

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

**A. PROJECT IDENTIFICATION**

1. Applicant/CON Action Number:

**BayCare Pasco, Inc./CON #10546**

2985 Drew Street  
Clearwater, Florida 33759

Authorized Representative	Mr. Tommy Inzina President and CEO (727) 820-8004
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2. Service District/Subdistrict

District 5/Subdistrict 5-2 (Pasco County)

**B. PUBLIC HEARING**

A public hearing was not held or requested on the proposed project.

**Letters of Support**

The applicant submitted over 150 letters of support. Some letters were individually composed, with the majority being form letters. Letters were composed by physicians, elected public officials, community residents, local college faculty, school board members, Pasco County fire rescue, local business owners and professionals. Principal themes and sentiments expressed in support of the proposed project include:

- The proposed hospital will provide the community with an additional provider for health care services and increase access to patient care, emergency services, intensive care unit and a host of diagnostic services
- The proposed hospital will provide needed resources to a growing and vibrant community
- With the tremendous growth of the I-75 corridor of east Pasco County over the last five years, the proposed hospital will provide the community with improved access to innovative inpatient and outpatient services

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- BayCare is a not-for-profit organization that continues to reinvest and be responsive to the needs of the community
- The proposed hospital will not only bring a variety of services to the community but it will also create job opportunities

Letters of support are noted from the following individuals:

- Wilton Simpson (District 10 and Majority Leader) and Tom Lee (District 20) Florida Senate
- Amber Mariano (District 36), Danny Burgess (District 38), Florida House of Representatives
- Ron Oakley (District 1), Kathryn Starkey (District 3), Mike Wells (District 4) and Jack Mariano (District 5), County Commissioners
- Chris Nocco, Sheriff, Pasco County Sheriff's Office
- Joseph D. Resnick, CEO, Premier Community HealthCare (Federally Qualified Health Center)
- Jeffrey D. Senese, Ph.D, President, Saint Leo University

**C. PROJECT SUMMARY**

**BayCare Pasco, Inc. (CON application #10546)** also referenced as BayCare or the applicant, an affiliate of not-for-profit BayCare Health System (BCHS), proposes to establish a new Class I 60-bed general acute care hospital in Pasco County, Florida, Subdistrict 5-2. The proposed hospital will be located on a 111-acre site positioned at the northeast quadrant of Interstate 75 and Overpass Road. BayCare states the new hospital will focus on treating community-based primary and secondary level inpatients, including OB patients, but excluding specialty and tertiary care patients. The applicant states the proposal will feature all private rooms which include 30 medical/surgical beds, 18 progressive care/intensive care beds and 12 women's services beds inclusive of OB post-partum beds.

BayCare indicates that BCHS is a not-for-profit community-based health system that returns profits to the communities it serves. The applicant notes that BCHS has 15 hospitals and hundreds of other health care facilities with a wide range of services and programs throughout Tampa Bay and West Central Florida. BayCare maintains that the proposed hospital link BCHS' existing services and programs to the residents of central and eastern Pasco County, including BCHS' existing Pasco County Behavioral Health programs and services.

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

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1. The proposed new 60-bed hospital will be located at a 111-acre site positioned at the northeast quadrant of Interstate 75 and Overpass Road, in Wesley Chapel, Pasco County.
2. The proposed new 60-bed hospital will include an inpatient OB service.
3. The proposed new hospital will provide at least 15 percent of inpatient discharge volume to Medicaid/Medicaid managed care/non-payment/self-payment/charity patients.
4. The proposed project will include the introduction of six new primary care practitioners (physicians or advanced practitioner) to the proposed service area by the end of the third year of hospital operation.
5. The proposed project will include \$460,000 per year for three years in support of behavioral health support activities within the target service area.
6. The proposed project will include \$50,000 per year for three years in support of community outreach/wellness/education activities for residents of the target service area.
7. The proposed project will include \$50,000 per year for three years in support of Pasco County schools educational initiatives in the training and education of students in the health care field.

*Should the proposed project be approved, the applicant's condition would be reported in the annual condition compliance report, as required by Rule 59C-1.013 (3) Florida Administrative Code.*

*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 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

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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, Dwight Aldridge and Marisol Fitch, analyzed the application in its entirety.

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

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

The reviewer presents the following analysis and review of CON application #10546 with reference to the identified statutory criteria of Section 408.035, Florida Statutes.

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 bed need methodology for acute care beds pursuant to Rule 59C-1.038, Florida Administrative Code was repealed effective April 21, 2005.

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. Current and likely future levels of utilization are better indicators of need than bed-to-population ratios or similar measures. The reviewer composed the following table to show the utilization of existing facilities in the subdistrict for the 12-month period ending December 31, 2017. See the table below.

<b>Acute Care Hospital Utilization District 5, Subdistrict 5-2 and Statewide 12-Month Period Ending December 31, 2017</b>				
<b>Hospital Name</b>	<b>Acute Care Beds</b>	<b>Total Bed Days</b>	<b>Reported Patient Days</b>	<b>Utilization Percent</b>
Florida Hospital Dade City	120	43,800	6,534	14.92%
Florida Hospital Wesley Chapel	145	52,637	21,997	41.79%
Florida Hospital Zephyrhills	149	54,385	31,593	58.09%
<b>Subdistrict 5-2 Total</b>	<b>414</b>	<b>150,822</b>	<b>80,124</b>	<b>39.86%</b>
<b>District 5 Total</b>	<b>4,178</b>	<b>1,533,551</b>	<b>843,286</b>	<b>54.99%</b>
<b>Statewide</b>	<b>51,681</b>	<b>18,879,960</b>	<b>11,023,767</b>	<b>58.39%</b>

Source: Florida Hospital Bed Need Projections & Services Utilization by District, July 2018

As indicated by the table above, for the 12-month period ending December 31, 2017, Subdistrict 5-2 had 414 licensed acute care beds, with an overall occupancy rate of 39.86 percent, which was 15.13 percent lower than District 5 overall (54.99 percent) and 18.53 percent lower than the state overall (58.39 percent).

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

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<b>District 5/Subdistrict 5-2 Acute Care Hospital Utilization Three Years Ending December 31, 2017</b>			
	<b>JAN 2015 DEC 2015</b>	<b>JAN 2016 DEC 2016</b>	<b>JAN 2017 DEC 2017</b>
Number of Acute Care Beds	342	390	414
Percentage Occupancy Rate	49.26%	50.94%	39.86%

Source: Florida Hospital Bed Need Projections & Service Utilization by District, issued July 2016-July 2018

As shown in the chart above, for the three years ending December 31, 2017, acute care hospital utilization decreased from 49.26 percent (CY 2015) to 39.86 percent (CY 2017), a decrease of 9.4 percent, licensed acute care bed totals increased overall from 342 in CY 2015 to 414 in CY 2017 (21 percent, 72 acute care beds). Overall, patient days increased approximately 31.4 percent (19,137 patient days) from CY 2015 to CY 2017.

In Subdistrict 5-2, Pasco County, Florid Hospital Zephyrhills is currently approved to add ten acute care beds via notifications #N140022 (one acute care bed) and #N160037 (nine acute care beds).

Below is a chart showing population estimates for January 2018 and July 2024.

<b>District 5 Total Population Estimates and Percent Change by County: January 2018 to July 2024</b>						
<b>County</b>	<b>Total Population January 2018</b>	<b>Total Population July 2024</b>	<b>Percent Change</b>	<b>Age 65+</b>		<b>Age 65+ Percent Change</b>
				<b>January 2018</b>	<b>Age 65+ July 2024</b>	
Pasco	522,500	588,467	12.6%	114,309	136,337	19.3%
Pinellas	928,999	934,748	0.6%	226,986	260,282	14.7%
<b>District 5 Total</b>	<b>1,451,499</b>	<b>1,523,215</b>	<b>4.9%</b>	<b>341,295</b>	<b>396,619</b>	<b>16.2%</b>
<b>State Total</b>	<b>20,523,262</b>	<b>22,257,706</b>	<b>8.5%</b>	<b>4,013,237</b>	<b>4,819,212</b>	<b>20.1%</b>

Source: Agency for Health Care Administration Population Projections, published February 2015

Pasco County, the proposed county location, has a smaller total population and 65+ population than Pinellas County. The total population in Pasco County is expected to increase 12.6 percent from January 2018 to July 2024. The estimated population increases within Pasco County exceed forecasted population increases for District 5 but not for the state overall.

The applicant's service area is defined below:

**Primary Service Area**

- 34639 Land O' Lakes
- 33541 Zephyrhills
- 33543 Wesley Chapel
- 33544 Wesley Chapel
- 33545 Wesley Chapel

**Secondary Service Area**

- 33525 Dade City
- 33576 San Antonio
- 33559 Lutz
- 34637 Land O' Lakes

**BayCare Pasco, Inc. (CON application #10546)** indicates a need for the proposed hospital based on the following:

- The current lack of any acute care facilities in east central Pasco County along the high growth I-75 corridor between the Adventist Wesley Chapel site and the northern Pasco County line.
- The lack of any non-Adventist Health acute care hospitals in central or east Pasco County.
- Adventist Health's dominant market position in east central Pasco County, controlling close to 70 percent of the target service area market, limiting competition and patient choice within the proposed service area.
- BayCare's goal of enhancing local access to its existing patient base in central and eastern Pasco County, even at the expense of redirecting this volume from other existing BayCare hospitals.
- Existing BayCare facilities providing higher than market percentages of care to Medicaid and Medicaid managed care/self-pay/no-pay patients and significantly higher percentages of care to these underserved groups than provided by Adventist Health facilities.
- Forecasted strong and continuing population growth for the proposed service area, including the development of the I-75/Overpass Road interchange and Overpass Road improvements.
- Service area volume forecast that shows a +47 bed five-year, and +95 bed 10-year growth associated with all total inpatient services and service area forecast shows a +44 five-year and +88 10-year bed growth associated with just the target patients expected to be served in the proposed new hospital—with just 60 beds proposed for this project, this market growth alone, will strongly support the proposed new hospital.
- The proposed development of a full continuum of care including a broad array of outpatient and community services, behavioral health and outreach/educational services supported by the conditions of the proposal.

**Service Area Population**

The applicant maintains that the proposed hospital is based upon the patient origin experience at St. Joseph's North and St. Joseph's South—set within an eight-mile radius of the proposed hospital. BayCare indicates that analysis of the proposed nine ZIP Code service area was modified to reflect the fact that large portions of ZIP Codes 33525, 33559 and 34637 are located outside the identified eight-mile radius. In the

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description of the service area population, BayCare states that the service area population is large and growing and able to support the reasonable development of the proposed new hospital. Utilizing population data from Claritas, the applicant provides the 2018 and 2023 service area population estimates by age cohort. The applicant breaks down the service area population by ZIP Code. See the figures below.

<b>2018 Service Area Population Estimates-BayCare Pasco</b>						
<b>ZIP Code</b>	<b>City</b>	<b>Total Population</b>	<b>Age Cohort 0-15</b>	<b>Age Cohort 15-44</b>	<b>Age Cohort 45-64</b>	<b>Age Cohort 65+</b>
33525	Dade City	19,112	2,950	6,479	4,851	4,832
33541	Zephyrhills	23,047	2,299	5,252	5,193	10,303
33543	Wesley Chapel	26,510	5,106	10,248	7,311	3,845
33544	Wesley Chapel	27,871	5,683	11,107	7,868	3,213
33545	Wesley Chapel	18,612	4,385	8,130	4,486	1,611
33559	Lutz	17,238	2,949	7,907	4,358	2,024
33576	San Antonio	6,168	425	1,922	1,524	2,297
34637	Land O Lakes	7,682	1,200	2,800	2,079	1,603
34639	Land O Lakes	28,625	5,065	10,893	8,650	4,017
<b>Total</b>		<b>174,865</b>	<b>30,062</b>	<b>64,738</b>	<b>46,320</b>	<b>33,745</b>

Source: CON application #10546, page 75

<b>2023 Service Area Population Estimates-BayCare Pasco</b>						
<b>ZIP Code</b>	<b>City</b>	<b>Total Population</b>	<b>Age Cohort 0-15</b>	<b>Age Cohort 15-44</b>	<b>Age Cohort 45-64</b>	<b>Age Cohort 65+</b>
33525	Dade City	20,268	2,977	6,967	4,691	5,633
33541	Zephyrhills	24,927	2,407	5,734	4,921	11,865
33543	Wesley Chapel	29,125	5,142	10,932	8,249	4,802
33544	Wesley Chapel	30,789	5,680	11,976	8,831	4,302
33545	Wesley Chapel	20,616	4,507	8,610	5,414	2,085
33559	Lutz	19,098	3,085	8,452	4,870	2,691
33576	San Antonio	6,761	439	2,045	1,376	2,901
34637	Land O Lakes	8,428	1,235	3,057	2,122	2,014
34639	Land O Lakes	31,254	4,987	11,703	9,255	5,309
<b>Total</b>		<b>191,266</b>	<b>30,459</b>	<b>69,476</b>	<b>49,729</b>	<b>41,602</b>

Source: CON application #10546, page 75

The applicant states that the above data shows that the current 2018 service area population is 174,865 and expected to increase to 191,266 (16,401 residents or 9.4 percent) by 2023. BayCare indicates that the ZIP Code population levels show that forecasted growth is consistently in the eight-10 percent five-year growth range, with growth exceeding 10 percent in the ZIP Codes most proximate (33544 and 33545) to the proposed site. The applicant notes that ZIP Code 33525 (Dade City) is the one exception to the high growth, as the forecasted growth is six percent. BayCare attributes this to the fact that ZIP Code 33525 is located at the northeast perimeter of the proposed service area, with only 30.7 percent of the ZIP Code population being included in projected population estimates. BayCare maintains that the slightly lower growth rate in this area is not expected to impact the successful development of the proposed hospital.



BayCare notes that the 65+ age cohort is forecasted to experience the highest growth (23.3 percent), while total population is forecasted to grow by 9.4 percent over this five-year period (2018 to 2023). The applicant indicates that this high elderly growth rate results in the 65+ population accounting for 22 percent of the total service area population by 2023, up from 19 percent in 2018. The applicant maintains that the high inpatient use rates among the 65+ population will drive significant inpatient growth from 2018 to 2023 and beyond the planning horizon.

The applicant states that a review of local residential development activity confirms that the proposed service area will be able to reasonably support the successful development of this proposed new hospital. According to the applicant, the proposed site will be located at the northeast quadrant of Interstate 75 and Overpass Road, between Highways 52 and 54, and in close proximity to several large residential community developments including the Connected City initiative. BayCare discusses the service area development activity and provides a local area development chart on page 77 of CON application #10546, which highlights 28,582 development entitlements located within proximity of the proposed hospital site. The applicant comments that the approved development of a new I-75 interchange at Overpass Road and the upgrade/expansion of Overpass Road east from I-75 to Highway 301 will offer transportation upgrades enhancing access to the proposed hospital campus. BayCare offers additional discussion regarding the Overpass Road Interchange project, asserting that even if the Overpass Road project is not implemented, there will continue to be strong residential and commercial service area growth that supports the development of the proposed new hospital.

***Inpatient Acute Care Providers within the Target Service Area***

BayCare states that the geographic distribution of existing providers within the proposed service area are three acute care hospitals within east central Pasco County including: Adventist Health Wesley Chapel or AHWC (southern sector), Adventist Health Zephyrhills or AHZ (eastern sector) and Adventist Health Dade City or AHDC located (far northeastern sector). The applicant notes that both AHDC and AHZ are located outside the eight-mile radius of the proposed service area. BayCare maintains that there are no non-Adventist Health acute care facilities located within the central or eastern portions of Pasco County. BayCare points out that Adventist Health controls 69 percent of the service area target patient market. Based on these factors, the applicant maintains that a strong competitive acute care alternative is needed to interject competition and to ensure that the proposed service area residents have a choice of providers when trying to access acute care services.

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The applicant provides a map on page 81 of CON application 10546 which illustrates the closest non-Adventist Health acute care hospitals to the proposed site. BayCare notes that to the south of the proposed hospital site is St. Joseph's Hospital-North (17-mile/23-minute travel time), to the west is HCA Trinity Medical Center (25-mile/31-minute travel time), to the north is Bayfront Brooksville (35-mile/41-minute travel time) and to the east there are no local acute care hospitals until the Lakeland/Haines City/greater Orlando area. The applicant asserts that there is currently a void in local access to acute care services in the high growth I-75 corridor north of the AHWC location which will be resolved by the proposed project.

Discussing Adventist Health's service area utilization, BayCare states that a review of data from calendar year (CY) 2013 to 2017 illustrates that both AHWC and AHZ have maintained a strong utilization level--adding licensed acute care bed capacity to meet utilization growth. The applicant indicates that AHWC opened with 83 licensed beds in 2012 and has grown to 145 current licensed beds while AHZ has increased licensed beds from 139 to 149 from 2012 to 2017. Utilizing Agency data, the applicant provides the following table.

<b>Adventist Health Acute Care Hospitals in East Central Pasco County Utilization Trends</b>						
<b>Adventist Facilities</b>	<b>Licensed Acute Beds</b>	<b>CY 2013 Pt. Days/ Occupancy</b>	<b>CY 2014 Pt. Days/ Occupancy</b>	<b>CY 2015 Pt. Days/ Occupancy</b>	<b>CY 2016 Pt. Days/ Occupancy</b>	<b>CY 2017 Pt. Days/ Occupancy</b>
AHWC	145	14,607 (48%)	18,885 (62%)	18,935 (63%)	22,858 (75%)	21,997 (42%)
AHZ	149	32,810 (65%)	31,347 (62%)	34,003 (67%)	32,790 (64%)	31,593 (58%)
AHDC	120	11,476 (26%)	6,878 (16%)	8,049 (18%)	8,373 (19%)	6,534 (15%)

Source: CON application #10546, page 82

The applicant maintains that AHWC and AHZ are both well utilized, drawing patients from both within and outside of the proposed service area with the ability to continue to operate effectively, even with the addition of the proposed hospital. BayCare explains that AHDC has never achieved significant utilization of its 120 licensed beds and due to AHDC's focus on serving the local Dade City market, AHDC is not expected to be materially impacted by the proposed facility. The applicant contends that with Adventist Health recently acquiring AHDC, Adventist Health's significant financial strength will ensure that the Dade City hospital operations can remain sustainable even with the low current volume levels or with the development of the proposed new hospital.

***Inpatient Utilization within the Target Service Area***

Utilizing the Agency inpatient discharge database (excluding behavioral health facilities, long-term acute care, inpatient rehabilitation facilities and normal newborn volume), the applicant states that for CY 2017 the proposed nine ZIP Code service area generated 16,421 total discharges

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and 70,478 total inpatient days, with an average length of stay (ALOS) of 4.3 days. BayCare notes that total service area utilization would yield a bed need of 276 at 70 percent occupancy. In the following tables, BayCare provides the total service area utilization by ZIP Code and age group for all discharges excluding the above referenced facilities. See the figures below.

<b>CY 2017 Service Area Total Utilization by ZIP</b>		
<b>ZIP Code</b>	<b>Total Discharges</b>	<b>Total Days</b>
33525	2,548	11,127
33541	3,133	13,166
33543	2,352	10,447
33544	2,091	8,628
33545	1,319	5,254
33559	1,354	6,050
33576	648	2,463
34637	635	2,834
34639	2,341	10,509
<b>Total</b>	<b>16,421</b>	<b>70,478</b>

Source: CON application #10546, page 83

<b>CY 2017 Service Area Total Utilization by Age</b>		
<b>Age Group</b>	<b>Total Discharges</b>	<b>Total Days</b>
0-14	1,282	7,234
15-44	3,996	13,188
45-64	3,982	17,892
65+	7,161	32,164
<b>Total</b>	<b>16,421</b>	<b>70,478</b>

Source: CON application #10546, page 83

BayCare reiterates that Adventist Health is the dominant provider system within the service area, with 69 percent market capture (total discharges) of the proposed service area while BayCare notes a 15 percent market capture. See the table below.

<b>CY 2017 Service Area Total Utilization by Provider System</b>				
	<b>BayCare</b>	<b>Florida Hospital</b>	<b>Other</b>	<b>Total</b>
Total Discharges	2,497	11,022	2,902	16,421
Total Patient Days	10,415	42,492	17,571	70,478
Percent of Total Discharges	15.2 %	67.1%	17.7%	
Percent of Total Patient Days	14.8%	60.3%	24.9%	

Source: CON application #10546, page 14

The applicant provides a full list defining patient DRGs that are not expected to be served at the new hospital in Appendix 6, basing the exclusion upon a review of cases that are actually being performed at the start-ups St. Joseph's North and St. Joseph's South. BayCare explains that the excluded DRG listing includes tertiary and specialty cases such as transplant cases, complex cardiac surgery cases including coronary bypass cases, interventional cardiology cases, neonatal cases, behavioral health cases, burn cases, inpatient rehabilitation cases and normal newborn volume. The applicant notes that data and analyses of target

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patient utilization are based on the target case volume expected to be served at the proposed hospital and exclude the tertiary and specialty cases that are not expected to be performed.

Utilizing the Agency's inpatient database (excluding DRGs 765-782), the applicant states that a review of the medical/surgical patient volume shows that 13,423 of the proposed service area residents received the type of medical/surgical care expected to be provided at the proposed hospital, generating 55,980 inpatient medical/surgical days with an ALOS of 4.2 days. The applicant analyzes CY 2017 service area target medical/surgical patient utilization by ZIP Code and age group excluding OB care, noting that the segmented patient volume received by the service area residents by age show that the elderly 65+ population generates the majority of service area volume, with the 0-14 age cohort generating less than five percent of patient volume. See the figures below.

<b>CY 2017 Service Area Target Medical/Surgical Patient Utilization by ZIP (target medical/surgical discharges only, excluding OB care)</b>		
<b>ZIP Code</b>	<b>Total Discharges</b>	<b>Total Days</b>
33525	2,174	9,253
33541	2,807	11,517
33543	1,830	7,610
33544	1,609	6,395
33545	911	3,430
33559	1,070	4,819
33576	590	2,152
34637	535	2,403
34639	1897	8,401
<b>Total</b>	<b>13,423</b>	<b>55,980</b>

Source: CON application #10546, page 86

<b>CY 2017 Service Area Target Medical/Surgical Patient Utilization by Age (target medical/surgical discharges only, excluding OB care)</b>		
<b>Age Group</b>	<b>Total Discharges</b>	<b>Total Days</b>
0-14	520	2,169
15-44	2,112	7,304
45-64	3,821	16,314
65+	6,970	30,193
<b>Total</b>	<b>13,423</b>	<b>55,980</b>

Source: CON application #10546, page 85

Utilizing the Agency's inpatient database, BayCare indicates that the OB patient volume (DRGs 765-782), generated by the proposed service area residents shows that 1,768 of the proposed service area residents received OB care, generating 4,910 inpatient OB days with an ALOS of 2.8. The applicant provides the proposed service area OB patient utilization by ZIP Code for CY 2017. See the figure below.

<b>CY 2017 Service Area Target Obstetric Patient Utilization by ZIP (target obstetric discharges only)</b>		
<b>ZIP Code</b>	<b>Total Discharges</b>	<b>Total Days</b>
33525	208	535
33541	169	400
33543	321	909
33544	281	864
33545	271	786
33559	175	488
33576	23	58
34637	58	165
34639	262	705
<b>Total</b>	<b>1,768</b>	<b>4,910</b>

Source: CON application #10546, page 87

BayCare notes that the patient volume (combined medical, surgical and OB care) for the proposed service area shows 15,191 service area residents received the type of medical/surgical care and OB care expected to be provided at the proposed hospital generating 60,890 inpatient medical/surgical and OB days of care with an ALOS of 4.0 days. The applicant notes that converted into a bed need, this utilization translates into a 238-bed need at 70 percent occupancy. BayCare states that the proposed patient population accounts for approximately 92 percent of the total service area patient discharge volume and approximately 86 percent of total service area patient days. The applicant provides a breakdown of CY 2017 service area target patient utilization by Zip Code and age group for medical/surgical and OB discharges. See the tables below.

<b>CY 2017 Service Area Total Utilization by ZIP (target medical/surgical and obstetric discharges)</b>		
<b>ZIP Code</b>	<b>Total Discharges</b>	<b>Total Days</b>
33525	2,382	9,788
33541	2,976	11,917
33543	2,151	8,519
33544	1,890	7,259
33545	1,182	4,216
33559	1,245	5,307
33576	613	2,210
34637	593	2,568
34639	2,159	9,106
<b>Total</b>	<b>15,191</b>	<b>60,890</b>

Source: CON application #10546, page 84

<b>CY 2017 Service Area Total Utilization by Age (target medical/surgical and obstetric discharges)</b>		
<b>Age Group</b>	<b>Total Discharges</b>	<b>Total Days</b>
0-14	521	2,172
15-44	3,876	12,197
45-64	3,824	16,328
65+	6,970	30,193
<b>Total</b>	<b>15,191</b>	<b>60,890</b>

Source: CON application #10546, page 85

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Based on the assessment of service area market share, the applicant contends that Adventist Health System has an even larger comparative market dominance over BayCare (4.7 times larger). BayCare asserts the proposed new hospital is necessary to establish a true competitive environment and to ensure real consumer choice in east central Pasco County.

BayCare provides service area payer mix for targeted service area medical/surgical and OB discharges for CY 2017. See the figure below.

<b>CY 2017 Nine-ZIP Code Service Area Target Patient Payer Mix (target medical/surgical and obstetric discharges)</b>				
<b>Payor</b>	<b>Discharges</b>	<b>Percent of Total Discharges</b>	<b>Patient Days</b>	<b>Percent of Total Patient Days</b>
Commercial Health Insurance	4,424	29.1%	15,348	25.2%
Commercial Liability Coverage	41	0.3%	252	0.4%
Kidcare	3	0.0%	6	0.0%
Medicaid	321	2.1%	1,894	3.1%
Medicaid Managed Care	1,310	8.6%	5,158	8.5%
Medicare	4,100	27.0%	17,883	29.4%
Medicare Managed Care	3,483	22.9%	14,900	24.5%
Non-Payment	26	0.2%	124	0.2%
Other	134	0.9%	217	0.4%
Other State/Local Government	202	1.3%	1,056	1.7%
Self-Pay	770	5.1%	2,701	4.4%
TriCare/Other	194	1.3%	554	0.9%
VA	123	0.8%	542	0.9%
Worker's Compensation	60	0.4%	255	0.4%
<b>Total</b>	<b>15,191</b>	<b>100.0%</b>	<b>60,890</b>	<b>100.0%</b>

Source: CON application #10546, page 88

The applicant maintains that a comparison of the proposed market payer class mix with the current service area providers confirms that BayCare is providing a significantly higher level of Medicaid care than seen in the service area as a whole (16.5 percent versus 10.7 percent) and significantly higher than provided by Adventist Health System hospitals (16.5 percent versus 8.8 percent). The applicant indicates that Adventist Health's Medicaid percentage is well below total market levels (8.8 percent versus 10.7 percent). Regarding Medicaid and non-pay/self-pay, the applicant maintains that BayCare provides a significantly higher level of care to these traditionally underserved payer groups when compared to either Adventist Health or to the market as a whole. BayCare states to have provided over 20 percent of its target patient volume to patients in the Medicaid and non-pay/self-pay categories versus a low 14.2 percent for Adventist Health providers or 16.0 percent for the total service area market. See the figure below.

CY 2017 Nine-ZIP Code Service Area Target Patient Payer Mix Segmented by Provider (target medical/surgical and obstetric discharges)			
Percent of Target Patient Discharges			
Payor	Total Market	BayCare	Florida Hospital
Commercial	29.4%	42.1%	25.1%
Medicaid	10.7%	16.5%	8.8%
Medicare	49.9%	33.8%	57.0%
Non-Payment/Self-Pay	5.3%	4.1%	5.4%
Other	4.7%	3.5%	3.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: CON application #10546, page 89

The applicant states that the above payer mix implies that while BayCare currently has a relatively small market share within the proposed service area target, the care that it does provide is more focused on the traditionally underserved Medicaid and non-pay/self-pay patient categories. BayCare expects that it will continue to provide access to care to the underserved populations and that it will continue to provide a higher level of care to this population than Adventist Health.

**Forecast Service Area Volume Growth**

BayCare states that total hospital utilization (all discharges excluding normal newborns) within the proposed service area were 16,421 total discharges and 70,478 inpatient days of care. Based on the assumption that inpatient use rates by age will remain stable through the planning horizon for the proposal (2023), and that inpatient volume will change directly in proportion to population growth, the applicant provides the following 2023 forecast of total inpatient volume from the proposed service area. See the table below.

Service Area 2023 Total Inpatient Volume Forecast						
Age Group	2017 Discharges	2017 Patient Days	2018-2023 CAGR	2017-2023 6-Year % Growth	2023 Discharges	2023 Patient Days
0-14	1,282	7,234	0.26%	1.57%	1,302	7,348
15-44	3,996	13,118	1.42%	8.83%	4,349	14,353
45-64	3,982	17,892	1.43%	8.89%	4,336	19,483
65+	7,161	32,164	4.27%	28.52%	9,203	41,337
<b>Total</b>	<b>16,421</b>	<b>70,478</b>	<b>--</b>	<b>--</b>	<b>19,190</b>	<b>82,520</b>

Source: CON application #10546, page 90

The applicant notes that the proposed total service area inpatient volume is forecasted to increase by 2,769 discharges and 12,042 patient days from 2017 (baseline) to 2023. Assuming a 70 percent target occupancy rate, the applicant states that this volume growth translates into a bed need of +47 additional inpatient beds by 2023. BayCare contends that with only 60 beds proposed, the five-year growth alone is almost adequate to support the proposed hospital’s operation. Utilizing a 2028 forecast horizon, BayCare states that the proposed total service area inpatient volume is forecasted to increase by 5,563 discharges and

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24,230 patient days from the 2017 baseline to 2028. Assuming a 70 percent target occupancy rate, the applicant states that this volume growth translates into a bed need of +95 additional inpatient beds by 2028.

BayCare asserts that the proposed hospital and associated continuum of care will focus on enhancing the community's health. Specifically, the applicant states that the conditioned addition of at least six primary care practitioners to the local area will have a direct impact on the access to and availability of primary care resources. In addition, BayCare notes that the project is conditioned to invest at least \$460,000 per year for three years in support of the provision of behavioral health services, which the applicant indicates will have a positive impact on the higher than expected level of depression within the Medicare population. BayCare points out that the proposed hospital is also conditioned to invest at least \$50,000 per year in community wellness/outreach/education activities which will support improvements in the Medicare population with diabetes and heart disease, which is higher than average as well.

BayCare offers the following five-step analysis in development of the forecasted volume for the proposed hospital on pages 95-98 of CON application #10546. The applicant notes that steps one through five include a forecast for the total nine ZIP Code proposed service area as well as a forecast for the partial nine ZIP Code modified proposed service area. A summary of these five steps are noted below:

**Step One**—Identify actual 2017 target patient volume from the service area currently being served at Bay Care facilities, with the forecast methodology assuming that 50 percent of current BayCare volume from the service area will be redirected to the proposed new hospital from facilities located outside the service area.

**Step Two**—Identify the actual 2017 target patient volume from the service area currently being served at non-BayCare facilities, with the forecast methodology assuming that 10 percent of this non-BayCare target volume would be shifted to the proposed new BayCare hospital through 2028 (10-year planning horizon).

**Step Three**—Identify forecast 2017 to 2023 and then 2017 to 2028 target patient market growth, with the forecast methodology assuming that 50 percent of the service area growth would be served at the proposed new hospital and the remaining 50 percent of incremental growth volume would be served at other area providers.

**Step Four**—Assume that 15 percent of the new hospital's total target patient volume would originate from beyond the target service area.



**Step Five**—Convert the forecast 2023 and 2028 BayCare Pasco County new hospital target patient volume to be served into a bed need using a 65 percent occupancy factor.

The applicant presented forecast projections for the 2023 and the 2028 planning horizons and indicates that these planning horizons are five and 10 years from the point of filing the CON application but reflect year two and year seven of operations of the proposed facility. Specific to the numerical assessment of need for this project, BayCare states that the quantitative need for the proposed new hospital is documented by the multi-step forecast methodology outlined below. The applicant notes that the forecast is for total discharges, including both medical/surgical and OB patient days but excluding tertiary and specialty days. The applicant indicates that the proposed service area volume baseline used for the forecast reflects only 30.7 percent of ZIP Code 33525, 25.2 percent of ZIP Code 33559 and 31.2 percent of ZIP Code 34637 market potential. BayCare maintains that its conservative approach reflects the fact that major portions of the geography of these three ZIP Codes are located beyond the eight-mile radius from the proposed hospital site.

The applicant provides a chart of projected discharges by ZIP Code for the proposed facility. BayCare notes that the total discharges per ZIP Code are based upon a 65 occupancy rate and a 4.0 ALOS (based on the market). See the table below.

<b>BayCare Pasco County New Hospital Patient Origin Percentage by ZIP Code Based on Total Forecast Discharge Volume</b>				
<b>ZIP Code</b>	<b>PSA/SSA</b>	<b>% of Total Discharge</b>	<b>Cumulative % of Total Discharges</b>	<b>Forecast Discharges</b>
34639	PSA	21%	21%	747
33541	PSA	16%	37%	569
33543	PSA	14%	51%	498
33544	PSA	13%	64%	463
33545	PSA	9%	73%	320
33525	SSA	4%	77%	142
33576	SSA	3%	80%	107
33559	SSA	3%	83%	107
34637	SSA	2%	85%	71
Out of the Service Area		15%	100%	534
<b>Total</b>				<b>3,558</b>

Source: CON application #10546, page 108

BayCare maintains that since the proposed hospital is less than 75 beds, the use of a 65 percent target occupancy is appropriate given the wide volume variation that can be expected at the small bed size facility. The applicant notes that while a 70 percent guideline was used in the prior assessments, the use of a 65 percent occupancy guideline is appropriate

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for this proposed small hospital. Additionally, BayCare asserts that even if a 70 percent occupancy target is applied, the forecast bed need still supports the proposed hospital.

The applicant forecasts OB utilization based on the full nine ZIP Code patient volume as 521 discharges in 2023 and 669 discharges in 2028, which translates into an OB bed need of six to eight beds. The applicant notes that the modified ZIP Code patient volume forecasts 427 discharges in 2023 and 549 discharge in 2028, which translates into an OB bed need of five to seven beds. The applicant provides the following table to illustrate the forecasted OB discharges for the full nine ZIP Code service area and partial ZIP Code service area. See the figure below.

<b>2023 and 2028 BayCare Pasco County Obstetric Forecast</b>				
	<b>2023 Full Nine-ZIP Code</b>	<b>2028 Full Nine-ZIP Code</b>	<b>2023 Partial ZIP Codes</b>	<b>2028 Partial ZIP Codes</b>
Service Area Discharges to be Served at BayCare	443	569	363	467
15% In-Migration	78	100	64	82
Total Expected BayCare Discharges	521	669	427	549
Total Expected BayCare Patient Days @ 2.8 ALOS	1,459	1,873	1,196	1,537
BayCare Bed Need @ 65% Occupancy	6.1	7.9	5.0	6.5

Source: CON application #10546, page 99

The applicant asserts that with the proposed OB program designed to be an integrated component of the larger proposed new 12-bed women's services initiative, the five to eight-bed OB need will fit well within this larger women's health services focus area. The applicant makes note of the letters of support (CON application #10546, Appendix 8) received for this project, which present local qualitative documentation of the need for this project and the ways that this proposed project will benefit the local community.

- 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.**

BayCare contends that a major goal of the proposed hospital is to interject a competitive acute care alternative into the central and eastern Pasco County area, allowing local residents a choice in local acute care providers. The applicant maintains that currently there is no

competition for acute care services in the central and eastern Pasco County area with the Adventist Health System controlling close to 70 percent of the proposed service area patient volume. With such a dominant Adventist market share, BayCare asserts that a strong competitive acute care alternative is needed to interject competition within the market and to ensure that residents have a choice of providers when accessing acute care services.

To reinforce the dominance of Adventist within the target patient market, BayCare notes that to the south of the proposed hospital site is St. Joseph's Hospital-North (17-mile/23-minute travel time), to the west is HCA Trinity Medical Center (25-mile/31-minute travel time), to the north is Bayfront Brooksville (35-mile/41-minute travel time) and to the east there are no local acute care hospitals until the Lakeland/Haines City/greater Orlando area. The applicant asserts that there is currently a void in local access to acute care services in the high growth I-75 corridor north of the Adventist West Chapel location which will be resolved by the proposed project.

The applicant states that the proposed hospital and the proposed inpatient, outpatient and community care will provide the first competitive option within the central and eastern Pasco County area which will foster competition to promote quality and cost-effective patient care. BayCare maintains that the development of the new hospital will have a positive impact on the care provided to residents of the proposed service area and the BayCare System's overall operations. In regards to fostering competition, the applicant states development of the proposed new hospital will:

- Provide local access to BayCare's comprehensive ecosystem of health, increasing the competitive pressure on Adventist Health to enhance its services, programs and offerings, thereby benefiting the proposed service area.
- Expand access to care for service area residents with limited financial resources, ensuring that there is needed access to care for all segments of the local market. Provide a local market competitive provider option to managed care companies, enhancing competitive pricing negotiations—resulting in lower cost of care and ultimately lower premium levels for the proposed service area residents.

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- Support the introduction of BayCare's Provider Sponsored Medicare Advantage (PSMA) Health Plan in Pasco County, which will be launching by January 1, 2019. The PSMA will provide additional linkage between the community care givers and its customers. The PMSA will encourage a strong relationship between the patient and the primary care community and will wrap a wellness component around chronic/emergent care services to be provided by the new Pasco County facility. Additional services for PSMA members include telemedicine, transportation and reduced/no cost prescription drugs.
- Expand BayCare's overall volume of services provided, thereby affording additional economies of scope and scale.

The applicant maintains that financial access will be enhanced by the introduction of the BayCare's services into the marketplace, accompanied by its philosophy of providing needed health care services to all segments of the population. The applicant expresses that BayCare currently provides above market-average levels of care to Medicaid/ no-pay and self-pay patients, absent any facilities located within the proposed service area. The applicant affirms that the introduction of BayCare services will provide a strong enhancement in financial access to health care services. BayCare indicates that it has a proven commitment to provide significant community benefit in every community served resulting in improved financial access to care.

**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 BayCare Alliant Hospital - and District 5 overall, in fiscal year (FY) 2017 by data from the Florida Hospital Uniform Reporting System (FHURS).

<b>Medicaid, Medicaid HMO and Charity Data (BayCare Health System) FY 2017</b>				
<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>
BayCare Alliant Hospital	723	6.82%	0.35%	7.17%
<b>District 5 Total</b>	<b>170,637</b>	<b>15.59%</b>	<b>3.57%</b>	<b>19.16%</b>

Source: Agency for Health Care Administration FHURS data

The reviewer notes that BayCare Health Systems did not have a hospital that participated in low-income pool (LIP) or disproportionate share hospital (DSH) programs for (SFY) 2017-2018.

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BayCare is a newly formed entity and therefore does not have a history of providing health services to Medicaid patients and the medically indigent. The applicant states that its parent company, BayCare Health Systems, has a long and strong history of providing health care services to Medicaid and medically indigent patients regardless of health status or ability to pay for care. BayCare attests to having a strong record of reinvesting its resources within the local communities it serves. The applicant maintains that BayCare's size and financial stability enable the organization to stay true to the guiding principle that everyone deserves the same access to high-quality care, regardless of their ability to pay.

The applicant states that BayCare Health System provided \$391 million in community benefit (at cost) during 2017, in which:

- \$121 million was associated with providing charity care to underinsured and uninsured patients with no insurance.
- \$246 million associated with Medicaid or income based programs where underinsured patients had some insurance coverage but not enough to cover the costs of the services.
- \$24 million was associated with the provision of unbilled community services such as health profession education, community health services and cash and contributions to community groups.

Additionally, the applicant states that BayCare's community benefit increased by \$45 million (2016 to 2017), with 2016 total community benefit at \$346 million or 9.4 percent of operating revenue growing to \$391 million in total community benefit in 2017 or almost 10 percent of operating revenue. Moreover, BayCare notes that system-wide charity care increased from \$110 to \$121 million, Medicaid or income based program shortfalls increased from \$217 to 246 million and unbilled community services increased from \$19 to \$24 million during the same time period.

<b>Total Service Area Target Patient Payer Mix by Provider CY 2017</b>			
	<b>Percent of Target Patient Discharges</b>		
<b>Payor</b>	<b>Total Market</b>	<b>BayCare</b>	<b>Florida Hospital</b>
Commercial	29.4%	42.1%	25.1%
Medicaid	10.7%	16.5%	8.8%
Medicare	49.9%	33.8%	57.0%
Non-Payment/Self-Pay	5.3%	4.1%	5.4%
Other	4.7%	3.5%	3.7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: CON application #10546, page 105

The applicant expresses the intent that it will continue to provide strong access to care to these underserved populations and a higher level of care to this population than Adventist Health's provision of care to the Medicaid and non-pay/self-pay population.

BayCare has conditioned this application to provide at least 15 percent of inpatient discharge volume to Medicaid/Medicaid Managed Care/non-payment/self-payment/charity patients.

- 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.**

The applicant indicates that the expected ZIP Codes for the PSA for the proposed facility are: 34639, 33541, 33543, 33544 and 33545 (73 percent of the hospital's discharge volume). BayCare states that the expected ZIP Codes for the SSA for the proposed facility are: 33525 (partial within an eight-mile radius), 33576, 33559 (partial within an eight-mile radius), 34637 (partial within an eight-mile radius) and 15 percent to originate from in-migration. The applicant maintains that the in-migration percentage is based on the following categories:

- Patients residing in areas beyond the proposed service area
- Part-time residents whose legal address is not part of the proposed service area
- Short-term visitors to the local area receiving care
- Out of area patients traveling along the highway system who require emergency room care and are then admitted

BayCare provides a chart of projected discharges by ZIP Code for the proposed facility. The applicant notes that the total discharges per ZIP Code are based upon a 65 percent occupancy rate and a 4.0 ALOS (based on the market). See the table below.

<b>BayCare Pasco County New Hospital Patient Origin Percentage by ZIP Code Based on Total Forecast Discharge Volume</b>				
<b>ZIP Code</b>	<b>PSA/SSA</b>	<b>% of Total Discharge</b>	<b>Cumulative % of Total Discharges</b>	<b>Forecast Discharges</b>
34639	PSA	21%	21%	747
33541	PSA	16%	37%	569
33543	PSA	14%	51%	498
33544	PSA	13%	64%	463
33545	PSA	9%	73%	320
33525	SSA	4%	77%	142
33576	SSA	3%	80%	107
33559	SSA	3%	83%	107
34637	SSA	2%	85%	71
Out of the Service Area		15%	100%	534
<b>Total</b>				<b>3,558</b>

Source: CON application #10546, page 108

The applicant also presents a table, excluding the outmigration forecast, noting that the number of total patients expected to originate from the proposed service area ZIP Codes are 3,024. See the table below.

<b>BayCare Pasco County New Hospital Patient Origin Percentage by ZIP Code Based on Sum of All ZIP Codes</b>				
<b>ZIP Code</b>	<b>PSA/SSA</b>	<b>% of Total Discharge</b>	<b>Cumulative % of Total Discharges</b>	<b>Forecast Discharges</b>
34639	PSA	25%	25%	747
33541	PSA	19%	44%	569
33543	PSA	16%	60%	498
33544	PSA	15%	75%	463
33545	SSA	10%	85%	320
33525	SSA	5%	90%	142
33576	SSA	4%	94%	107
33559	SSA	4%	98%	107
34637	SSA	2%	100%	71
<b>Total</b>				<b>3,024</b>

Source: CON application #10546, page 109

BayCare asserts that specific to the identified ZIP Codes above, there are no non-Adventist Health acute care facilities to serve the population.

**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.**

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The Agency received one detailed written statements of opposition (DWSO) to CON application #10546 on November 6, 2018. The one DWSO was submitted by Diane Godfrey, Adventist Health System-Regulatory Administration, on behalf of:

- AHWC
- AHZ
- AHDC

The reviewer notes that all three identified hospitals are existing and operational general hospitals located in Subdistrict 5-2.

The DWSO is briefly summarized below.

**Pasco-Pinellas-Hillsborough Community Health System, Inc. d/b/a Florida Hospital Wesley Chapel (AHWC), Florida Hospital Zephyrhills, Inc. d/b/a Florida Hospital Zephyrhills, Inc. d/b/a Florida Hospital Zephyrhills (AHZ) and Florida Hospital Dade City, Inc. d/b/a Florida Hospital Dade City (AHDC)** also referenced collectively as the Opposition or Adventist, maintains that CON application #10546 lacks “any actual analysis” from a health planning perspective to support the proposal. Opposition offers the following as criticisms, inconsistencies and documentation inadequacies that justify denial of CON application #10546:

- BayCare included a range of tertiary MS-DRGs and/or patient types that significantly overstate the discharges produced by its proposed service area. These discharges would not be appropriate for the proposed facility.
- BayCare did not provide discharge trends, detailed market share, use rate trends or bed availability analysis for its target service area.
- BayCare did not provide quantitative or qualitative evidence to support the notion that there is a population in Pasco County that is unserved or underserved by the current providers and that residents are unable to access high quality services in a timely manner through the current continuum of care in and around the proposed service area.
- BayCare’s projection methodology combines discharges and patient days, as well as inconsistent service areas and patient types, and relies upon market share assumptions that are not realistic or supportable.
- BayCare does not meet the requirement that 75 percent of its proposed service area is defined as the PSA and the remaining 25 percent is defined as the SSA.
- BayCare does not offer the technologically advanced/unique services or community benefits that Adventist, a large health system, offers to the residents of central Florida.



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The applicant included a 15 percent in-migration factor, which is high, and no supporting information or data was provided for justification. This flawed projection methodology is unreliable.

- The proposed project appears to have included a range of tertiary MS-DRGs and/or patient types that overstate the discharges produced by its “target market” and would not be served in this type of facility.
- The applicant fails to provide a quantitative adverse impact analysis showing the loss of discharges and/or patient days to existing hospitals serving the proposed service area. The BayCare narrative that the Adventist and HCA are financially strong organizations is insufficient in addressing this question.

Adventist offers a brief narrative description of its three hospitals within Subdistrict 5-2. Opposition highlights Adventist’s commitment to central and eastern Pasco County, including its \$400 million investment in the market since 2012 to develop and expand beds/services, provide increased points of access for emergency/outpatient services and modernizing its existing facilities and physician office suites. Adventist notes that it acquired the struggling Bayfront Health Dade City in 2018 to ensure the hospital’s operation.

With regard to the included range of tertiary MS-DRGs included by BayCare within CON application #10546, opposition maintains that the proposed service area patient population is an “unrealistic starting point” to base need for a non-tertiary 60-bed community hospital. Adventist maintains that inclusion of the specialized tertiary procedures/patient types utilized by BayCare overstates the proposed patient population by 2,000 (20 percent).

According to Adventist, the majority of CON application #10546 simply provides information related to BayCare as a whole and provides minimal, if any, supportive detail or numerical analysis related to the need for a new 60-bed hospital in Pasco County. Opposition maintains that prudent health planning for a new hospital at a minimum includes:

- A close look at historical market trends
- Analysis of patient access and availability of services
- Need for additional providers

Opposition indicates that CON application #10546 did not attempt to answer any of these questions with a meaningful level of detail. Adventist points out that CON application #10546 sole purpose in proposing a new hospital is that “Adventist Health operates three hospitals in and around its proposed service area” and Adventist’s high market share. Opposition maintains that BayCare does not mention a lack of bed availability or accessibility of high quality services within any of the facilities that currently serve residents of the proposed service

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area. Adventist asserts that the application made no attempt to provide evidence that patients are unsatisfied, unserved or unwilling to want to choose the facilities which currently serve them.

Opposition contends that CON application #10546 failed to provide the following:

- Discharge trends for the target area
  - Adventist calls into question the adequacy and accuracy of the one year discharge trend analysis (CY 2017)
  - Adventist finds it unclear how the applicant comingled all service area acute care patients and appropriate patients for the proposed facility—which resulted in an illusion of need
  - BayCare ignored the decline in discharges for the proposed service area between 2016 and 2017
  - Adventist maintains that it is not reasonable to rely upon one year of data and assume an increase relative to population growth
- Use rate trends for the proposed service area
  - Conspicuously absent from the application is any reference to use rates for the target patient population – this is highly unusual for a new acute care hospital project
  - This may not have been addressed since a historical look back shows a decline in adult non-tertiary discharges in the proposed service area for the past two years
  - The market and utilization projections are based on incomplete assumptions which renders them unreliable
- Detailed market share for the proposed service area
  - BayCare did not present any detailed market share information for the proposed service area
  - No evidence was provided to support that patients in the proposed service area want or need an additional provider in the immediate area
  - Approval of the proposed facility would allow the BayCare System to become the most dominant provider in Pasco County
- Detailed discussion relative to bed availability

Adventist utilizes the Agency’s Florida Health Bed Need Projections and Services Utilization by District publication (for CY 2017) to indicate that seven general hospital providers are utilized most often by residents of the proposed service area for BayCare—with 821 available beds on any given day, in CY 2017. Opposition maintains that both AHWC and AHZ, the most proximate facilities to the proposed service area, have significant excess acute care capacity of any given day (147 available beds). See the figure below.

**2017 Area Hospitals' Acute Care Utilization and Available Beds**

<b>Hospital Name</b>	<b>Beds</b>	<b>Patient Days</b>	<b>ADC</b>	<b>Available Beds</b>
<i>Florida Hospital Wesley Chapel</i>	145	21,997	60.3	85
<i>Florida Hospital Zephyrhills</i>	149	31,593	86.6	62
Florida Hospital Tampa	478	116,895	320.3	158
St. Joseph's Hospital	716	165,105	452.3	264
St. Joseph's Hospital North	108	30,350	83.2	25
Tampa General Hospital North	869	271,407	743.6	125
Florida Hospital Dade City	120	6,534	17.9	102
<b>Total Top 7 Providers of Adult Non-Tertiary Services to Nine-ZIP Code Residents</b>	<b>2,585</b>	<b>643,881</b>	<b>1,764</b>	<b>821</b>

Source: Adventist DWSO, page 14, figure 4

Opposition stresses that CON application #10546 did not provide any information related to the fact that available beds inside or near the proposed eight-mile radius are not an option for residents of the proposed service area.

Adventist maintains that since 2012, it has made a significant investment of resources in the development of a complete continuum of care and accommodation of future demand for residents of central and eastern Pasco County. Opposition asserts that AHWC, AHZ and AHDC can accommodate future growth in the proposed service area while the proposed hospital would be an unnecessary duplication of services and expenses in the market.

Opposition indicates that CON application #10546's failure to fully analyze the proposed service area ignored the following:

- The proposed service area's small size results in significant variability in utilization from year to year
- The high variability and recent year decline in the use rate per 1,000 population
- Market share is not the determinant of need for an additional hospital in a proposed service area
- Service area residents have access to significant available bed capacity in the area on any given day

Adventist maintains that CON application #10546 did not provide any quantified numeric need or qualitative evidence that residents in the proposed service area are unable or unwilling to access existing services/facilities.

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Opposition notes that, based on CON application #10546's own maps (page 11 and 22), the proposed hospital has no access points or infrastructure of physician networks—illustrating that the proposed hospital lacks the necessary supporting resources in the proposed service area.

Adventist indicates that CON application #10546 cites two underserved populations (psychiatric/substance abuse patients and uninsured/underinsured patients). Opposition refutes that either population is underserved. With regard to psychiatric/substance abuse patients, Adventist notes that the BayCare Health System has a mix of inpatient and outpatient behavioral health services distributed around Pasco County—specifically Dade City, Lutz and New Port Richey. Adventist questions how the proposed 60-bed hospital will increase access to care for behavioral health services “given the broad continuum of behavioral health services the BayCare System currently provides in Pasco County”.

As to the uninsured/underinsured residents within the proposed service area, Adventist contends that CON application #10546 presented an error-filled analysis that was skewed as the applicant omitted the actual numbers of patients treated and only showed percentages. Opposition notes that it treated more patients (850) from the proposed service area who fell into vulnerable categories than the BayCare Health System (333), with the disparity much larger when looking at self-pay/non-payment (512 compared to 86). Adventist states that “any attempt to insinuate that it is not financially accessible is laughable” and it is “one of the most financially accessible health care system in the state of Florida”.

Opposition provides a summation of what makes CON application #10546's projection methodology unreliable:

- Service area definition is questionable and inconsistent
- Noncompliance with 408.037(2), Florida Statutes
- Inconsistent forecasting of bed need for all patients, target patients, total ZIP Codes and partial ZIP Codes
- Unsupportable assumptions related to market share
- Lack of historical discharge and use rate trend analysis
- Failure to identify detailed market share or utilization of existing providers who serve the area

Adventist emphasizes that CON application #10546 provides no analysis of adverse impact that illustrates the potential loss of discharges and/or patient days to existing hospitals serving the proposed service area.

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Opposition indicates that BayCare proposed an “arbitrary” eight-mile radius (as opposed to the customary 10-mile radius) service area in order to exclude AHZ and AHDC from analysis. Adventist asserts that since CON application #10546 has not demonstrated need for the proposed 60-bed hospital, adverse impact on the existing providers will occur most notably at the three proximate Adventist facilities (AHCW, AHZ and AHDC).

Opposition maintains that CON application #10546 did not define its proposed service area pursuant to 408.037 (2), Florida Statutes, and notes:

- Fifteen percent of the SSA is not identified by ZIP Code but is categorized as in-migration
- The PSA only comprises 73 percent of the proposed service area
- BayCare includes three “partial ZIP Codes” although the statute makes no provision for “partial ZIP Codes”
- CON application #10546 provides two projected discharges by ZIP Code which changed 33545 (which a map shows as the home ZIP Code) to the SSA

Adventist supplies background on its 25 hospitals statewide and a list of bulleted statistics about facilities/programs/characteristics at these facilities and throughout the hospital system. Opposition asserts that the Adventist Health System is a high quality provider that offers technologically advanced services and community benefits to the residents of Central Florida. Adventist maintains that the proposed facility is not unique and will not offer any technology or care innovation that is not currently available to residents of the proposed service area.

In conclusion, opposition stresses that there is no reason to believe that accessibility or availability of inpatient services is an issue for residents of the Wesley Chapel area. Adventist contends that CON application #10546 has not demonstrated quantifiable need for a new general hospital and should be denied.

### **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.**

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The Agency received one timely applicant response to the DWSO filed by Adventist. The response to the DWSO (RDWSO) was provided by Karen A. Putnal, Esq., Moyle Law Firm, on behalf BayCare.

BayCare maintains that CON application #10546 documents need for the proposed facility and demonstrates that it satisfies the applicable statutory and regulatory criteria for approval.

The applicant asserts that the projected discharges for the proposed facility are reasonable, based on the BayCare Health System's experience in establishing new community hospitals and supported by sound health planning analysis. BayCare contends that Adventist's assertion that certain MS-DRG categories are inappropriate is incorrect—the MS-DRGs are currently served at BayCare Health System's two new community hospitals, St. Joseph's North and South. The applicant stresses that the use of an actual patient profile from two existing, similarly staffed and configured start-up community hospitals is appropriate.

BayCare discounts Adventist's argument that removal of the MS-DRGs in question would remove more than 2,000 patients. The applicant maintains that removal of the six DRG categories objected to by Adventist would account for 663 discharges (four percent).

The applicant indicates regarding Adventist's contention that BayCare provided only minimal, if any supportive detail or numerical analyses related to the need for the proposal, BayCare asserts that the analyses performed in support of the proposed project need assessment included:

- Lack of acute care hospitals along I-75 between Adventist Wesley Chapel and the northern Pasco County line
- Lack of completion in central/east Pasco County
- Forecast population growth for the proposed service area
- Total market growth volume forecasts for both "total inpatient services" and "target patients"
- Enhancement of access for patients in central/east Pasco County—including financial access
- Significant residential and commercial development within central/east Pasco County
- The BayCare Health System's commitment to develop a full continuum of inpatient and outpatient care in the proposed service area
- A thorough and detailed numerical analysis of the need and projections for the proposed hospital on pages 62-77 and 73-99 of CON application #10546

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BayCare maintains that its forecast assumptions regarding the constant inpatient use rates is reflective of an overall increase in the proposed service area patient use rate and patient volumes from 2015-2017 (three years) and 2013-2019 (five years). The reviewer notes that since 2019 has not occurred yet and would be seven years of data—the reviewer indicates that 2019 is probably a typo for 2017. The applicant provides a multi-year non-tertiary use rate trend for the proposed nine ZIP Code service area. See the table below.

<b>BayCare Pasco Service Area Non-Tertiary Use Rate Per 1,000 Population</b>	
<b>Period</b>	<b>Inpatient Discharge Per 1,000 Population</b>
CY 2013	90.8
CY 2014	87.3
CY 2015	88.9
CY 2016	92.0
CY 2017	91.7

Source: RDWSO, page 8

The applicant insists that it provided both a “total service area patient volume” and a sub-set of that data in the “target non-tertiary service area volume” to enable the Agency to form a thorough understanding of the proposed service area market size and the market size associated with the proposed hospital.

BayCare maintains that the dominance of Adventist’s market share with the proposed service area is one factor, “but not the only factor” to demonstrate need for the proposed facility. The applicant notes that other factors include the need to enhance access and increasing demand within the proposed service area.

The applicant indicates that CON application #10546 demonstrates that service area residents want an additional provider other than Adventist in the immediate area through patient flow analysis—illustrating that residents travel approximately 17-25 miles to BayCare facilities instead of choosing Adventist facilities. BayCare maintains that a high proportion of the outmigration occurs from financially disadvantaged patients. The applicant indicates that the majority of outmigration from the service area occurs to BayCare facilities (459 financially disadvantaged patients leaving the area in 2017). BayCare stresses that this outmigration clearly documents an underserved market and supports approval of CON application #10546.

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The applicant contends that Adventist is not as financially accessible as BayCare—indicating that Adventist should have treated 1,879 financially underserved non-tertiary discharges based on BayCare’s market share instead of the 1,382 financially underserved non-tertiary discharges in the proposed service area.

With regards to market dominance, BayCare asserts that HCA is the current dominant provider in west Pasco County while Adventist is the dominant provider in east Pasco County—and that Adventist’s claim that approval of the proposed facility would make BayCare the dominant provider in Pasco County is false. The applicant maintains that the issue of market dominance and control within a defined medical market (such as Subdistrict 5-2) is relevant under the CON statutory and regulatory review criteria and should be considered as one factor in assessing need for a new hospital or service.

The applicant contends that while both AHWC and AHZ have added capacity (62 acute care beds at AHWC and 10 acute care beds at AHZ), the occupancy statistics exclude an analysis of how many licensed beds are available to provide inpatient care and how much additional patient volume is being treated in those added beds. BayCare notes though, that Adventist’s expansion illustrates that the proposed service area is a “growing and vibrant marketplace” which requires additional bed capacity to meet future market needs. Further, BayCare asserts that added capacity at Adventist facilities provides no relief to residents that do not wish to utilize services through Adventist and provides no geographic enhancement to the growing population along the I-75 corridor north of AHWC. The applicant stresses that Adventist’s overall financial strength will ensure that AHDC operations can remain sustainable, “notwithstanding its historical low volume levels and notwithstanding the development of the proposed new BayCare hospital”.

BayCare comments that regarding the Adventist contention that in 2017, there were 821 available beds that should be considered as an alternative to the proposed facility is “inappropriate and misleading”. The applicant indicates that any suggestion that Tampa General Hospital should be used as an alternative to the development of the proposed facility is poor health planning. BayCare maintains that the fact that more than 30 percent of the proposed service area non-tertiary patients currently forgo Adventist facilities to access care documents that local residents are traveling longer than reasonable distances to be treated.



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The applicant notes that the availability of beds should not be used as a presumptive blocking agent to stop reasonable and realistic growth and the introduction of patient choice within high growth service areas as this would prohibit a competitive and viable health care marketplace. BayCare insists that the combined consideration of the applicant's community benefit and minimal potential impact should be the criteria utilized to determine approval of CON application #10546.

BayCare maintains that approval of the proposed project will provide the foundation to develop a broad array of inpatient and outpatient services in the proposed service area. The applicant asserts that it has the ability and the commitment to establish a comprehensive network of services and points of access within the proposed service area based on its proven infrastructure/operational resources, proven track record and commitments/conditions within CON application #10546. BayCare points to its success in implementing services, infrastructure and physician services for St. Joseph's North and South—noting that St. Joseph's North currently has 369 physicians with admitting privileges and St. Joseph's South currently has 356 physicians with admitting privileges. The applicant asserts that the proposed application is similar to the St. Joseph's South market situation when the existing facility was established.

Regarding Adventist's assertions that the proposed hospital will not enhance behavioral health services within the proposed service area, the applicant indicates that CON application #10546 will complement and extend existing mental health services and resources—providing significant community benefit. BayCare maintains that the proposed facility will facilitate early ambulatory intervention activities and integrate behavioral health assessments in the health continuum (such as the ER, acute care units, primary care and specialty office sites).

BayCare stresses that there is no lack of an explanation of the proposed service area, and the proposed eight-mile radius is based on the geographic draw, actual facts/circumstances, size/density of ZIP Code areas, geographic features, current flow of patients and transportation/roadway systems. The applicant defends its use of partial ZIP Codes in its forecast in order to present a conservative forecast of future volumes for the proposed project. BayCare contends that it has been clear and consistent with its forecast of need for the proposed new hospital.

The applicant maintains that its forecast methodology for the proposed facility is reasonable, appropriate and presents a realistic forecast of patient volume and bed need. BayCare notes that population growth in the proposed nine ZIP Code service area is estimated to generate an additional 11,174 patient days through 2023 which equates to need for

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44 additional beds—growing to an estimated need for 88 additional beds in 2028. The applicant asserts that the steps utilized to forecast utilization/need are methodical, straight-forward and easily followed “if a serious attempt is made to realistically review the forecast methodology”.

BayCare contends that the total patients for the proposed service area volume growth is enough on its own to generate the need for 47 new acute care beds through 2023 and 95 new acute care beds through 2028. The reviewer notes that this is slightly different than the patient day forecast indicated by the applicant above but the applicant later clarifies that the figures above, while not identified as non-tertiary initially, are non-tertiary. The applicant maintains that expected total patient and non-tertiary volume growth will offset any patient volume forecast to be re-directed from existing providers to the proposed hospital. BayCare indicates that market growth and redirection from existing BayCare Health System facilities will provide adequate volume to support the proposed facility and allow existing providers to remain at least at current volume levels. The applicant notes that Adventist had 10 billion dollars in operating revenue, 1.1 billion in excess of revenue and gains over expenses, and that CON application #10546 would have no material impact to AHCW or AHZ.

The applicant seems to imply, but does not definitively state, that the home ZIP Code is 33545 on page 28 of the RDWSO. In this same paragraph, BayCare maintains that if a home ZIP Code for a given project has a small patient baseline and small forecast volume compared to other ZIP Codes in a proposed service area, that ZIP Code (the home ZIP Code it is assumed) remains unchanged and “is what drives the ultimate volume forecast to be served from each ZIP code and therefore the ultimate PSA/SSA definition.”

BayCare maintains that its “in-migration” forecast is sound as there will always be an incremental layer of volume served that will originate from beyond the proposed ZIP Code area. The applicant states that the “in-migration” is based on the following groups:

- Full-time residents living within Pasco County but outside the proposed service area
- Part-time residents whose permanent residence is outside of the proposed service area
- Short-term visitors/vacationers
- Patients from outside the service area who were traveling along I-75 who require emergency services and are admitted

The applicant maintains that CON application #10546, on balance, satisfies the requisite statutory and regulatory criteria for approval and should be approved.

**H. SUMMARY**

**BayCare Pasco, Inc. (CON application #10546)** a newly formed entity and an affiliate of the not-for-profit BayCare Health System, proposes to establish a new Class I 60-bed general acute care hospital in Pasco County, Florida, District 5, Subdistrict 5-2. The proposed hospital will be located on a 111-acre site positioned at the northeast quadrant of Interstate 75 and Overpass Road. BayCare states the new hospital will focus on treating community-based primary and secondary level inpatients, including obstetric patients, but excluding specialty and tertiary care patients. The applicant states the proposal will feature all private rooms which include 30 medical/surgical beds, 18 progressive care/intensive care beds and 12 women's services beds inclusive of OB post-partum beds.

The applicant's service area is defined below:

**Primary Service Area**

- 34639 Land O' Lakes
- 33541 Zephyrhills
- 33543 Wesley Chapel
- 33544 Wesley Chapel
- 33545 Wesley Chapel

**Secondary Service Area**

- 33525 Dade City
- 33576 San Antonio
- 33559 Lutz
- 34637 Land O' Lakes

**Need, Availability and Access:**

BayCare states a need for the proposed hospital based on the following:

- The current lack of any acute care facilities in east central Pasco County along the high growth I-75 corridor between the Adventist Wesley Chapel site and the northern Pasco County line.
- The lack of any non-Adventist Health acute care hospitals in central or east Pasco County.
- Adventist Health's dominant market position in east central Pasco County, controlling close to 70 percent of the target service area market and limiting competition and patient choice within the target service area.

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- BayCare’s goal of enhancing local access to its existing patient base in central and eastern Pasco County, even at the expense of redirecting this volume from other existing BayCare hospitals.
- BayCare facilities providing higher than market percentages of care to Medicaid and Medicaid Managed Care/self-pay/no-pay patients and significantly higher percentages of care to these underserved groups than provided by Adventist Health facilities.
- The forecasted strong and continuing population growth expected for the target service area, including the development of the I-75/ Overpass Road interchange and Overpass Road improvements.
- Service area volume forecast that show a +47 bed five-year, and +95 bed 10-year growth associated with all total inpatient services and service area forecast that show a +44 five-year and +88 10-year bed growth associated with just the target patients expected to be served in the proposed new hospital—with just 60 beds proposed for this project, this market growth alone, will strongly support the proposed new hospital.
- The proposed development of a full continuum of care in addition to the proposed 60-bed inpatient hospital, include a broad array of outpatient and community services as well as behavioral health and outreach and educational services supported by the conditions of this proposal.

One DWSO was timely received by the Agency regarding the proposed facility. The DWSO is briefly summarized below.

Adventist, maintains that CON application #10546 lacks “any actual analysis” from a health planning perspective to support the proposal. Opposition offers the following as criticisms, inconsistencies and documentation inadequacies that justify denial of CON application #10546:

- BayCare included a range of tertiary MS-DRGs and/or patient types that significantly overstate the discharges produced by its proposed service area. These discharges would not be appropriate for the proposed facility.
- BayCare did not provide discharge trends, detailed market share, use rate trends or bed availability analysis for its target service area.
- BayCare did not provide quantitative or qualitative evidence to support the notion that there is a population in Pasco County that is unserved or underserved by the current providers and that residents are unable to access high quality services in a timely manner through the current continuum of care in and around the proposed service area.

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- BayCare’s projection methodology comingles discharges and patient days, as well as inconsistent service areas and patient types, and relies upon market share assumptions that are not realistic or supportable.
- BayCare does not meet the requirement that 75 percent of its proposed service area is defined as the PSA and the remaining 25 percent is defined as the SSA.
- BayCare does not offer the technologically advanced/unique services or community benefits that Adventist, a large health system, offers to the residents of Central Florida.

*The Agency indicates that CON application #10546 will foster competition and therefore, pursuant to 408.035 (1)(g), Florida Statutes, merits approval.*

**Competition:**

BayCare asserts that the proposed hospital will enhance geographic and financial access to health care for the residents of the local area, as a new provider is established in the high growth I-75 corridor in central and eastern Pasco County. The applicant notes that presently, there are no acute care operations north of AHWC located in southern Pasco County along the I-75 corridor. BayCare notes that AHDC is in the far northeast sector of Pasco County and AHZ is in the far eastern sector of the county. BayCare maintains that there is currently a provider void in the central/eastern Pasco County area from north of the AHWC campus up to and beyond the northern Pasco County line and that the proposal will fill that void, and provide enhanced geographic access to care to the existing and growing population within central/eastern Pasco County.

**Medicaid/charity care:**

BayCare Health Systems did not have a hospital that participated in low-income pool (LIP) or disproportionate share hospital (DSH) programs for (SFY) 2017-2018.

BayCare has conditioned this application to provide at least 15 percent of inpatient discharge volume to Medicaid/Medicaid managed care/non-payment/self-payment/charity patients.

**I. RECOMMENDATION:**

Approve CON #10546 to establish a 60-bed acute care hospital in District 5, Subdistrict 2, Pasco County.

**CONDITIONS:**

1. The proposed new 60-bed hospital will be located at a 111-acre site positioned at the northeast quadrant of Interstate 75 and Overpass Road, in Wesley Chapel, Pasco County.
2. The proposed new 60-bed hospital will include an inpatient OB service.
3. The proposed new hospital will provide at least 15 percent of inpatient discharge volume to Medicaid/Medicaid managed care/non-payment/self-payment/charity patients.
4. The proposed project will include the introduction of six new primary care practitioners (physicians or advanced practitioner) to the proposed service area by the end of the third year of hospital operation.
5. The proposed project will include \$460,000 per year for three years in support of behavioral health support activities within the target service area.
6. The proposed project will include \$50,000 per year for three years in support of community outreach/wellness/education activities for residents of the target service area.
7. The proposed project will include \$50,000 per year for three years in support of Pasco County schools educational initiatives in the training and education of students in the health care field.

**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: \_\_\_\_\_

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Marisol Fitch  
**Health Administration Services Manager**  
**Certificate of Need**