

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

**St. Luke's – St. Vincent's Healthcare, Inc. d/b/a St. Vincent's
Medical Center Southside/CON #10543**

4201 Belfort Road
Jacksonville, Florida 32216

Authorized Representative: Tracy Williams
President
(904) 296-3700

2. Service District/Subdistrict

District 4 (Baker, Clay, Duval, Flagler, Nassau, St. Johns and Volusia
Counties)

B. PUBLIC HEARING

A public hearing was not held or requested regarding the proposal.

Letters of Support

St. Vincent's provides letters of support from health providers who identify a relationship with the applicant, business leaders, elected officials and community members.

Support for the proposal is presented in light of:

- The capacity to enhance continuity of care and reducing transfers of mothers and infants
- The capacity to initiate and operate services affordably
- The capacity to offer care in private rooms
- The availability of neonatology care 24-hours-a-day, seven-days-a-week
- The existing facility capacity and quality of staff and services at St. Vincent's Medical Center Southside
- The existing occupancy and published need for an additional provider
- Growth in deliveries across St. Vincent's health care system

Support letters are noted from:

- Clay Yarborough, Florida State Representative, District 12
- W. Travis Cummings, Florida State Representative, District 18
- Ronald P. Carzoli, MD, Medical Director, Neonatology Group, St. Vincent's Healthcare
- Mae M. Coleman, MD, Chief, Maternal Fetal Medicine, St. Vincent's Medical Center Southside
- Jonathan Schwartz, MD, FAAP, Director of NICU, St. Vincent's Medical Center Southside
- Sandra S. Duggan, Executive Director, Emergency Pregnancy Services
- Greg Anderson, Council Member, Jacksonville City Council At-Large, Group 4

Letters of Opposition

The Agency received a letter of opposition to the proposal from Michael D. Aubin, Sr. Vice President of Wolfson Children's Hospital, operated by Southern Baptist Hospital of Florida, Inc. (SBHF).

The letter of opposition indicates that Wolfson Children's Hospital (WCH) currently operates a 32-bed Level III NICU in Jacksonville that has the capacity to add additional beds. WCH references the approval of notification #NF180038 issued to add 19 Level III NICU beds to WCH and the licensure of five Level III NICU beds at Halifax Health Medical Center per exemption #E130004. Opposition states that any presumption that additional beds are needed is heavily outweighed by the current and expanding capacity of existing providers and by the outstanding quality and access they already offer. Opposition notes that St. Vincent's proposal to add a four-bed unit violates the requirements of applicable rules and renders the project "fatally flawed".

WCH bases opposition to the proposal on the following points:

The current and expanding capacity of existing providers

Opposition describes its facility as a true children's hospital with pediatric general surgeons, cardiologists, neurosurgeons, neurologists and other pediatric specialists on staff that provide care in WCH's Level III NICU. The opposition describes its existing licensed inventory: 202 acute care beds, 24 Level II NICU beds and 32 Level III NICU beds. Pertaining to Level II NICU services, common ownership between WCH and Baptist Medical Center South is also noted.

WCH states that the 32 Level III NICU beds at Wolfson have been highly utilized¹ and in response to demand, Wolfson's was recently approved to add 19 additional Level III NICU beds through notification #NF180038.² Opposition states that the clinical building that will house the additional 19 beds is included within WCH's multi-year space plan and work on the new clinical building is anticipated to begin early next year, the NICU beds are expected to be available in 2020. WCH forecasts that given the need forecasted to January 2021, the additional NICU III beds will fulfill need projections and as a result there will be excess Level III NICU capacity within the planning horizon.

Level III NICU services at UF Health Jacksonville

Wolfson's notes that even before the addition of beds at Wolfson's, another existing provider has excess capacity that may accommodate any current demand for Level III NICU services. WCH notes that the 32-bed unit at UF Health Jacksonville operated at 78.74 percent (year ending December 31, 2017) and observes that recent data demonstrates that the facility is operating at approximately 80.0 percent utilization or an average daily census of 26 patients. The opposition states that based on current utilization, UF Health Jacksonville has excess capacity of nearly six beds. SBHF determines that existing providers can accommodate any additional need for Level III NICU services prior to the addition of WCH's 19 beds within the next two years.

Failure to comply with Rule requirements

WCH notes that the proposed Level III unit falls short of minimum size requirements outlined in Rule 59C-1.042(5), Florida Administrative Code. Opposition suggests that St. Vincent's may be proposing a limited number of Level III NICU beds because the facility cannot realistically support a larger unit. WCH notes that the existing Level II NICU at St. Vincent's operates at 50.36 percent or a census of five patients.

In conclusion, Wolfson's states that the proposal fails to meet mandatory rule requirements and is intended to serve a market that already has existing and expanding capacity to care for Level III neonates.

¹ The reviewer notes that the 32-bed Level III NICU has been running over capacity (in excess of 100 percent for more than three full calendar years) with no notification to expand services until after an application to meet the published need was received by the Agency from St. Vincent's.

² The reviewer notes that notifications to add or delicensed beds are processed per the provisions of 408.036(5)(c), Florida Statutes and that NF#180038 was received by the Agency and issued on September 12, 2018—almost two months after the publication of need and one week after the Agency received applications for new beds for the current hospital cycle. For this notification to have been considered part of the need calculation for the current hospital batching cycle it would have needed to be added to the inventory no later than June 1, 2018, pursuant to 59C-1.044(3), Florida Administrative Code.

C. PROJECT SUMMARY

St. Luke's – St. Vincent's Healthcare, Inc. d/b/a St. Vincent's Medical Center Southside (CON application #10543), also referenced as St. Vincent's, SVMCS or the applicant is an existing provider in District 4, Subdistrict 3 (Duval County) is seeking to establish a four-bed Level III NICU. Per FloridaHealthFinder³ the licensed inventory and services provided at the facility are as follows:

- Acute Care Beds: 263
- Level II Neonatal Intensive Care Unit Beds: 10
- Skilled Nursing Unit Beds: 36

The applicant is also a provider of Level 1 adult cardiovascular services and a primary stroke center.

The applicant expects licensure in June 2019 and initiation of service in July 2019. The reviewer notes that this forecast will have the proposed beds available to residents of District 4 before 2020 when WCH's proposed beds are forecasted to be available.

The total project cost⁴ for the proposal is \$424,570 which includes building, equipment and project costs. The project involves 2,179 gross square feet (GSF) of renovation construction.

The applicant includes the following Schedule C conditions:

- Greater than 50 percent of its total Level III NICU patient days will be provided to Medicaid and medically indigent patients which includes Medicaid, Medicaid managed care, KidCare, charity care and self-pay patients
- The four-bed Level III NICU proposed by this application will be located at St. Vincent's Southside at 4201 Belford Road, Jacksonville, FL 32216, Duval County, District 4
- The applicant will maintain private room accommodations for its NICU patients, sufficient in size for in-rooming by family members

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.

³ <http://www.floridahealthfinder.gov/facilitylocator/FacilityProfilePage.aspx?id=256120> Accessed: October 8, 2018

⁴ Project cost subject to fee, Schedule 1, Line 51

Issuance of a CON is required prior to licensure of certain health care facilities and services. The review of a CON application and ultimate approval or denial of a proposed project is based upon the applicable statutory criteria in the Health Facility and Services Development Act (408.031-408.045, Florida Statutes) and applicable rule criteria within Chapters 59C-1 and 59C-2, Florida Administrative Code. An approved CON does not guarantee licensure of the proposed project. Meeting the applicable licensure requirements and licensure of the proposed project is the sole responsibility of the applicant.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes and 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, applications are comparatively reviewed to determine which applicant best meet the review criteria.

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

As part of the fact-finding, the consultant Bianca Eugene analyzed the application with consultation from the financial analyst Eric West, Bureau of Central Services, who reviewed the financial data and Scott Waltz, of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

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; applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code. The reviewer presents the following analysis and review of CON application #10543 regarding the identified statutory and rule criteria.

1. Fixed Need Pool

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

In the Volume 44, Number 141 of the Florida Administrative Register dated July 20, 2018 need for six additional Level III NICU beds was published in the fixed need pool for District 4 for the January 2021 planning horizon. As of July 20, 2018, District 4 had 64 licensed and eight approved Level III NICU beds, all located in Duval County.

The Agency notes that Notification #NF140030 was issued to Baptist Medical Center Jacksonville (BMJ) to add eight Level III NICU beds on 7/15/14. Per the Agency's Hospital and Outpatient Services records, BMJ was licensed for 24 Level III NICU beds upon submission of the notification per the facility's license effective May 13, 2014. A renewal license issued to BMJ on June 23, 2015 with an effective date through June 30, 2017, documents 32 Level III NICU beds reflecting the licensure of the eight Level III NICU beds in Notification #NF140030. Thus, the fixed need pool should reflect need for 14 additional Level NICU III beds. The Agency did not receive any fixed need pool corrections or challenges within the timeframe allotted by 59C-1.008(i)(2)(a)2, Florida Administrative Code so the eight-bed published need stands.

Following the initial application deadline on September 5, 2018 the Agency received a notification to add 19 Level III NICU beds at WCH in Duval County (District 4, Subdistrict 3) on September 12, 2018, notification #NF180038. Halifax Health Medical Center licensed five NICU III beds on 9/21/2018 pursuant to exemption #E130004.

District 4’s Level III NICU occupancy rate was 93.19 percent for the 12-month period ending December 31, 2017. The table below shows the licensed inventory and occupancy of District 4 NICU III providers during the same period. The reviewer notes that both Level III NICUs are located in Duval County.

District 4 Level III NICU Beds and Occupancy by County 12 Month Period Ending December 31, 2017			
Facility	Licensed Beds	County	Percent Occupancy JAN 2017- DEC 2017
Baptist Medical Center Jacksonville	32	Duval	107.65%
UF Health Jacksonville	32	Duval	78.74
Total	64		93.19%

Source: Florida Hospital Bed Need Projections and Service Utilization by District, July 2018
Batching Cycle

SVMCS summarizes published need for six Level III NICU beds for the January 2021 Planning Horizon. The applicant states that the existing NICU is outfitted with 14 private rooms, 10 of which are Level II NICU beds. SVMCS states that the remaining four rooms are fully constructed, designed and outfitted with mechanical, electrical and plumbing for the intended Level III NICU. The applicant states that the facility has all of the other required support spaces to accommodate the proposal. As a result of having the existing resources and spaces to support the proposal, SVMCS states that the startup will be quick and construction costs will be non-existent to implement the proposal. The applicant maintains that it is uniquely positioned to quickly meet the projected demand for additional Level III NICU beds in District 4.

The applicant notes population, birth trend volumes and existing acute care providers serving District 4. In particular, SVMCS observes that 15 of 22 acute care providers in District 4 offer obstetric services, 10 of 22 acute care providers offer Level II NICU services and only two of 22 providers offer Level III NICU services. SVMCS notes that Level III NICU providers in District 4 have the highest occupancy of any district statewide (93.2 percent). A map of the distribution of acute providers is provided on page 14 of CON application #10543.

SVMCS provides a chart summarizing delivery discharge trends from CY 2015 – 2017 by volume and percent change on pages 15 - 16 of CON application #10543. A consolidated reference to the tables is produced below:

District 4 Hospitals Deliveries Discharge Trend Calendar Years 2015 - 2017	
Hospital	Percent Change '15 to '17
St. Vincent's Healthcare*	15.2%
Baptist Health	-5.1%
UF Health	12.2%
Total	1.0%

Source: CON application #10543, pages 16-17

*Note: St. Vincent's Medical Center Clay County began delivering babies during the third quarter of 2016.

The applicant notes the following trends with respect to delivery trends:

- St. Vincent's Healthcare deliveries are growing at a greater rate than all other District 4 health systems
- St. Vincent's Healthcare deliveries grew more than 15.0 percent compared to a 5.0 percent decline at Baptist Health and 12.0 percent growth at UF Health hospitals
- SVMCS's delivery volume has exceeded 1,500 deliveries consistent with Rule 59C-1.042(6), Florida Administrative Code, for each of the past three years and an increasing trajectory presents a strong rationale for why the proposed Level III NICU should be located at SVMCS

SVMCS provides a map of the 10 Level II providers in District 4 on page 17 of CON application #10543 and provides a summary of the occupancy trends of these facilities from CY 2015 – Year to Date (YTD) 2018 on page 18. The applicant underscores the Level II NICU occupancy rates of BMJ and UF Health Jacksonville. In particular, St. Vincent's observes that BMJ and UF Health Jacksonville both have 32 Level III NICU beds with robust programs—of which BMJ has the higher Level III occupancy but both programs are noted to function close to or far above capacity of their respective Level III NICUs. A table summarizing the analysis is included below:

District 4 Level III NICUs Patient Day and Occupancy Trend Calendar Years 2015 Through YTD 2018					
Hospital	Level III NICU Beds ⁽¹⁾	Level III Occupancy Rate			
		CY 2015	CY 2016	CY 2017	YTD 2018 ⁽²⁾
Baptist Med Ctr. Jacksonville	32	153.0%	103.4%	107.7%	112.9%
UF Health Jacksonville	32	81.3%	73.4%	78.7%	82.7%
Total District IV Hospitals	64	112.0%	88.4%	93.2%	97.8%

Source: CON application #10543, page 20. Hospital Bed Need Projections, AHCA. July 2016, July 2017 and July 2018, Heal Planning Council of Northeast Florida and NHA Analysis.

(1) Level III NICU beds as reported July 2018; Baptist Med Center Jacksonville was licensed for 24 beds prior to 2015 and increased to 32 beds in January 2015

(2) YTD 2018 spans January 1 to April 30, 2018. Utilization data is provided by Health Planning Council of Northeast Florida

In analysis of Level III NICU occupancy trends, the applicant notes the following:

- BMJ surpassed 100.0 percent occupancy nearly every month and during the same 40 months, UF Health Jacksonville frequently exceeded the 80.0 percent occupancy standard
- The District 4 Level III NICU average monthly occupancy rates range between 86.0 and 107.0 percent during this 3+ year time period

SVMCS intends for the approval of the four-bed unit to primarily serve the St. Vincent HealthCare service area and to provide patients who have selected St. Vincent's HealthCare for delivery of an infant. The applicant states that the proposal will reduce the need to transfer out as many sick and particularly low weight infants. SVMCS expects for the reduction in the volume of transfers to allow existing Level III NICU providers to serve the community more effectively. The applicant expects for the proposed Level III NICU to provide families with choice in providers and promote continuity of care within the St. Vincent's HealthCare system.

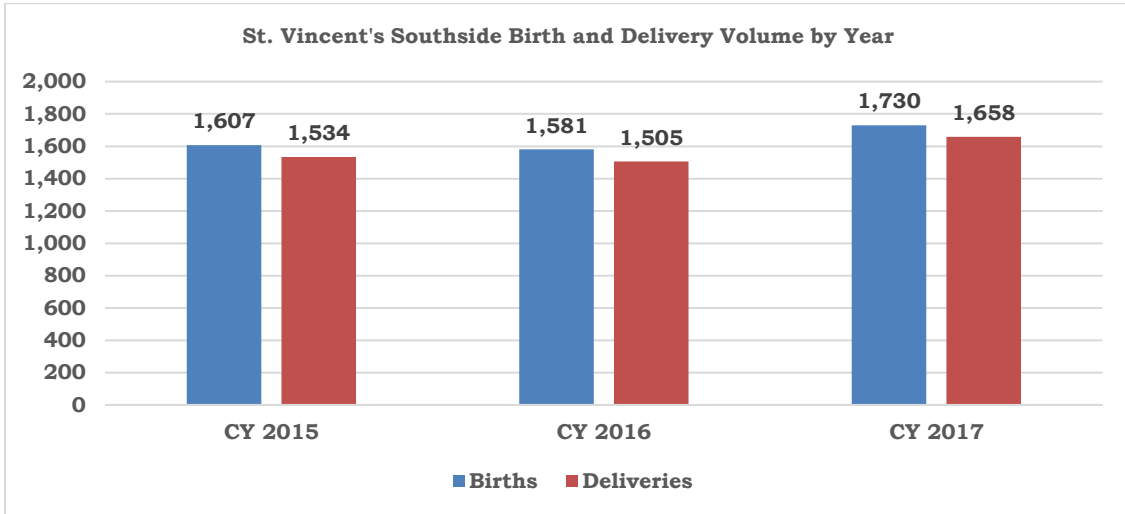
The reviewer notes that SVMCS applied for the proposed service based on published need pursuant to 59C-1.042 (3)(e), Florida Administrative Code. However, in addition to published need the applicant states the following five not normal circumstances for which approval of the proposal is warranted.

Aggregated births in excess of 3,500 annually at St. Vincent's HealthCare System (three hospitals) exceeds minimum criteria for a certificate of need exemption to establish a Level III NICU per Rule 59C-1.005(1)(h)

The applicant asserts that St. Vincent's HealthCare has robust maternity services at all three of its hospital campuses, delivering an aggregate 3,735 babies in the most recent calendar year. SVMCS provides a chart depicting the volume of deliveries at St. Vincent's facilities in District 4 during CY 2017—noting that SVMCS experienced 1,658 deliveries surpassing minimum volume requirements. The applicant notes that the facility did not meet the volume threshold requirements to file an exemption for Level III NICU services pursuant to Rule 59C-1.005(6)(h). A summary of the number of births across affiliate St. Vincent facilities is included for CY 2017, which reflects that SVMCS experienced 1,730 births.

SVMCS describes how St. Vincent's HealthCare system exceeds the 3,500 birth threshold operationally and routinely transfers neonates across affiliate facilities. SVMCS provides a chart depicting the number of births and deliveries for CY 2017 for MDC 15 (births) and deliveries

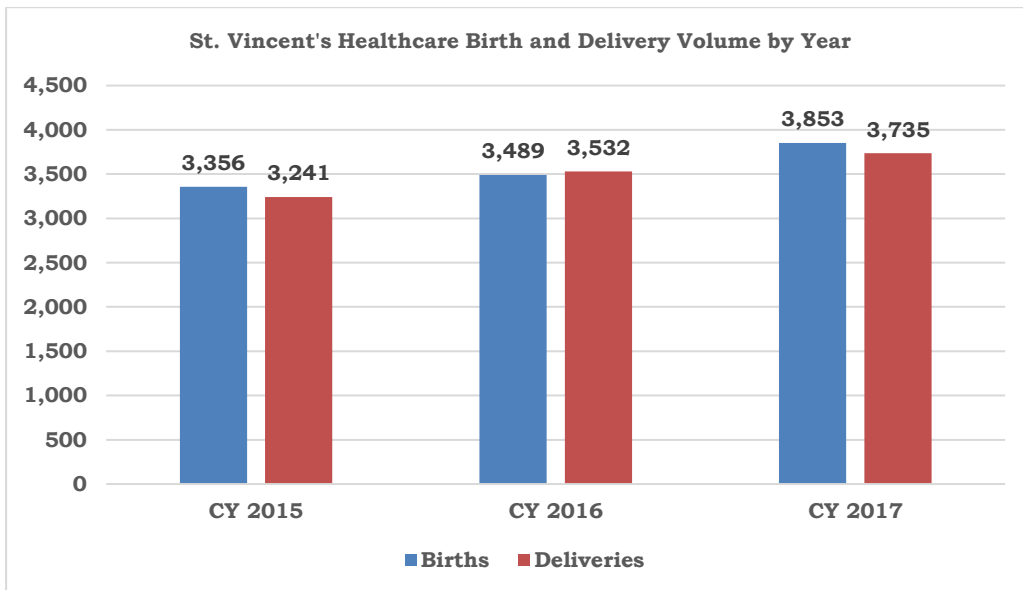
(MDC 14/Obstetric Deliveries Only). The applicant notes that in the most recent calendar year, births grew by 9.4 percent. See the table below.



Source: CON application #10543, page 29.

Note: 98% of births at St. Vincent's Southside were inside the hospital and 2% of births were either in route or born elsewhere

In addition, SVMCS provides a table of the volume of deliveries and births across its affiliate facilities in aggregate which is reproduced below:



Source: CON application #10543, page 30

The applicant determines that SVMCS’s internal delivery and birth volume and the aggregated delivery and birth volume across the three St. Vincent’s hospitals in District 4 are evidence of a not normal circumstance within the market.

The applicant discusses changes within the Level II NICU and provides pictures of the existing NICU on pages 22 – 25 of CON application #10543. SVMCS distinguishes its existing NICU as the only all-private NICU in northeast Florida.

SVMCS provides an analysis of the volume of neonate transfers from St. Vincent’s Healthcare to BMJ and UF Health Jacksonville. The applicant maintains that St. Vincent’s HealthCare refers mothers prior to delivery when they are considered high-risk cases that may result in a Level III neonate or even a more acute Level II neonate so both mother and baby have the security of resources available only at Level III NICUs. The applicant expects to have a greater number of deliveries as a result of the proposal.

Neonate and Maternal Transfers

The applicant states that neonates are most frequently transferred out of the St. Vincent’s HealthCare system because either the neonate does not weigh enough to stay in a Level II NICU even though an infant may be gestationally old enough to be treated in a Level II bed or St. Vincent’s HealthCare does not have the necessary subspecialist on staff since it is not a Level III provider. The applicant states that in both of these cases, neonates are transferred to either BMJ or UF Health Jacksonville.

The applicant contends that transfers result in a disruption in the continuity of care. SVMCS provides tables summarizing the volume of NICU and maternal transfers across St. Vincent’s HealthCare, which are provided below:

St. Vincent's Healthcare NICU (Baby) Transfers to NICUs Calendar Years 2015 - YTD 2018					
	CY 2015	CY 2016	CY 2017	YTD 2018 ⁽¹⁾	Total
St. Vincent's Southside	9	10	7	5	31
St. Vincent's Riverside	7	15	15	6	43
St. Vincent's Clay ⁽²⁾		3	16	7	23
St. Vincent's Healthcare	16	28	38	18	97

Source: CON application #10543, page 32

(1) Year to date 2018 is through May 31, 2018

(2) St. Vincent’s Clay transfers for NICU services were all to St. Vincent’s Level II NICUs except two transfers to Level III NICUs in 2017 and two in YTD 2018

St. Vincent's Healthcare Maternal Transfers to NICUs Calendar Years 2015 - YTD 2018					
	CY 2015	CY 2016	CY 2017	YTD 2018 ⁽¹⁾	Total
St. Vincent's Southside	8	5	8	7	28
St. Vincent's Riverside	6	4	4	0	14
St. Vincent's Clay ⁽²⁾		3	11	3	17
St. Vincent's Healthcare	14	12	23	10	59

Source: CON application #10543, page 32

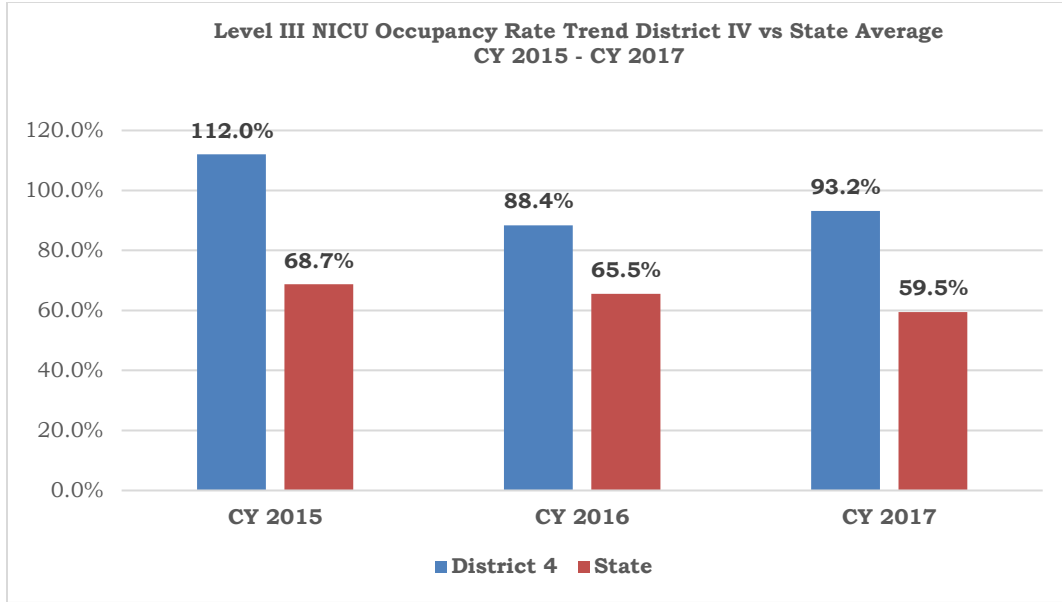
(1) Year to date 2018 is through May 31, 2018

(2) A subset of St. Vincent's Clay's maternal transfers were transported to St. Vincent's Southside

SVMCS maintains that there are many more mothers who are first treated at St. Vincent's either in the Family Medicine Clinic or by obstetricians who are referred to either BMJ or UF Health Jacksonville obstetricians earlier on in their pregnancy because they are determined to have higher risk pregnancies. The applicant states that a portion of these patients would be able to remain with their obstetricians if the proposed Level III NICU were operational.

District 4 Level III NICUs have exorbitant occupancy rates, frequently exceeding 100 percent occupancy on a monthly and annual basis

The applicant notes that District 4 Level III NICUs had the highest occupancy rates across all Districts and the state during CY 2017. During this period District 4 Level III NICUs had an occupancy rate of 93.2 percent and the statewide average for Level III NICUs was 59.5 percent. A chart depicting the occupancy rates across all districts and the state is provided on page 34 of CON application #10543. SVMCS observes that Level III NICU occupancy rates in District 4 have exceeded the statewide average for the past three calendar years, see the table below:



Source: CON application #10543, page 35

The applicant notes that Baptist Health Jacksonville experienced an eight-bed addition to its Level III NICU in January 2015.⁵ SVMCS reiterates its analysis of the high occupancy rates at BMJ and UF Health Jacksonville. The applicant contends that one of the primary reasons for seeking approval of the proposal is that capacity constraints at existing facilities affect the timely transfer of Level II or III NICU patients who require services that are available at Level III NICU facilities. The applicant states that St. Vincent’s HealthCare is creating the infrastructure to assure that upon implementation and operation, the physician subspecialist complement will be available for both its Level II and III infants.

SVMCS provides a line graph depicting the District 4 Level III NICU occupancy trends for existing providers from January 2017 – April 2018, revealing that existing providers had occupancy rates above the 80.0 percent occupancy standard on page 37 of CON application #10543. The applicant repeats this analysis for BMJ and UF Health Jacksonville Level III NICU occupancy rates from January 2015 – April 2018, and finds that these facilities again regularly operate above the 80.0 percent occupancy threshold.

⁵ The reviewer notes that per Agency records, Baptist Health Jacksonville experienced an eight-bed addition to its Level III NICU per its facility license effective July 1, 2015 – June 30, 2017.

Based on the occupancy rates of existing providers, SVMCS determines that Level III NICU beds are not readily available or accessible and the need generated for additional Level III NICU beds serves as a not normal circumstance sufficient to warrant approval of the CON application.

Internal demand generated by Obstetrics Hospitalist Group (OBHG) and St. Vincent's Family Practice Residency Training Program are unique attributes of this mission driven health care system generating demand for Level III services

SVMCS maintains that it has unique programmatic features which create a contributing not normal circumstance to warrant approval of the proposed four-bed Level III NICU which include the OBHG, Family Practice Resident program and its Emergency Pregnancy Services (EPS) program. The applicant asserts that each of these programs is a significant commitment to the lower income and uninsured population by St. Vincent's HealthCare in its mission driven delivery of maternity services throughout District 4. SVMCS provides narrative descriptions of each program which are summarized below:

Obstetrics Hospitalist Group

The applicant describes the OBHG as a group of 16 highly-skilled board-certified OB/GYNs who deliver a broad spectrum of care to all patients presenting to the Obstetric ED at SVMCS and St. Vincent's Riverside 24/seven. The applicant states that the group offers care ranging from emergent care, fetal monitoring and routine check-ups to mothers in the community who have had no prenatal care and/or are uninsured/underinsured.

The applicant states that OBHG has been offered at SVMCS for more than five years and has been a proven success in terms of hospital efficiency and quality care to mothers in need of emergent obstetric care. The applicant indicates that the service at St. Vincent's HealthCare improves patient safety and satisfaction through the immediate availability of specialists in the management of both normal and high-risk obstetric encounters and emergencies.

A list of OB certified hospitalists on staff at St. Vincent's Riverside and SVMCS is provided on page 41 of CON application #10543. The applicant notes that during the last two fiscal years, more than 37.0 percent of OBHG cases at SVMCS were Medicaid and another 2.0 percent were charity care and self-pay. A summary of the payer mix of these patients is provided on page 42 of CON application #10543. In continuance of the analysis of the payer mix of these patients, SVMCS observes that during the 18 months ending December 31, 2017, 36.5 percent of OBHG deliveries at SVMCS were Medicaid payers while 33.4

percent of all other non-OBHG deliveries at the hospital were Medicaid payers, indicating that OBHG serves a greater portion of Medicaid patients. In total, the applicant states that 41.5 percent of SVMCS' newborns (normal newborns and NICU) were Medicaid payers.

The applicant contends that given that the OBHG program is designed to meet the maternity needs of all population groups without care, especially the medically indigent, this mission driven program is clearly distinguishable from a need and “not normal circumstance” perspective.

Family Medicine Residency Program

The applicant states that St. Vincent's Healthcare Family Medicine Residency Program will serve as an additional feeder to the proposed Level III NICU. SVMCS maintains that the program is unique from other family residency training programs as there are only a handful of residency family training programs in the nation that encourage residents to pursue an area of concentration in obstetrics. The applicant provides an overview of the history of the program and states that the program emphasizes continuity with full-spectrum care and is designed to develop critical clinical skills and decision-making abilities. SVMCS describes the areas of special interests and rotations within the program including women and children's services, gynecology and obstetrics. The applicant details patient referrals from the residency program to the Family Medicine Center, noting that on average 120 patients or high-risk moms are referred out and there are approximately eight newborns per year that are transferred to a Level III NICU. SVMCS also describes a subset of mothers who require maternal transfer to a Level III NICU prior to delivery. A support letter from David McInnes, MD, Program Director of St. Vincent's Family Residency Program is provided, endorsing the proposal in light of strengthening continuity of care.

Emergency Pregnancy Services

SVMCS describes EPS as a mission-based St. Vincent's HealthCare program that provides sonography and pregnancy counseling for women who have little to no prenatal screening/care and fulfills an identified community need for health resources. The applicant states that EPS is a community based service available at no cost to women who are typically young, high-risk and medically indigent. SVMCS indicates that there are three full time counselors who also serve as sonographers and one staff member who serves as a part time counselor/sonographer. The applicant notes that EPS has three locations—Riverside, Arlington and Orange Park. In 2017, SVMCS states that EPS had 2,440 patients. The applicant indicates that many mothers who arrive at EPS deliver at hospitals with Level III NICUs because of their high risk status and

SVMCS is therefore unable to care for these patients and continuity of care is lost. A letter from Sandra Duggan, Executive Director of EPS is provided which indicates support for the proposal and the capacity for the continuity of care that is expected with implementation of the proposal.

Low cost to build out and operate the Level III NICU

The applicant reiterates that the proposal will have low costs of initiation and operations due to the four patient rooms already being located on the broader 14-room NICU and staffing available to the 10-bed Level II NICU.

SVMCS maintains that the four all-private rooms for the proposal already exist and there will be zero land or construction costs associated with the proposed project. The applicant states that the unit has been evaluated by SVMCS's design professionals who determined that the unit met all requirements of a Level III NICU. SVMCS anticipates minimal architectural/engineering costs which is limited to preparation and presentation of the actual as-built drawings to present to the Agency for its approval to license the beds. The applicant contends that as the majority of typical new program costs are already in place there are only minimal incremental costs to operationalize the proposed Level III NICU. SVMCS indicates that per Schedule 2 of CON application #10543, the equipment costs of the four beds are being philanthropically raised by St. Vincent's HealthCare Foundation and the balance of costs, professional fees and development costs are being funded from St. Vincent's HealthCare operating cash flows. Upon preliminary CON approval, St. Vincent's expects the program to be operational by July 2019.

The applicant expects for the program to operate as a low-cost alternative to existing providers BMJ and UF Health Jacksonville. The applicant explains that relative to Medicaid reimbursement, SVMCS does not receive any add-ons from Medicaid while UF Health Jacksonville receives a 17.0 percent add-on for being a trauma hospital and an automatic rate enhancement. Similarly, the applicant observes that BMJ receives a 4.0 percent trauma add-on to its Medicaid rates. The following table is provided to demonstrate the differences in reimbursement rates across providers:

Medical DRG Calculator Fiscal Year 2018 APR DRG 5934: Neonate Birthweight 750 - 999G w/o Major Procedure					
APR DRG	Weight	Base Rate	St. Vincent's Southside	Baptist Health Jacksonville	UF Health Jacksonville
5934	20.6817	\$3,437.60	\$142,190.82	\$142,190.82	\$142,190.82
		Automatic Rate Enhancement	-	-	\$54,249.80
		Trauma Add-On	-	\$5,687.63	\$24,172.44
		Total Payment	\$142,190.82	\$147,878.45	\$220,613.06
		Percent Differential	-	4%	55%

Source: Florida Medicaid DRG Pricing Calculator, July 16, 2018. Page 50

From the analysis provided, the applicant determines that approval of the proposed Level III NICU will help contain Medicaid expenses as a result of the applicant/provider having lower Medicaid reimbursement.

St. Vincent's also provides a table summarizing the provision of indigent care provided at the Level II NICU programs of affiliate facilities which is condensed below:

Level II NICU Cases by Payor District IV vs. St. Vincent's Healthcare Calendar Year 2017								
Payor	District IV		St. Vincent's Southside		St. Vincent's Riverside		St. Vincent's Healthcare	
	Cases	% Total Cases	Cases	% Total Cases	Cases	% Total Cases	Cases	% Total Cases
Medicaid Managed Care	1,005	42.2%	0	0.0%	0	0.0%	0	0.0%
Medicaid	221	9.3%	3	2.0%	20	11.6%	23	7.1%
Self-Pay/Underinsured	145	6.1%	10	6.5%	15	8.7%	25	7.7%
Kidcare	144	6.0%	59	38.6%	86	49.7%	145	44.5%
Charity/Non-payment	1	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2,384	100.0%	153	100.0%	173	100.0%	326	100.0%
Medicaid	1,370	57.5%	62	40.5%	106	61.3%	168	51.5%

Source: AHCA Inpatient Data Tapes and NHA Analysis, page 51.

The reviewer notes that Medicaid totals do not sum correctly. Total includes payer mixes excluded from the chart.

The applicant notes the following trends:

- Nearly 35.0 percent of SVMCS' obstetric cases were Medicaid (either Medicaid, Medicaid managed care or KidCare) and 41.3 percent of cases at St. Vincent's Riverside were Medicaid payors
- Concentrating on Level II NICU patients, SVMCS treated 41.0 percent Medicaid while St. Vincent's Riverside treated 61.0 percent Medicaid⁶

⁶ The reviewer notes discrepancies between the trends noted and the selected data points presented in the table

Overall, the applicant expects for the majority of Level III NICU patients to be medically indigent.

The applicant states that St. Vincent's Southside has a unique "not normal circumstance" for which the proposal will provide quality and efficiency with a four-bed Level III NICU as part of the broader 14-bed NICU within a traditional intensive care unit design.

Per licensure records, the reviewer notes that the applicant currently operates a 10-bed Level II NICU unit. The applicant states that quality and efficiency will be assured through a four-bed Level III NICU as a part of the broader 14-bed NICU within a traditional intensive care unit design.

The applicant states that the four Level III NICU rooms already exist within the licensed NICU space, which was formerly the hospital's intensive care unit. SVMCS maintains that within the 14-room unit, only 10 private Level II beds are operational. The applicant describes the structural features of each room and states that the sub-nursing station within the overall NICU is uniquely designed to meet the nursing needs of the proposed Level III NICU. SVMCS states that staff are in place to meet the nursing needs of the proposed Level III NICU and it expects for incremental demand from the proposed NICU to increase demand for additional staff within the unit. The applicant maintains that staff will be prepared with training and enhanced competencies to meet the needs of neonates within the proposed Level III NICU and that quality of care will be assured.

SVMCS describes its existing Level II NICU as the only hospital with single family rooms for neonates and their parents and outlines the following benefits of single rooms per an article published in *Pediatrics* titled "Single-Family Room Care and Neurobehavioral and Medical Outcomes in Preterm Infants" which is summarized below:

- Weighed more at discharge
- Had a greater rate of weight gain
- Required fewer medical procedures
- Were younger at gestational age at full enteral feeding
- Experienced less sepsis
- Increased attention
- Less physiological stress
- Less hypertonicity (being in a state of abnormally high tension)
- Less lethargy
- Lower premature infant pain scores

Forecasted Utilization

The following utilization forecast is provided for the proposal:

St. Vincent's Southside Level III NICU Forecasted Utilization Years 1 and 2		
	Year One: Ending June 30, 2020	Year Two: Ending June 30, 2021
Forecasted Admissions	25	37
Average Length of Stay	29	29
Patient Days	740	1080
Occupancy Rate	50.5%	74.0%
Average Daily Census	2.0	3.0

Source: CON application #10543, page 55

The applicant provides excerpts of letters of support from St. Vincent’s HealthCare neonatologists, obstetricians, OBHG, business leaders, elected officials, hospital leadership and others on pages 56 – 67 of CON application #10543.

- b. Regardless of whether bed need is shown under the need formula, the establishment of new Level III neonatal intensive care services within a district shall not normally be approved unless the average occupancy rate for Level II beds in the district equals or exceeds 80 percent for the most recent 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed need pool.**

District 4’s Level III NICU occupancy rate was 93.19 percent for the 12-month period ending December 31, 2017.

2. Agency Rule Preferences

Please indicate how each applicable preference for the type of service proposed is met. Ch. 59C-1.042, Florida Administrative Code.

- a. Ch. 59C-1.042(3)(g), Florida Administrative Code - Services to Medically Indigent and Medicaid Patients. In a comparative review, preference shall be given to hospitals which propose to provide neonatal intensive care services to Children’s Medical Services patients, Medicaid patients, and non-Children’s Medical Services patients who are defined as charity care patients. The applicant shall estimate, based on its historical patient data by type of payer, the percentage of neonatal intensive care services patient days that will be allocated to:**

- (1) **Charity care patient;**
- (2) **Medicaid patients;**
- (3) **Private pay patients, including self-pay.**

The applicant forecasts that Medicaid/Medicaid HMO will account for 52.6 percent of patient days in year one and 52.5 percent of patient days in year two. SVMCS forecasts that charity care will account for 4.7 percent of patient days in years one and two, self-pay will account for 1.6 percent of patient days in years one and two with all other payers accounting for 41.0 percent of patient days in year one and 41.2 percent of patient days in year two.

SVMCS expects for the proposed Level III NICU to serve as a lower cost option to BMJ or UF Health Jacksonville and describes how the vast majority of babies in NICUs are covered by Medicaid due to the high costs and lengths of stay.

b. Ch. 59C-1.042(4), Florida Administrative Code - Level II and Level III Service Continuity. To help assure the continuity of services provided to neonatal intensive care services patients:

- (1) **The establishment of Level III neonatal intensive care services shall not normally be approved unless the hospital also provides Level II neonatal intensive care services. Hospitals may be approved for Level II neonatal intensive care services without providing Level III services.**

Per licensure records and FloridaHealthFinder.gov, the applicant is an existing provider of Level II NICU services. The applicant notes that SVMCS' Level II NICU unit has been in operation since 2001.

c. Ch. 59C-1.042(5), Florida Administrative Code - Minimum Unit Size. Hospitals proposing the establishment of new Level III neonatal intensive care services shall propose a Level III neonatal intensive care unit of at least 15 beds, and should have 10 or more Level II neonatal intensive care unit beds. Hospitals proposing the establishment of new Level II Neonatal Intensive Care Services only shall propose a Level II Neonatal Intensive Care Unit with a minimum of 10 beds.

Per licensure records, the applicant currently operates a 10-bed Level II NICU unit. The applicant states that quality and efficiency will be assured through a four-bed Level III NICU as a part of the broader 14-bed NICU within a traditional intensive care unit design.

The applicant states that four Level III NICU rooms already exist within the licensed NICU space, which was formerly the hospital's intensive care unit. SVMCS states that within the 14-room unit, only 10 private Level II beds are operational. The applicant describes the structural features of each room and states that the sub-nursing station within the overall NICU is uniquely designed to meet the nursing needs of the proposed Level III NICU. SVMCS maintains that staff are in place to meet the nursing needs of the proposed Level III NICU and expects for incremental demand from the proposed NICU to increase demand for additional staff within the unit. The applicant asserts that staff will be prepared with training and enhanced competencies to meet the needs of neonates within the proposed Level III NICU and that quality of care will be assured within the entire NICU including the proposed four-bed unit.

SVMCS indicates that given the anticipated incremental patient days and utilization of the four existing but not yet licensed beds, the Level III NICU will be economically viable. The applicant states that among aspects contributing to the proposal, largely contributing is the fact that management/supervision, support staff, facilities and overhead are in place and thus the costs associated with treating the Level III neonates is anticipated to consist of variable costs. The applicant maintains that this is a "not normal circumstance".

- d. Ch. 59C-1.042(6), Florida Administrative Code - Minimum Birth Volume Requirement. A hospital shall not normally be approved for Level III Neonatal Intensive Care Services unless the hospital had a minimum service volume of 1,500 live births for the most recent 12-month period ending 6 months prior to the beginning date of the quarter of the publication of the Fixed Bed Need Pool. Hospitals applying for Level II Neonatal Intensive Care Services shall not normally be approved unless the hospital had a minimum service volume of 1,000 live births for the most recent 12-month period ending 6 months prior to the beginning date of the quarter of the publication of the Fixed Bed Need Pool. Specialty children's hospitals are exempt from these requirements**

The applicant states that in CY 2017, SVMCS experienced 1,658 deliveries and 1,730 newborns—exceeding the live birth minimum volume outlined in rule. The applicant provides a summary of newborns delivered at SVMCS in CY 2015, 2016 and 2017 respectively on page 88 of CON application #10543.

- e. **Ch. 59C-1.042(7), Florida Administrative Code - Geographic Access. Level II and Level III neonatal intensive care services shall be available within two hours ground travel time under normal traffic conditions for 90 percent of the population in a service district.**

The applicant states that the entirety of District 4 is within two hours ground travel of existing Level III NICU providers, however SVMCS is unique because it is a religiously affiliated health care system and some patients may have a preference for the facility regardless of geographic accessibility. The applicant expects for the establishment of the Level III NICU at SVMCS to enhance cultural and programmatic access within District 4.

- f. **Ch. 59C-1.042(8), Florida Administrative Code - Quality of Care Standards for Level II and Level III Neonatal Intensive Care Services.**

(1) Physician Staffing. Level III Neonatal Intensive Care Services shall be directed by a neonatologist or a group of neonatologists who are on active staff of the hospital with unlimited privileges and provide 24 hours coverage, and who are either board certified or board eligible in neonatal-perinatal medicine. In addition, facilities with Level III Neonatal Intensive Care Services shall be required to maintain a maternal fetal medical specialist on active staff of the hospital with unlimited staff privileges. A maternal fetal specialist is defined as a board-certified obstetrician who is qualified by training, experience, or special competence certification in maternal-fetal medicine. Specialty children's hospitals are exempt from this provision.

The applicant states that SVMCS' Level II NICU is directed by Mednax Medical Group, which consists of a group of seven board-certified neonatal-perinatal specialists on staff at the hospital with unlimited privileges to provide 24-hour coverage. The applicant provides a list of these staff on page 89 of CON application #10543 in addition to copies of their credentials in the supporting documents section of the application. The applicant also states that there are 13 obstetricians/gynecologists who are part of the OBHG and an additional 25 obstetricians on active staff at SVMCS. A list of these physicians is provided on page 90 of the application.

The applicant states that Regional Obstetric Consultants is an affiliate of Mednax and a group of board-certified maternal-fetal medicine specialists who work in collaboration with obstetricians and primary care providers to provide care for high-risk pregnant women through consultation, co-management and direction of care

during and after pregnancy. The applicant states that a referral relationship is present between the neonatologists and maternal-fetal specialists. The applicant provides a list of board-certified maternal-fetal specialists on active staff at SVMCS on page 91 of CON application #10543.

- (2) Nursing Staff. The nursing staff in Level II and Level III Neonatal Intensive Care Units shall be under the supervision of a head nurse with experience and training in neonatal intensive care nursing. The head nurse shall be a registered professional nurse. At least one-half of the nursing personnel assigned to each work shift in Level II and Level III Neonatal Intensive Care Units must be registered nurses.**

The applicant states that its existing Level II NICU is staffed by 19 associates who are all registered nurses with Neonatal Resuscitation Program (NRP) credentials. The applicant maintains that the same nursing staff will cover the four-bed Level III NICU and by year two an additional eight nurses will be added to the staffing schedule. SVMCS indicates that all additional nursing staff will be registered nurses and all are expected to have NRP credentials. The applicant indicates that Debbie Goodwin, RN, BSN, MSN serves as Vice President of Nursing for St. Vincent's Healthcare and Lori Clift RN, BSN serves as nurse manager for Women's Services at SVMCS. The reviewer notes that resumes are included in the supporting documents section of CON application #10543.

- (3) Special Skills of Nursing Staff. Nurses in Level II and Level III Neonatal Intensive Care Units shall be trained to administer cardio-respiratory monitoring, assist in ventilation, administer I.V. fluids, provide pre-operative and post-operative care of newborns requiring surgery, manage neonates being transported, and provide emergency treatment of conditions such as apnea, seizures, and respiratory distress.**

The applicant states that 100.0 percent of SVMCS NICU nurses are trained to administer cardio-respiratory monitoring, assist in ventilation, administer I.V. fluids, provide pre-operative and post-operative care of newborns requiring surgery, manage neonates being transported, and provide emergency treatment of conditions such as apnea, seizures and respiratory distress.

SVMCS indicates that NICU nurses must prove their competencies as they relate to both the family birthplace and the NICU at the time of orientation on the unit which include: family birthplace,

NICU, respiratory NICU orientation and ordering blood gases. A list of NICU competencies that are evaluated is provided on pages 93 – 94 of CON application #10543, a copy of the applicant's NICU.

“Orientation Competency Assessment” form is included in the supporting documents section of the application. The applicant provides descriptions of its neonatal resuscitation program on pages 94 – 95 of CON application #10543.

- (4) Respiratory Therapy Technician Staffing. At least one certified respiratory care practitioner therapist with expertise in the care of neonates shall be available in hospitals with Level II or Level III neonatal intensive care services at all times. There shall be at least one respiratory therapist technician for every four infants receiving assisted ventilation.**

The applicant states that it currently has at least one certified respiratory care practitioner therapist in-house at all times, with expertise in the care of neonates. SVMCS indicates that there is at least one respiratory therapist technician for every four infants receiving assisted ventilation at all times. The applicant states that this ratio will continue upon implementation of the proposal.

- (5) Blood Gas Determination. Blood gas determination shall be available and accessible on a 24-hour basis in all hospitals with Level II or Level III neonatal intensive care services.**

SVMCS asserts that blood gas determination is already available and accessible on a 24-hour basis within the facility and the availability will extend to the proposed Level III NICU services.

- (6) Ancillary Service Requirements. Hospitals providing Level II or Level III neonatal intensive care services shall provide on-site, on a 24-hour basis, x-ray, obstetric ultrasound, and clinical laboratory services. Anesthesia shall be available on an on-call basis within 30 minutes. Clinical laboratory services shall have the capability to perform microstudies.**

The applicant indicates that as a current Level II NICU provider x-ray, obstetric ultrasound and clinical laboratory services are available on a 24-hour basis. SVMCS discusses how anesthesia is available on-site 24 hours a day and notes the capacity for clinical laboratory services to perform all necessary microstudies. The applicant provides a copy of SVMCS' Laboratory Certification of

Accreditation in the supporting documents included with the application. SVMCS describes its intent to maintain a blood exchange transfusion policy and procedure, similar to its sister facility in the Sacred Heart Health System.

- (7) Nutrition Services. Each hospital with Level II or Level III neonatal intensive care services shall have a dietician or nutritionist to provide information on patient dietary needs while in the hospital and to provide the patient's family instruction or counseling regarding the appropriate nutritional and dietary needs of the patient after discharge.**

The applicant describes employing Tabatha Foose, a Clinical Nutrition Manager who is a registered dietician responsible for the oversight of all nutrition services provided in the NICU and at SVMCS overall. The applicant maintains that Tabatha Foose will oversee nutrition services provided in the Level III NICU. SVMCS states that nutrition consultations are provided by NICU nursing staff and neonatologists and supported by the hospital's registered dieticians who provide information on patient dietary needs while in the hospital and post-discharge. The applicant indicates that lactation consultants are available to provide information and guidance on breastfeeding. Resumes are provided in the supporting documents section of the application.

- (8) Social Services. Each hospital with Level II or Level III neonatal intensive care services shall make available the services of the hospital's social service department to patients' families which shall include, but not be limited to, family counseling and referral to appropriate agencies for services. Children potentially eligible for the Medicaid, Children's Medical Services, or Developmental Services Programs shall be referred to the appropriate eligibility worker for eligibility determination.**

SVMCS describes offering social services to families which include family counseling and referrals to appropriate agencies for services. The applicant discusses referring children eligible for Medicaid, Children's Medical Services or developmental services programs to the appropriate eligibility worker for eligibility determination. The applicant states that two case managers are employed at SVMCS and St. Vincent's Riverside who are responsible for social services facilitated through the existing NICU units. The applicant notes that Kaitlin Klapkowski and Arielle Griffin are both Master's prepared social workers who will be responsible for discharge planning at the proposed Level III NICU. St. Vincent's asserts that

case managers will perform assessments and collaborate with patient, family and the healthcare team to identify patient, family and infant needs and that families will also be referred to various community resources.

The applicant details additional responsibilities of NICU case managers and provides copies of resumes for the social workers noted above in the supporting documents section of the application.

- (9) Developmental Disabilities Intervention Services: Each hospital that provides Level II or Level III neonatal intensive care services shall provide in-hospital intervention services for infants identified as being at high-risk for developmental disabilities to include developmental assessment, intervention, and parental support and education.**

SVMCS describes its “Healthy Start Risk Screening” policy and the procedure which is in place at all three affiliate hospitals. The applicant also conducts an infant screening program which is jointly administered by the Department of Children and Family Children’s Medical Services Program Office and the State Health Office. The applicant states that the goals of the infant screening program are to assure that:

- All affected infants receive the appropriate confirmatory testing, counseling and treatment as soon as possible
- All infants born in Florida are offered a Healthy Start Infant Risk Screening before leaving the birthplace and are referred for intervention services as needed

The applicant indicates that the Healthy Start Risk Screening is designed to identify infants who may be at increased risk for impairment of health, intellect or functional ability due to medical, environmental, nutritional or behavioral risk factors so that intervention efforts to reduce identified risks can be implemented as soon as possible. The applicant states that the SVMCS family birthplace staff nurse and unit secretary are responsible for assuring all associated evaluations and tasks are carried out.

The applicant provides a list of risk factors outlined in the Health Start Risk Screening, describes the methodology of the evaluation, lists resources available to families and provides a copy of the policy and procedure on pages 99 – 101 of CON application #10543 and supporting documents included within the application.

- (10) Discharge Planning: Each hospital that provides Level II or Level III neonatal intensive care services shall have an interdisciplinary staff responsible for discharge planning. Each hospital shall designate a person responsible for discharge planning.**

The applicant states that Kaitlin Klapkowski and Arielle Griffin are both Master's prepared social workers who will be responsible for discharge planning at the proposed Level III NICU. SVMCS indicates that these case managers will perform assessments and collaborate with the patient, family and the health care team to identify patient, family and infant needs while referring families to various community resources.

SVMCS details the responsibilities of NICU case managers and provides copies of resumes for the social workers noted above in the supporting documents section of the application.

- g. Ch. 59C-1.042(10), Florida Administrative Code - Level III Neonatal Intensive Care Unit Standards: The following standards shall apply to Level III neonatal intensive care services:**
- (a) Pediatric Cardiologist. A facility providing Level III neonatal intensive care services shall have a pediatric cardiologist, who is either board-certified or board-eligible in pediatric cardiology, available for consultation at all times.**

SVMCS indicates that it has an agreement with UF Health Jacksonville/UF Pediatric Cardiovascular Center to provide pediatric cardiology services to its NICU patients. The applicant provides a list of 10 pediatric cardiologists with courtesy privileges at SVMCS. The applicant states that this agreement will extend to the proposed Level III NICU.

In addition to the arrangement described above, the applicant maintains that SVMCS has a Master Telemedicine Services Agreement with The Nemours Foundation in place for telemedicine consultations services from Nemours subspecialists to provide specialty coverage for infectious disease, endocrinology, gastroenterology and electroencephalogram (EEG) readings and interpretations. The applicant states that it is its intent for these agreements to extend to the proposed Level III NICU. SVMCS notes that it intends to work with other Mednax specialists via telemedicine to provide other subspecialty care and Sacred Heart specialists via telemedicine for subspecialty consultations.

- (b) **Nurse to Neonate Staffing Ratio. Hospitals shall have a nurse to neonate ratio of at least 1:2 in Level III neonatal intensive care units at all times. At least 50 percent of the nurses shall be registered nurses.**

The applicant states that the proposed Level III NICU will have a nurse to neonate ratio that meets or exceeds this requirement based on the clinical needs of its patients. SVMCS maintains that 100.0 percent of the nurses in the proposed Level III NICU will be registered nurses.

- (c) **Requirements for Level III NICU Patient Stations. Each patient station in a Level III NICU shall have, at a minimum:**
1. **Eighty square feet per infant;**
 2. **Two wall-mounted suction outlets preferably equipped with a unit alarm to signal loss of vacuum;**
 3. **Twelve electrical outlets;**
 4. **Two oxygen outlets and an equal number of compressed air outlets and adequate provisions for mixing these gases;**
 5. **An incubator or radiant warmer;**
 6. **One heated humidifier and oxyhood;**
 7. **One respiration or heart rate monitor;**
 8. **One resuscitation bag and mask;**
 9. **One infusion pump;**
 10. **At least one non-invasive blood pressure monitoring device for every three beds;**
 11. **At least one portable suction device; and**
 12. **Availability of devices capable of measuring continuous arterial oxygenation in the patient.**

SVMCS maintains that the above requirements will be met or exceeded for the proposed Level III NICU patient stations. The applicant provides an architectural narrative in Tab V of CON application #10543 and states that the proposed four Level III NICU rooms meet this rule criterion as no construction or renovation will be required for licensure.

- (d) **Equipment Required in Each Level III NICU. Each Level III Neonatal Intensive Care Unit shall be equipped with:**
1. **An EKG machine with print-out capacity;**
 2. **Portable suction equipment; and**
 3. **Not less than one ventilator for every three beds.**

The applicant states that the above requirement is currently met within its NICU.

- h. Ch. 59C-1.042(11), Florida Administrative Code - Emergency Transportation Services: Each hospital providing Level II neonatal intensive care services or Level III neonatal intensive care services shall have or participate in an emergency 24-hour patient transportation system.**
- (a) Provision of Emergency Transportation. Hospitals providing Level II or Level III neonatal intensive care services must operate a 24-hour emergency transportation system directly, or contract for this service, or participate through a written financial or non-financial agreement with a provider of emergency transportation services.**
- (b) Requirements for Emergency Transportation System. Emergency transportation system, as defined in paragraph (11)(a), shall conform to section 64J-1.006, Florida Administrative Code.**

SVMCS describes its existing contractual arrangement with WCH/BMJ for its Kid Kare transportation services. The applicant indicates that the Kid Kare transportation team provides 24-hour emergency transportation to and from the three St. Vincent's HealthCare facilities. The applicant states that neonate at St. Vincent's HealthCare hospitals in need of Level III NICU services are currently transported to WCH/BMJ.

The applicant intends to transfer appropriate Level III neonates from its affiliate facilities. SVMCS discusses how the majority of transfers will be low birthweight neonates not requiring major procedures. The applicant maintains that some Level III infants will continue to be transferred to area providers but the overall volume of transfers to area providers will decrease upon implementation of the proposal.

The applicant states that upon approval, SVMCS intends to enter a transfer agreement with one of the three transport companies in District 4 to provide Level III neonatal emergency transportation services. SVMCS lists costs for transportation related equipment for transferring infants and the nurses and respiratory therapists accompanying transports in Schedules 1 and 8.

- i. **Ch. 59C-1.042(12), Florida Administrative Code - Transfer Agreements. A hospital providing only Level II Neonatal Intensive Care Services shall provide documentation of a transfer agreement with a facility providing Level III Neonatal Intensive Care Services in the same or nearest service District for patients in need of Level III services. Facilities providing Level III Neonatal Intensive Care Services shall not unreasonably withhold consent to transfer agreements which provide for transfers based upon availability of service in the Level III facility, and which will be applied uniformly to all patients requiring transfer to Level III, as defined in subparagraph 2(e)2. An applicant for Level II or Level III Neonatal Intensive Care Services shall include, as part of the application, a written protocol governing the transfer of Neonatal Intensive Care Services patients to other inpatient facilities.**

SVMCS details its policy and procedure protocols for its Family Birth Place and NICU on the topic of transfers to other hospital facilities, stating that the purpose of the policy is to facilitate the transfer of care to another hospital facility and provide documentation of patient history, care and treatment. The protocol for the applicant's existing Level II NICU is provided in length on page 107 of CON application #10543 and in the supporting documents included with the application.

The applicant states that with the addition of Level III NICU services, the protocol for when a neonate requires transfer out of SVMCS will change but there will still be a protocol to address criteria for when neonates must be transferred to other Level III NICUs, an example scenario is provided on page 108 of CON application #10543.

- j. **Ch. 59C-1.042(13), Florida Administrative Code - Data Reporting Requirements: All hospitals with Level II or Level III Neonatal Intensive Care Services shall provide the Agency or its designee with patient utilization and data relating to patient utilization of Level II and Level III Neonatal Intensive Care Services. The following data shall be provided to the Agency or its designee:**

Utilization Data. Level II or Level III Neonatal Intensive Care Services providers shall report the number of admissions and patient days for Level II and Level III Neonatal Intensive Care Services. Data shall be reported to the Agency or its designee within 45 days after the end of each calendar quarter.

The applicant expresses the intent to comply with this criterion.

3. Statutory Review Criteria

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

SVMCS summarizes published need for six Level III NICU beds for the January 2021 Planning Horizon. The applicant states that the existing NICU is outfitted with 14 private rooms, 10 of which are operational as a Level II NICU. SVMCS indicates that the remaining four rooms are fully constructed, designed and outfitted with mechanical, electrical and plumbing for the proposed Level III NICU. The applicant states that the facility has all of the other required support spaces to accommodate the proposal. As a result of having the existing resources and spaces to support the proposal, SVMCS asserts that the startup will be quick and construction costs will be non-existent to implement the proposal. The applicant maintains that it is uniquely positioned to quickly meet the projected demand for additional Level III NICU beds in District 4.

St. Vincent's states that the following not normal circumstances, in aggregate, justify approval of the proposal:

- Aggregated births exceed 3,500 annually in the St. Vincent's HealthCare system which exceeds minimum criteria for a certificate of need exemption to establish a Level III NICU per 59C-1.005(1)(h), Florida Administrative Code.
- Excessive occupancy rates in licensed Level III NICU programs result in very limited to no available capacity at any given time
- Internal demand generated by OBHG and St. Vincent's Family Practice Residency Training program are unique attributes of this mission driven healthcare system generating demand for Level III services
- Low cost to initiate and operate the proposed Level III NICU
- Quality and efficiency will be assured with four beds

SVMCS determines that need for the proposal is warranted for the above reasons and a lack of accessible and available Level III NICU beds in the district. The applicant states that there is more than sufficient internal demand to support the four beds in the proposal and expects that the project will be low cost to initiate and operate.

The applicant provides a summary of the quality and efficiency of care arguments presented in response to 59C-1.042(5), Florida Administrative Code.

SVMCS describes how its existing NICU is unique in northeast Florida, due to single family rooms for neonates and their patients. The applicant reiterates that the four Level III patient rooms are located within the existing unit. SVMCS details how the existing all-private NICU provides parents with the physical space and privacy to get to know their newborn while the baby is provided the highest level of care—improving patient outcomes.

The applicant provides conclusions presented in article published in *Pediatrics* titled “Single-Family Room Care and Neurobehavioral and Medical Outcomes in Preterm Infants” (CON application #10543, page 112 of supporting documents) which demonstrated improved medical and neurodevelopmental outcomes in infants hospitalized in the single family room model of care within a NICU over a traditional open bay NICU.

SVMCS maintains that it is the ideal provider to fulfill projected need for Level III NICU beds and notes that approval of the proposal is conditioned on the maintenance of private room accommodations for NICU patients sufficient in size for in-rooming by family members.

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

As an existing provider the applicant describes its historical capacity to provide quality care as it pertains to the Catholic health ministry of the organization. In particular, SVMCS contends that its Catholic health ministry is dedicated to spiritually centered, holistic care which sustains and improves the health of individuals and communities. The applicant describes how St. Vincent’s Family associates are called to: service of the poor, reverence, integrity, wisdom, creativity and dedication. Components of the church’s ministry of health care are listed on pages 113 – 114 of CON application #10543.

SVMCS describes conducting the following outreach ministries:

- Emergency pregnancy services in Riverside, Arlington and Orange Park
- Mobile Health Outreach Ministry (MHOM), rural outreach ministry urban outreach ministry, pediatric outreach ministry, faith community nursing ministry, school nurse program and Seton Center for Women and Infants’ Health.

Descriptions of these outreach ministries are provided in length on pages 114 – 115 of CON application #10543.

Of note, the applicant discusses its quality improvement and patient safety program. SVMCS provides additional descriptions and measures of the program in the supporting documents section of the application. The applicant states that the program is in accordance with the mission of the organization and guidelines from state and federal regulatory and accrediting agencies. SVMCS maintains that the organization uses a structured process to monitor, analyze and improve quality and the program is implemented through the continuous integration and coordination of the patient safety activities of medical staff, clinical departments and support service departments.

SVMCS maintains that the goal of the organization is to ensure delivery of safe, effective, optimal patient care and services in an environment of minimal risk.

The applicant provides a list of quality honors, recognitions and achievements awarded to its organization on pages 113 – 124 of CON application #10543. SVMCS offers a list of continuing medical education courses made available to clinical staff on page 124 of CON application #10543.

Within the three-year period between October 15, 2015 and October 2018, affiliate facilities operated by the applicant's parent company had four substantiated complaints according to agency records. For the same period of time, utilizing the same source, SVMCS had one substantiated complaint.

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

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

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The below is an analysis of the audited financial statements of Ascension Health Alliance d/b/a Ascension (parent) here the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year. All figures except ratios are in thousands.

Ascension Health Alliance d/b/a Ascension (in thousands)		
	Jun-18	Jun-17
Current Assets	\$5,513,790	\$5,167,867
Total Assets	\$38,527,612	\$34,320,425
Current Liabilities	\$5,388,491	\$5,184,452
Total Liabilities	\$15,409,855	\$13,906,301
Net Assets	\$23,117,757	\$20,414,124
Total Revenues	\$23,158,956	\$22,713,753
Excess of Revenues Over Expenses	\$2,374,986	\$1,861,183
Cash Flow from Operations	\$630,480	\$737,043
Short-Term Analysis		
Current Ratio (CA/CL)	1.0	1.0
Cash Flow to Current Liabilities (CFO/CL)	11.70%	14.22%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	43.3%	42.7%
Total Margin (ER/TR)	10.26%	8.19%
Measure of Available Funding		
Working Capital	\$125,299	(\$16,585)

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

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$24,940,970 which includes FY 2019 Routine Capital Expenditures, FY 2020 Capital Expenditures, FY 2021 Capital Expenditures, and the CON currently under review. The applicant provided a copy of its June 30, 2018 and June 30, 2017 audited financial statements. These

statements were analyzed for the purpose of evaluating the applicant's ability to provide the capital and operational funding necessary to implement the project. Based on our analysis above, the applicant has an adequate financial position.

Staffing:

St. Vincent's states that the staffing schedule for the Level III NICU is based upon actual staffing patterns anticipated to operate the four-bed unit, including the minimum staffing required by Rule 59C and staffing matrixes currently used at Southside's 10-bed Level II NICU. Incremental staffing for the proposal includes 5.4 additional registered nurses FTES and ½ FTE for respiratory therapy in Year One followed by 7.89 nurses FTEs and ½ FTE for respiratory therapy in Year Two.

Conclusion:

Funding for this project is provided by operating cash flow and funds donated by St. Vincent's Healthcare Foundation. As shown above, the applicant reported \$630.4 million in cash flow from operations and \$125.2 million in working capital. Funding for the entire capital budget should be available as needed.

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

Our comparison is of the applicant's estimates to its latest FHURs report.

Because the proposed Level III NICU program cannot operate without the support of the hospital, we have evaluated the reasonableness of the projections of the entire hospital including the project. The applicant will be compared to its latest AHCA filing which was June, 2017. Inflation adjustments were based on the new CMS Market Basket, 4th Quarter, 2017.

	PROJECTIONS PER APPLICANT		Actual Data Inflated to
	Total	PPD	2021
Net Revenues	227,264,635	4,311	4,570
Total Expenses	184,740,323	3,504	3,998
Operating Income	42,524,312	807	248
Operating Margin	18.71%		
	Days	Percent	2017
Occupancy	52,721	46.15%	43.39%
Medicaid/MDCD HMO	16,498	31.29%	10.71%
Medicare/MCARE HMO	18,421	34.94%	56.20%

The Level III NICU program represents .7% of the hospital’s total revenue and .8% of the hospital’s expenses. Projections indicate a \$160,193 profit margin at the end of year two. Because the Level III NICU program is such a minor part of the hospital’s overall operations, the hospital could easily support the Level III NICU program even if extended losses were projected.

Conclusion:

This project appears to be financially feasible and the projected NRPD, CPD and profitability appear to be attainable.

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

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. In addition, competitive forces truly do not begin to take shape until existing business’ market share is threatened. The existing health care system’s barrier to price-based competition via fixed price payers limits any significant gains in cost-effectiveness and quality that would be generated from competition.

Conclusion:

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

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035(1)(h), Florida Statutes; Ch 59A-3, Florida Administrative Code.**

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction involving a hospital, nursing home, or intermediate care facility for the developmentally disabled (ICF/DD). The physical plant requirements for level II and level III NICU patient care areas are the same. No new construction or modification of the existing physical plant is anticipated.

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

The table below illustrates the Medicaid/Medicaid HMO days and percentages as well as charity percentages provided by SVMCS and District 4 overall, in fiscal year (FY) 2017 data from the Florida Hospital Uniform Reporting System (FHURS).

Medicaid, Medicaid HMO and Charity Data St. Vincent's Medical Center Southside and District 4 FY 2017					
Applicant/Area	Medicaid and Medicaid HMO Days	Medicaid and Medicaid HMO Percent	Charity Care Days	Percent Charity Care	Percent Combined Medicaid, Medicaid HMO and Charity Care
SVMCS	5,242	12.77%	744	1.88%	14.65%
District 4 Total	228,204	17.52%	52,161	4.00%	21.52%

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

Among the 18 general acute care facilities present on the FHURS FY 2017 report, the following trends are noted:

- SVMCS provided the 10th largest provision of Medicaid/Medicaid HMO by volume
- SVMCS provided the 11th largest provision of Medicaid/Medicaid HMO by percent
- SVMCS provided the 8th largest provision of charity care by volume
- SVMCS provided the 7th largest provision of charity care by percent

The table below illustrates SVMCS state fiscal year (SFY) 2017-2018 low-income pool (LIP) program participation, as of July 24, 2018 at 1:40 PM.

St. Vincent's Medical Center Southside - Low - Income Pool Programs (LIP) Summary of Scheduled Annual Totals, And Year-To-Date Amounts Requested (Or Previously Paid) for State Fiscal Year 2017 - 2018 as of 7/24/18				
Provider Information	Group 1, Tier 4		Total LIP	
Name	Annual	Year-to-Date	Annual	Year-to-Date
St. Vincent's Medical Center Southside	\$37,919	\$37,919	\$37,919	\$37,919

Source: Agency Division of Medicaid, Office of Program Finance

SVMCS was not present among providers included on the DSH programs report queried on 8/17/18 2:34 PM.

As an existing provider the applicant attests to a long history of providing healthcare to Medicaid patients and the medically indigent as a Level II NICU provider. SVMCS provides the following table which summarizes the historical provision of care to Medicaid and medically indigent payer groups at St. Vincent's HealthCare.

Level II NICU Discharges by Payor District 4 vs. St. Vincent's HealthCare Calendar Year 2017						
Payor	St. Vincent's Southside		St. Vincent's Riverside		St. Vincent's HealthCare	
	Cases	% of Total Cases	Cases	% of Total Cases	Cases	% of Total Cases
Medicaid	3	2.0%	20	11.6%	23	7.1%
Kidcare	59	38.6%	86	49.7%	145	44.5%
Self-Pay/Underinsured/Charity	10	6.5%	15	8.7%	25	7.7%
Subtotal	72	47.1%	121	69.9%	193	59.2%
All Other Payors	81	52.9%	52	30.1%	133	40.8%
Total	153	100.0%	173	100.0%	326	100.0%

Source: CON application #10543, Page 137. AHCA Inpatient Data Tapes and NHA Analysis

SVMCS notes the following trends from the analysis provided:

- SVMCS medically indigent portion of patients is slightly less than the district average while St. Vincent's Riverside is slightly more
- An evaluation of District 4 Level II and Level III NICU payor mix at the two hospitals with Level III NICUs reveals that Medicaid accounts for 52.6 percent of cases in these hospitals' Level II NICU compared to 62 percent of cases in Level III NICUs

The applicant anticipates that the majority of its Level III NICU patients will be medically indigent, which it states is consistent with its Level II NICU experience. SVMCS proposed payer mix for the first two years of operations are provided below:

	Self-Pay	Medicaid/Medicaid HMO	SVMCS Forecasted Payer Mix Commercial Insurance	Other Managed Care	Charity Care	Other Revenue	Total
Year 1	12	389	24	270	35	12	740
Year 2	17	567	34	393	51	17	1,080
Year 1 (%)	1.62%	52.57%	3.24%	36.49%	4.73%	1.62%	100.00%
Year 2 (%)	1.57%	52.50%	3.15%	36.39%	4.72%	1.57%	100.00%

Source: CON application #10543, Schedule 7B. Years ending 6/30/2020 and 6/30/2021. Shaded values are incorrect

SVMCS forecasts that Medicaid will account for approximately 53.0 percent of its patient days in years one and two of operations, with charity care and self-pay estimated to account for 6.3 percent of total patient days in years one and two of operations.

In Schedule C of the application, SVMCS conditions approval of the proposal to the following: "Greater than 50 percent of its total Level III NICU patient days will be provided to Medicaid and medically indigent patients which includes Medicaid, Medicaid managed care, KidCare, charity care and self-pay patients".

F. SUMMARY

St. Luke's – St. Vincent's Healthcare, Inc. d/b/a St. Vincent's Medical Center Southside (CON application #10543) is an existing provider in District 4 (Duval County) seeking to establish a four-bed Level III NICU unit. The total project cost for the proposal is \$424,570 which includes building, equipment and project costs. The project involves 2,179 GSF of renovation construction.

The applicant expects licensure in June 2019 and initiation of service in July 2019. The reviewer notes that this forecast will have the proposed beds available to residents of District 4 before 2020 when WCH's proposed beds are forecasted to be available.

The applicant includes three Schedule C conditions to the application.

Need

The applicant summarizes published need for six Level III NICU beds for the January 2021 planning horizon. The applicant states that the existing NICU is outfitted with 14 private rooms, 10 of which are operational as a Level II NICU. SVMCS describes how the remaining four rooms are fully constructed, designed and outfitted with mechanical, electrical and plumbing for the intended Level III NICU. The applicant indicates that the facility has all of the other required support spaces to accommodate the proposed Level III NICU. As a result of having the existing resources and spaces to support the proposal, SVMCS maintains that the start-up will be quick and construction costs will be non-existent to implement the proposal. The applicant states that it is uniquely positioned to quickly meet the projected demand for additional Level III NICU beds in District 4.

SVMCS states that the following not normal circumstances, in aggregate, justify approval of the proposal:

- Aggregated births exceed 3,500 annually at St. Vincent's HealthCare System (aggregate of the three hospitals) which exceeds minimum criteria for a certificate of need exemption to establish a Level III NICU
- Excessive occupancy rates in licensed Level III NICU programs result in very limited to no available capacity at any given time
- Internal demand generated by OBH) and St. Vincent's Family Practice Residency Training program are unique attributes of this mission driven health care system generating demand for Level III services
- Low cost to initiate and operate the proposed Level III NICU
- Quality and efficiency will be assured with four beds

St. Vincent's determines that need for the proposal is warranted for the above reasons and a lack of accessible and available Level III NICU beds in the district. The applicant states that there is more than sufficient internal demand to support the four beds in the proposal and expects that the project will be low cost to initiate and operate.

The Agency has determined that based on a balanced consideration of all application criteria including statutes and rules for a new Level III NICU, published need, consistent over-utilization of Level III NICU services by a single provider within District 4 and lack of any notification to add beds until after CON application #10543 had been received, approval of the proposed four-bed unit is merited with respect to the provisions of not normal circumstances.

Quality of Care

The applicant demonstrated the ability to provide quality of care.

Within the three-year period between October 15, 2015 and October 15, 2018 affiliate facilities operated by the applicant's parent-company had four substantiated complaints pursuant to internal Agency complaint data. During the same time period, utilizing the same source, SVMCS has one substantiated complaint

Financial Feasibility/Availability of Funds

Funding for the entire capital budget, including the proposed project should be available as needed. The proposed project appears to be financially feasible and the projected NRPD, CPD and profitability appear to be attainable.

Strictly from a financial perspective, the proposed project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Architectural

The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

Medicaid/Charity Care

SVMCS forecasts that Medicaid will account for approximately 53.0 percent of its patient days in years one and two of operations with charity care and self-pay estimated to account for 6.3 percent of total patient days in years one and two of operation.

In Schedule C of the application, SVMCS conditions approval of the proposal to the following: “Greater than 50 percent of its total Level III NICU patient days will be provided to Medicaid and medically indigent patients which includes Medicaid, Medicaid managed care, KidCare, charity care and self-pay patients”.

G. RECOMMENDATION

Approve CON #10543 to establish a four-bed Level III NICU unit in District 4, Subdistrict 3, Duval County. The total project cost is \$424,570. The project involves 2,179 GSF of renovation construction.

CONDITIONS:

- Greater than 50 percent of its total Level III NICU patient days will be provided to Medicaid and medically indigent patients which includes Medicaid, Medicaid managed care, KidCare, charity care and self-pay patients
- The four-bed Level III NICU proposed by this application will be located at St. Vincent’s Southside at 4201 Belford Road, Jacksonville, FL 32216, Duval County, District 4
- The applicant will maintain private room accommodations for its NICU patients, sufficient in size for in-rooming by family members

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