 population in 2016 which the applicant increased to 17.6 percent by 2021.
- The 85+ use rate for PSA ZIP Code 33178 was increased nearly 10 percent.

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- The ZIP Code 33166 use rate in the 85+ cohort was increased more than five percent.
- PSA ZIP Code 33174 had an 85+ use rate of 496.6 which was increased to 508.7 discharges per 1,000 population in 2021

THC indicates that fallacies to the applicant’s forecast are not exclusive to the 85 and older use rate. Opposition provides examples of more “egregious” adjustments in the applicant’s estimates to include the following ZIP Code areas:

- 33172 forecast at 721.5/2016 actual was 522.3 – a 40+ percent increase
- 33178 forecast at 509.2/2016 actual was 460.9 – a 10 percent increase
- 33175 forecast at 836.9/2016 actual was 624.2 – a 34+ percent increase
- 33184 forecast at 673.8/2016 actual was 579.3 – a 16+ percent increase

THC offers a weighted average and restated forecast of non-tertiary use rates, separating for the PSA and SSA (by age cohort). Opposition indicates that obstetric discharge use rates were not reduced, rather, 2016 obstetrics use rates are applied to forecasted 2020 and 2021 female population, age 18 to 44. See the table below.

**Actual CY 2016 and Restated Forecast Use Rates @ 1.5 Percent Reduction Per Year**

<b>PSA</b>	<b>Actual CY 2016</b>	<b>Forecasted 2020</b>	<b>Forecasted 2021</b>
Ages 0-17	20.3	19.1	18.9
Ages 18-44	25.8	24.3	23.9
Ages 45-64	59.6	56.1	55.3
Ages 65-74	130.3	122.7	120.8
Ages 75-84	256.3	241.3	237.7
Ages 85+	480.8	452.6	445.8
<i>Obstetrics 18-44</i>	<i>66.1</i>	<i>66.1</i>	<i>66.1</i>
<b>SSA</b>			
Ages 0-17	28.7	27.0	26.6
Ages 18-44	28.7	27.0	26.6
Ages 45-64	70.4	66.3	65.3
Ages 65-74	138.4	130.3	128.3
Ages 75-84	297.1	279.7	275.5
Ages 85+	548.0	515.8	508.1
<i>Obstetrics 18-44</i>	<i>64.9</i>	<i>64.9</i>	<i>64.9</i>

Source: THC WSO, page 103

Based on its contentions of CON application #10502’s estimates and assumptions, THC provides its own estimates of the proposed service area’s forecasted non-tertiary and obstetrics market discharges using its own restated discharge use rates, forecasted for 2021. Based on this, THC estimates a total of 16,961 discharges (2,960 obstetrics cases) for

the PSA and a total of 15,932 discharges (1,917 obstetrics cases) for the SSA in 2021. Total discharges are estimated at 32,893 (4,878 obstetrics case). The reviewer collapses the discreet PSA and SSA ZIP Codes into aggregated subtotals. See the table below.

**Jackson West Service Area  
Forecasted Non-Tertiary and Obstetrics Market Discharges  
Using Restated Discharge Use Rates  
Forecasted 2021**

<b>ZIP Code</b>	<b>Ages 0-17</b>	<b>Ages 18-44</b>	<b>Ages 45-64</b>	<b>Ages 65-74</b>	<b>Ages 75-84</b>	<b>Ages 85+</b>	<b>Total</b>	<b>Obstetrics Cases</b>
PSA	914	2,192	4,111	2,984	3,571	3,189	16,961	2,960
SSA	811	1,610	3,561	2,889	3,813	3,247	15,932	1,917
<b>Total</b>	<b>1,726</b>	<b>3,802</b>	<b>7,672</b>	<b>5,873</b>	<b>7,384</b>	<b>6,436</b>	<b>32,893</b>	<b>4,878</b>

Source: THC WSO, page 104

THC comments that the estimates in the above table are reasonable, given the reduced discharge use rates and further comments that THC did not grow the obstetrics use rate. Opposition discusses some characteristics/cases of CON application #10502’s baseline estimates not included in the baseline. THC contends that these characteristics/cases will ultimately impact the Tenet hospitals, resulting in significantly more impact on these providers.

Opposition presents three tables to indicate that by 2021, THC anticipates that if the proposed project is approved, non-tertiary and obstetric inpatient case (combined) impact expected at CGH would be 314 total inpatient cases, at HH would be 127 total inpatient cases and at PGH would be 161 total inpatient cases—totaling 602 inpatient cases. See the table below.

**Tenet Hospitals  
Baseline Inpatient Case Impact of Approval of Jackson West Hospital**

	<b>Coral Gables Hospital</b>	<b>Hialeah Hospital</b>	<b>Palmetto General Hospital</b>	<b>Total</b>
Non-Tertiary	314	119	155	588
Obstetrics	0	8	6	14
<b>Total Baseline Impact</b>	<b>314</b>	<b>127</b>	<b>161</b>	<b>602</b>

Source: THC WSO, page 111

THC states the use of the Tenet hospitals accounting system and NHA analysis to provide the expected “dollarized” inpatient financial impact due to the expected lost cases, indicating both an “inpatient impact”, an “outpatient impact” and a total impact for each of the three Tenet hospitals. The reviewer notes that no non-tertiary contribution margin total and no obstetrics contribution margin total for the three hospital, in aggregate, is provided in the THC table. See the tables below.

**Tenet Hospitals  
Baseline Inpatient Financial Impact of Approval of Jackson West Hospital**

	<b>Coral Gables Hospital</b>	<b>Hialeah Hospital</b>	<b>Palmetto General Hospital</b>	<b>Total</b>
Non-Tertiary	314	119	155	588
Obstetrics	0	8	6	14
Non-Tertiary Contribution Margin	\$5,489	\$4,875	\$5,553	--
Obstetrics Contribution Margin	--	\$2,165	\$3,019	--
Non-Tertiary Inpatient Impact	\$1,723,546	\$580,125	\$860,715	\$3,164,386
Obstetrics Inpatient Impact	\$0	\$17,320	\$18,114	\$35,434
Total Inpatient Impact	\$1,723,546	\$597,445	\$878,829	\$3,199,820
<b>Lost Contribution Margin</b>				
Inpatient Impact	\$1,723,546	\$597,445	\$878,829	\$3,199,820
Outpatient Impact	\$1,240,828	\$293,664	\$455,744	\$1,990,237
Total Impact	\$2,964,374	\$891,109	\$1,334,573	\$5,190,057

Source: THC WSO, pages 112 and 113

THC stresses that the above estimates are solely the base line impact and that if use rates decline further than estimated by JHW, JHWs market shares will have to increase to achieve its forecasted volume. Opposition asserts that this will have an increased material impact on CGH, PGH and HH. THC indicates that the impact on staffing and recruitment would result in materially more adverse impact on the Tenet hospitals and the communities that the hospitals serve on a going forward basis. The reviewer points out that as previously stated in the KRMC WSO review (above), there is no statutory criteria for the Agency to consider regarding capital and operating expenditures (such as operating margin) in a general acute care hospital proposal.

Opposition indicates the following observations derived from CON application #10502’s “average but not meaningful” list of conditions:

Transfer of Beds

- This condition is meaningless—with each of JHS’s three hospitals being over-bedded so a condition to not add beds to the market is inconsequential

Patient Access

- The applicant abandoned the concept of financial access as one of its rationales supporting approval of the project
- While for most hospitals “charity care” means no funding, for Jackson “charity care” is compensated via ad valorem, non-ad valorem and sales tax revenues

Promotion of Local Small Business

- As a governmental entity, small and minority businesses, as a part of a proposal for contracting with JHS, provide any bidder with advantages
- Requiring minority businesses to receive a percentage of an awarded contract is typical in these types of engagements

Population Health Management Activities

- These programs are part of the JHW outpatient campus and are proceeding regardless of the outcome of the inpatient hospital proposal

Outreach, Education and Community Health Improvement Activities

- This is no different than what is already being provided by other hospitals to residents in the area
- Tenet hospitals already provide similar and other types of community events in and around Doral
- The applicant does not need a hospital in Doral to engage in these activities and could provide the same level of outreach with the same level of impact to the community

TCH provides a list of the names and affiliations of 40 letters of opposition to CON application #10502. THC maintains that these opposition letters support THC's opposition to the proposal. The reviewer notes that the majority of these opposition letters are from physicians. TCH indicates that these opposition letters are representative of a wide range of medical and surgical specialists including: family medicine, internal medicine, OBGYN, cardiology, invasive cardiology, orthopedic surgery, sports medicine, general surgery, colorectal surgery, surgical oncology, endocrinology, podiatry, anesthesiology, pain management and pathology. TCH contends that these physicians' patients generally reside in the Doral, Hialeah, Miami Lakes and surrounding areas (page 85 of the WSO). The reviewer confirms that the physician opposition letters are from a wide variety of medical specialties, as indicated by THC.

Upon cursory survey, the reviewer notes some characteristics of THC's WSO Attachment A – Letters in Opposition to Jackson West:

- Many of the opposition letters are not dated. However, those that are, are dated in October or November 2015. Therefore, none of the opposition letters can be considered current and specific to CON application #10502.
- Most if not all of the opposition letters oppose approval of a new hospital in the Doral area, as submitted by both JHS and HCA. Since HCA did not submit a general acute care hospital project proposal in the current batching cycle, this further confirms that the letters of opposition are not current and are not specific to CON application #10502.



- At least 17 of the opposition letters are from physicians that indicate direct affiliation with THC, either as being on staff at a Tenet hospital in the area, are members of Tenet Florida Physicians Services (TFPS)<sup>16</sup> or have other affiliation with Tenet.

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

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

The Agency received three 21-page written responses (WRs) from CON application #10502's Carlos A. Migoya, President and CEO, JHS. One WR is submitted for each of the three WSOs previously identified in item F of this report (one WSO from NCH, one WSO from KRMC and one WSO from THC). The reviewer notes that the three 21-page WRs are identical and offer one unified response to the three WSOs.

The reviewer notes that pages 15 to 21 of the WR address prior Recommended Orders regarding prior DOAH cases and prior applications from prior batching cycles. The single WR from JHS's TPHTMDC is briefly summarized below. However, this brief summary generally excludes any in-depth review of prior Recommended Orders, prior DOAH cases and prior applications from prior batching cycles.

**JHS's TPHTMDC WR to NCH, KRMC and THC**

TPHTMDC contends that the WSO filed against JHW did not contain any significant issues related to the analysis of need for the proposed project, but outlined general reasons (many of which were vague or inaccurate according to JHS) for why the opposing parties felt that JHW should not be approved and particularly addressed issues not contained in the current application (CON application #10502). TPHTMDC further contends that the criticisms of the JHW application general fall into three broad categories:

<sup>16</sup> According to the website <https://www.tenetfloridaphysicianservices.com/about-us>, TFPS, a division of Tenet Healthcare Corporation, is a multi-specialty physician group that has provided care to the South Florida communities of Palm Beach, Broward and Miami Dade Counties since 2007.

- 1. Site and Service Area:** The WSOs incorrectly allege that JHW's site will not enhance access to inpatient services for residents of Doral and western Miami-Dade. The opposing parties generally (and inaccurately) portray JHW's service area as solely focusing on "Doral", when JHW clearly presented its project as responsive to the needs of residents of western Miami-Dade. Additionally, opposing parties incorrectly assert that JHW's service area is somehow manipulated or unrealistic but that this same service area was initially approved in CON application #10395.
- 2. Effect of the Potential Approval of East Florida – DMC:** The WSOs incorrectly assert that JHW failed to consider the effects of the potential approval of East Florida – DMC (an 80-bed hospital that would be located in Doral/ZIP Code 33178) in consideration of utilization projections and/or impact of the development of JHW's proposal.
- 3. JHS's Ability to Develop a Successful Community Hospital:** The WSOs attempt to call into question JHS's ability to develop, implement and operate a community hospital. These assertions are misguided and lack merit, given the fact that JHW has been developed from the ground up by the JHS team and size and service planning is rooted in the needs of the area and overall vision of JHS to provide enhanced population health management to patients from the area, including the large number of patients JHS currently serves who reside there.

TPHTMDC indicates that as stated in the WSOs, JHW's general reasons for development and utilization projections are unchanged because JHS's commitment to the project is unwavering. The applicant asserts a belief in the future success of the facility given the extensive planning in response to the needs of the community.

The applicants states that it is important to note that Westchester General Hospital located in 33155 (JHW's SSA) and Baptist Hospital of Miami (the second largest market share holder in the proposed combined PSA and SSA) did not file opposition to the proposal. TPHTMDC asserts that it is unclear why Tenet, which has relatively low market share of the area (only Coral Gables appears in the top 10 service area providers in terms of non-tertiary market share of the 12-ZIP Code area) or NCH (JHW will not have a dedicated pediatric unit) has filed opposition to the proposed project.

TPHTMDC goes on to state that while the WSOs attempt to exaggerate the potential impact of JHW on their respective facilities by showing ambulatory surgery and ED "reliance" on the area and/or impact, it is important to note that the development of JHWs freestanding ED and array of outpatient services is currently underway and does not require CON approval. TPHTMDC maintains that as such, discussion of ED and

outpatient services, as well as any other tertiary admissions experienced by the opposing hospitals, has no bearing on this application or the Agency's decision.

According to TPHTMDC, given the similarities in the WSOs filed by the three parties, the following narrative responds to the documents filed by each one.

**General Observations: NCH Opposition**

TPHTMDC states that by NCH's own admission, JHW does not propose to develop a dedicated pediatric unit and will not provide similar services as those provided at NCH. TPHTMDC maintains that JHW will not be a destination for comprehensive pediatric care that would be comparable in any way to NCH and additionally maintains that JHS has no need to develop a comprehensive inpatient pediatric care unit at JHW.

The applicant explains that while it is true that JHS included the 0-17 age cohort in its overall use rates and projections analysis, JHW would only anticipate an average daily census (ADC) of one to two patients, adolescent in age and likely admitted short term to JHW through the ED or on a rare occasion. TPHTMDC points that this is supported by NCH's own WSO noting that if JHW experienced 266 to 280 pediatric admissions on an annual basis (as suggested by NCH) and if 100 percent of those patients were from NCH (with an area average three-day length of stay), this would result in an ADC of two patients (2.1 – 2.3) as the level of impact. TPHTMDC stresses that this is extremely low and supportive of the fact that JHW will not have a dedicated pediatric unit.

**JHW's Proposed Site and Service Area Are Reasonable and Appropriate**

TPHTMDC restates the JHW proposal's physical location and also restates that the 12-ZIP Code total service area currently has approximately 430,000 residents expected to increase nearly to 460,000 by 2022. The applicant contends that the opposing parties attempt to undermine JHS's site selection and development of JHW. TPHTMDC states that these assertions are inaccurate and unfounded. The applicant asserts that not only has JHS considered the proposal's proximity to the airport, it has completed the preliminary design phase in which sound abatement requirements and additional enhancements to the site are included not only in the plans but also in the project costs.

TPHTMDC contends that for Tenet to state that JHS would locate its proposed hospital in an area where there is “congestion and havoc” surrounding the site is far-fetched at best. TPHTMDC asserts that there is extensive development (both industrial and residential) throughout the county and MIA’s flight patterns impact more of the county than just JHW’s site.

The applicant maintains that JHS’s development of JHW is imminent and that demolition would begin in October 2017 was slightly delayed due to permitting, which pushed the timeline back by “just a few weeks”. The applicant’s expected demolition of existing structures on the site and overall site preparation is now November 17, 2017 through January 30, 2018. TPHTMDC indicates that the opposition attempts to claim that JHS somehow lacks commitment to proceeding with the development of JHW and that such a claim is disingenuous and is an attempt to mislead the Agency. The reviewer notes that there is no statutory criteria for the Agency to consider regarding the reasonableness of project completion forecasting time frames and no project completion forecast time frame is required in a general acute care hospital proposal.

TPHTMDC restates its total 12-ZIP Code service area, which the applicant states is within a five-mile radius of the proposed site. The applicant also reproduces its total service area definition. TPHTMDC indicates that considering traffic congestion, challenges and gridlock in Miami-Dade (western Miami-Dade in particular), adequate planning of infrastructure, including medical services within areas that have a large and growing population base (such as Doral/western Miami-Dade) is necessary to ensure that residents have access to timely in- and outpatient care. The applicant notes that JHS took into consideration a variety of transportation options for area patients and families such as the Doral Trolley and a shuttle bus to promote ease of access.

The applicant contends that they WSOs attempt to characterize JHW’s proposed service area as either overly broad (KRMC WSO) or too small (THC WSO). TPHTMDC indicates that JHW’s site is appropriately defined based on the proposed hospital’s location, the geographic proximity to other providers and the primary transportation routes in western Miami-Dade. The applicant notes that there are natural barriers to travel throughout Miami-Dade County which were examined and omitted when determining the proposed service area to avoid overstatement the population base—any Zip Codes north of the canal and east of the airport.

TPHTMDC asserts that the opposing parties' challenges to JHS's planning and selection of the proposed service area to meet the needs of area residents is, "simply noise to try and cast doubt on JHS's planning process and implementation of its vision for Jackson West".

**Consideration of East Florida – DMC in JHW Projections**

The applicant explains that JHW's projected utilization is reasonable, consistent with previous CON applications, including potential approval of the East Florida – DMC proposal (whose proposed service area is much larger than the area that JHW proposes). TPHTMDC also explains that given the compact nature of JHW's proposed service area and the number of patients that JHS currently serves from the area, JHW's proposed market shares and volumes are reasonable, regardless of DMC's presence in the northwestern area of the service area, or not.

TPHTMDC provides a very brief six-step discharge description of the proposed project. The reviewer notes that TPHTMDC previously provided an extensive justification and description of the service area and estimated discharges. The applicant comments that its estimates are reasonable and achievable, especially in light of JHS's consistent increasing census of non-tertiary and obstetrics patients from the service area, which increased from approximately 28 in 2014 to 36 in 2016.

The applicant emphasizes that both the TCH WSO and the NCH WSO wrongly assert that JHW's projections did not consider DMC. TPHTMDC states that belief that the market can sufficiently support both facilities, should DMC ultimately be approved. TPHTMDC contends that market growth supports more than half the projected census of patients and no facility would be expected to experience more than normal losses. TPHTMDC next briefly discusses a related prior Recommended Order.

*Redirection of Patients from JHS Facilities to JHW*

TPHTMDC restates that based on its CON application #10502, page 84, Figure 58, JHW did not rely on redirection of the existing ADC of 36 non-tertiary and obstetrics patients treated in JHS hospitals from the proposed service area in 2016 and that JHW's calculation serves as a reasonability test to the conservative nature of its projections.

The applicant contends that KRMC's WSO alleges that JHW is not likely to redirect a significant number of patients from existing JHS facilities and given JHS's small historical base of patients in Doral, there are few that could be redirected. TPHTMDC points out that this statement is wholly inaccurate as the applicant chose not to rely on redirection

because the projected volume could be reached in the absence of redirection. TPHTMDC contends that it is unclear where KRMC developed the notion that JHW “acknowledges” any challenges related to redirection.

TPHTMDC states what is equally perplexing is Tenet’s diametrically opposed impression that JHS proposes “forced redirection” of patients. The applicant concludes that this statement is contrary to KRMC’s position and ignores the “plain language” around CON application #10502, page 84, Figure 58 that TPHTMDC clearly states JHS did not rely on redirection to reach projected utilization at JHW.

*Tenet and Nicklaus “Reliance” on JHW Service Area*

TPHTMDC contends that neither KRMC nor THC truly rely on the area for significant non-tertiary and obstetrics patients. TPHTMDC notes that according to THC’s WSO, in CY 2016:

- 94 percent of PGH’s non-tertiary and obstetrics discharges originated from areas outside the proposed JHW service area
- 92.5 percent of HH’s non-tertiary and obstetrics discharges originated from areas outside the proposed JHW service area
- Nearly a quarter of CGH’s non-tertiary and obstetrics discharges originate from the JHW’s SSA

TPHTMDC notes that according to NCH’s WSO, in CY 2016:

- 87 percent of NCH’s non-tertiary and obstetrics discharges originated from areas outside the proposed JHW service area

*Bed Availability in Miami-Dade is Irrelevant*

TPHTMDC contends that bed availability on a county-wide basis is irrelevant and reiterates that the proposed project will not add beds to the county-wide or JHS inventory but will streamline care for residents of the area who currently have a lack of dedicated inpatient resources in a community with a large nucleus of residential population.

*JHS Inpatient Utilization is Strong*

The applicant states that while Tenet attempts to argue that Miami-Dade has a significant number of beds available by showing a county-wide inventory utilization, the presentation is actually supportive of the strength of JHS, in terms of inpatient utilization, as compared to Tenet. TPHTMDC points out that according to Tenet, JHS has the second highest occupancy rate of any hospital system in Miami-Dade County in CY 2016 (61.3 percent) compared to Tenet’s (49.5 percent) occupancy rate for the same time period. TPHTMDC notes that with JHS’s occupancy rate higher than that of Tenet’s (CY 2016), then “it makes no sense that Tenet would choose to criticize Jackson’s ability to operate any current or future facility”. The applicant maintains that arguments about bed availability and Jackson’s ability to successfully develop a

community hospital are just a distraction presented to mislead the reader.

### **JHS is Well-Equipped to Successfully Develop JHW**

TPHTMDC asserts that the JHS of today is not the JHS of old. Per TPHTMDC, in recent years, JHS has been reinvigorated by new leadership, increased patient volumes, significant system-wide remodeling of its aged facilities, technology upgrades and development of urgent care centers. The applicant discusses senior hospital executive staff changes at JHS since 2011, by the TPHTMDC board. Based on these changes, TPHTMDC states that JHS is “positioned better than ever before to take on the development of a project in the scope of Jackson West and Jackson Hospital West and complete it successfully”.

The applicant contends that the WSOs pointing to Jackson South Medical Center as the basis to allege challenges in the JHS’s developing and operating community hospitals are unfair and baseless because:

- JHS purchased Jackson South, it did not develop it from the ground up
- JHS views Jackson South as an example of its commitment to technology
- In May 2005, Jackson South embarked on a strategic plan to expand and renovate the hospital to meet growing demand
  - Additional building of approximately 180,000 square feet (sq. ft.)
  - 72,00 sq. ft. of renovated existing space
  - Designed to improve services in the intensive care units, ED, diagnostic imaging, pharmacy, admissions, psychiatric services, observation beds, lab, dietary, materials, management and miscellaneous support service units
- New tower and renovations were completed in 2011
- Jackson South is 2.5 times the size of the JHW proposal
- Jackson South has grown to 250 licensed beds<sup>17</sup>
- To prepare for trauma services
  - Two trauma bays and a helipad were added, a second CT and two ORs
  - Jackson South was approved in mid-2016 to operate as a Provisional Level II Trauma Center<sup>18</sup>

<sup>17</sup> According to the Agency’s Hospital Beds and Services List publication, issued July 21, 2017, Jackson South Community Hospital had 222 acute care beds and 28 adult psychiatric beds (a total of 250 licensed beds).

<sup>18</sup> The reviewer confirms that according to the Florida Department of Health website at [http://www.floridahealth.gov/%5C/licensing-and-regulation/trauma-system/\\_documents/traumacenterlisting2016.pdf](http://www.floridahealth.gov/%5C/licensing-and-regulation/trauma-system/_documents/traumacenterlisting2016.pdf), last updated May 5, 2017, Jackson South Community Hospital in Miami-Dade County is a Provisional Level II Trauma Center.

According to TPHTMDC, the advent of the Jackson West campus provides the necessary foundation and bridge to integrate care, making the development of ambulatory programs and outpatient services stand as concrete and tangible evidence of JHS's commitment to make 21<sup>st</sup> century medicine and wellness a priority – what customers and payors demand. The applicant notes that continuity of care, integrated care, care networks and improved quality outcomes are not just abstract concepts but will be operationalized at the Jackson West campus with the development in real time of the following programs:

- ✓ Primary care (adult and pediatric)
- ✓ Emergency care and ED (adult and pediatric)
- ✓ Specialty clinics (adult and pediatric)
- ✓ Diagnostic and treatment services including imaging and ambulatory surgery (adult and pediatric)

The applicant maintains that these services provide a platform to provide a holistic approach to medicine for all residents of Miami-Dade County, regardless of their ability to pay. TPHTMDC reiterates that the proposal is a two-phase approach that will lead to improved access, enhanced competition and improved geographic distribution of services, all without the addition of beds to the county-wide inventory.

**Recommended Order in Earlier Proceedings is a Red Herring**

TPHTMDC extensively discusses and itemizes specific paragraphs (by paragraph number) in DOAH Case Nos. 16-0112CON through 16-115CON and additionally discusses how NCH, KRMC and THC addressed the Recommended Order pertaining to those DOAH cases (pages 15 to 21 of TPHTMDC's WR).

The reviewer notes that after NCH's DWSO was timely received and reviewed and after a response to NCH's DWSO was timely received and reviewed by the Agency from the applicant—the Agency received a withdrawal of the DWSO from the legal representative for Variety Children's Hospital d/b/a NCH, Mr. Geoffrey Smith. The withdrawal was filed and accepted by the Agency on November 20, 2017.



**H. SUMMARY**

**The Public Health Trust of Miami-Dade County, Florida**

**(CON application #10502)** proposes to establish a new 100-bed general acute care hospital in ZIP Code 33122, Miami-Dade County, Florida, District 11/ Subdistrict 11-1. The proposed hospital is planned to be on the Jackson West Campus, an ambulatory campus that is currently under development in the City of Doral area of western Miami-Dade County. The proposed 100-bed community hospital will focus on non-tertiary inpatient care and will include a mix of general medical/surgical beds, intensive care and general obstetrics.

The Public Health Trust of Miami-Dade County, Florida offers 12 ZIP Codes to account for the total proposed service area, with the following eight ZIP Codes as the PSA and the remaining four ZIP Codes as the SSA, all in Miami-Dade County.

PSA ZIP Codes:

- 33122 (Doral)
- 33126 (Miami)
- 33144 (Miami)
- 33166 (Miami Springs)
- 33172 (Doral)
- 33174 (University Park)
- 33178 (Doral)
- 33182 ((Tamiami)

SSA ZIP Codes:

- 33155 (Coral Terrace)
- 33165 (University Park)
- 33175 (Tamiami)
- 33184 (Tamiami)

The applicant proposes seven conditions to CON approval on the applicant's Schedule C (see item C-Project Summary).

The reviewer notes that pursuant to Section 408.035, Florida Statutes, the Agency shall consider only the following criteria for a general hospital application:

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

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

**Need, Availability and Access:**

TPHTMDC presents five major justifications (rationales) to support need for the proposed project and each of these rationales is stated below:

- The development of a comprehensive infrastructure of emergency, outpatient and physician services is currently underway at Jackson West, which will enhance JHS's ability to focus on population health through a coordinated/integrated continuum of care. While the outline components of Jackson West are excluded from CON review, the array of services under development provides a solid platform for success and results in a need for inpatient bed capacity at the site.
- The large and rapidly growing population base, as well as rapidly expanding commercial and residential development in the proposed 12-ZIP Code area.
- The fact that JHS currently serves a significant and growing number of patients who reside in the area including a large number of patients covered under the Jackson Prime program, which represents a historically vulnerable and/or underserved population. Further, the market is highly fragmented, as evidenced by the fact that residents seek care at a large number of providers.
- The expansion of partnership opportunities with the UM to expand the world-class expertise and long-standing success of the JHS/UM collaboration to the western Miami-Dade area.
- The overwhelming community support for the proposed hospital as evidenced by letters of support from physicians, elected officials, community leaders, service area employers/employees, residents, current and former JHS patients, Jackson employees, and other representatives of community organizations. In particular, the patient letters speak to the challenges associated with travel from western Miami-Dade into downtown to seek care at Jackson Memorial Hospital, as well as the benefit of having local access to JHS expertise in the community.

The reviewer noted that the applicant provided no documentary/evidentiary examples or instances of poor, delayed or substandard health care outcomes as a result of the current arrangement of hospitals that serve the residents of the applicant's proposed total service area. However, the reviewer also notes that the proposed project offers a general acute care hospital that would operate within a larger network of hospitals (JHS), and particularly Jackson Memorial Hospital, that provides the fullest and widest array and most complex/tertiary/quaternary services of any other facility or health care system in District 11/Subdistrict 11-1. The reviewer further notes that the proposed project would improve access and availability for area residents to the area's most comprehensive/coordinated/integrated continuum of care provider network – JHS. Additionally, JHS is a substantial provider of care to Medicaid patients and to the medically indigent. The Agency received multiple statements of opposition urging the denial of the proposed application—these were received from KRMC, NCH and collaboration of three Tenet facilities. In general, these statements of opposition stated that the application did not demonstrate that need for the project was justified. In addition, these statements of opposition indicated that residents of the proposed services areas do not have geographic, financial or programmatic access barriers to health care services and that neither application proposes to offer any additional services that are not currently readily available in Miami-Dade County. The statements of opposition conclude that the application did not meet the statutory or rule criteria to approve a new acute care hospital.

The reviewer notes that after NCH's DWSO was timely received and reviewed and after a response to NCH's DWSO was timely received by the Agency from the applicant—the Agency received a withdrawal of the DWSO from the legal representative for Variety Children's Hospital d/b/a NCH, Mr. Geoffrey Smith. The withdrawal was filed and accepted by the Agency on November 20, 2017.

The Agency finds that the proposed project has already been approved by the Agency in the second hospital batching cycle of 2015 (CON #10395) and cannot approve the same application twice. Until a final order has been filed on DOAH case #16-0115, CON #10395 stands as approved.

**Competition:**

TPHTMDC asserts that the proposed new 100-bed community hospital has been planned in response to the needs of the western Miami-Dade community and to ensure accessibility of high quality inpatient and outpatient services for residents in the area. The applicant ensures that the proposed Jackson West Campus and JHW will enhance access to health care for the residents of the service district and will promote quality of care and cost-effectiveness. TPHTMDC stresses that patients

should have a choice of providers with different philosophies, recourses, values and objectives. TPHTMDC also stresses that JHW and the proposed project will increase efficiency and cost-effectiveness for patients and the provider.

Primarily through expected population growth in the service district over the next few years, TPHTMDC expects no negative impact on existing providers that already serve the residents of the total service area.

**Medicaid/charity care:**

- For FY 2016, JHS's flagship Jackson Memorial Hospital's combined Medicaid, Medicaid HMO and charity care total annual patient day average was 47.67 percent, with the District 11 average of 29.84 percent for the same time period
- Jackson Memorial Hospital is the highest volume combined Medicaid/Medicaid HMO and charity care patient day provider in District 11, among Class 1 hospitals, for FY 2016
- Jackson Memorial Hospital was allocated and drew down \$107,395,764 LIP funding in SFY 2016-2017, and for a single hospital, accounted for 18.62 percent of the total aggregate LIP funding statewide for this same period
  - The hospital was allocated and drew down the most LIP funding of any single hospital statewide, both in terms of total dollars and by percentage
- Jackson Memorial Hospital was allocated and drew down \$57,081,440 DSH funding in SFY 2016-2017, and for a single hospital, accounted for 18.30 percent of the total aggregate DSH funding statewide for this same period
  - The hospital was allocated and drew down the most DSH funding of any single hospital statewide, both in terms of total dollars and by percentage

Regarding the applicant's provision of non-pay and Medicaid patient access to the total proposed service area, CON application #10502 conditions (Condition #4, a. and b.), as follows:

Patient Access: Jackson Health System, including Jackson Hospital West, will provide high levels of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically the applicant will:

- Provide care to patients classified as Non-Pay in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges.
- Provide care to patients classified as Medicaid in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 22 percent of discharges.

**I. RECOMMENDATION:**

Deny CON #10502.

**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**