

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number:

East Florida-DMC, Inc./CON #10550

450 East Las Olas Blvd., Suite 1100
Fort Lauderdale, Florida 33301

Authorized Representative: Mr. Michael Joseph¹
(954) 767-5758

**The Public Health Trust of Miami-Dade County, Florida d/b/a
Jackson Hospital West/CON #10551**

1611 NW 12th Avenue
Miami, Florida 33136

Authorized Representative Mr. Carlos A. Migoya
President and Chief Executive Officer
(305) 585-1111

2. Service District/Subdistrict

District 11/Subdistrict 11-1 (Miami-Dade County)

B. PUBLIC HEARING

A public hearing was not held or requested regarding the co-batched applicants' proposed projects.

Letters of Support

East Florida-DMC, Inc. (CON application #10550) submitted over 200 letters of support. Many of the letters were individually composed—the majority being form letters. Letters of support were composed by community members, local health care/business professionals,

¹ The reviewer notes that the applicant provides two authorized representatives that do not match. The cover for the application lists Mr. Russell Young (Chief Financial Officer) as the authorized representative, but the official filing document (AHCA Form CON-1, Cover Page) lists Mr. Michael Joseph along with page one of the application.

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physicians, nurses, specialists and current Hospital Corporation of America (HCA) employees expressed support for the proposed project. Principal themes expressed in support of the proposed project include:

- There is need for greater access to acute care facilities in the Doral area
- Doral is growing significantly (the third fastest growing city in the nation) and was just named the #22 top city to live in by Time Money Magazine
- HCA is best suited to provide services to the residents of Doral
- The proposed location of the hospital is accessible to the community
- Current residents of Doral have to travel south—through congested roads and highly populated areas
- HCA has the financial stability to operate the proposed facility without adding to the tax payer burden
- HCA is a provider of high quality, safe and efficient health care services

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) submitted over 1,000 letters of support. Many of the letters were individually composed with a number of handwritten letters and a majority of form letters. Letters of support were composed by physicians, public officials, community residents, current/former Jackson Health System (JHS) patients and employees, as well as community business owners. Dates on the letters range from 2015 to present. Some letters were in Spanish and translated by the applicant. Principal themes and sentiments expressed in support of the proposed project for the letters presented from calendar year (CY) 2018 include:

- The proposal will assist the JHS to accomplish its mission statement of embracing the needs of the entire community and delivering medical services catered to those needs
- The underserved population deserves the opportunity to receive the level of care that can be provided by University of Miami (UM) physicians, community partners and JHS without having to travel
- More than 500,000 people live in Doral and the surrounding areas—many of whom have to travel as much as 15 miles to receive medical assistance
- The area is home to a significant number of elderly patients and the proposed hospital would provide them ready access to health care
- The western portion of the county has a growing number of families with young children that require a hospital with high-quality pediatric services
- The proposed project would complement and complete the Jackson West Campus – opening the door for area residents to access additional specialized health services near their homes

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- The JHS has been serving the community for 100 years—expanding quality health care services to all residents regardless of their ability to pay

Letters of support are noted from the following individuals:

- Senator Oscar Braynon II, District 35, The Florida Senate
- Manny Diaz, Jr., (District 103), Jose A. Oliva (District 110), Bryan Avila (District 111), Michael Bileca (District 115) and Daniel A. Perez (District 116), State Representatives, The Florida House of Representatives
- Carlos A. Gimenez, Mayor, Miami-Dade County
- Juan Carlos Bermudez, Mayor, City of Doral
- Henri Ford, M.D., Dean of Leonard M. Miller School of Medicine, University of Miami
- Alberto M. Carvalho, Superintendent of Schools, Miami-Dade County
- Miami-Dade County, Board of County Commissioners

C. PROJECT SUMMARY

East Florida-DMC, Inc. (CON application #10550), also referred to as DMC or the applicant, an affiliate of the private-for-profit HCA, proposes to establish a new 80-bed Class I general acute care hospital in Miami-Dade County, Florida, Subdistrict 11-1. The proposed hospital and will serve the growing population of Doral along with residential areas to the north and south of Doral and suburban areas including Sweetwater, Fountainebleau, Miami Springs and others.

As required in Section 408.037(2), Florida Statutes, the applicant states the location of the hospital will be in ZIP Code 33178, on NW 41st Street between NW 109th Avenue to the east and NW 112th Avenue to the west, in the heart of Doral. DMC indicates that the site location has already been acquired and the development of a freestanding Emergency Department (ED) associated with Kendall Regional Medical Center (KRMC), an HCA affiliate, is already under construction.

DMC maintains that the proposed facility will have a complement of 80 licensed acute care beds, including 72 medical/surgical and eight obstetrics (OB) beds. The applicant states that the proposed hospital will be privately owned by DMC and operated as a hospital within the HCA East Florida Division. DMC indicates that HCA operates three acute care hospitals in Miami-Dade County: Aventura Hospital and Medical Center, KRMC and Mercy Hospital. DMC asserts that no public funds will be utilized in construction of the proposed hospital and the operation of the proposed hospital will contribute to the state, county and municipal tax base. The applicant states that the proposed hospital will provide a full

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range of non-tertiary services, including emergency, imaging, surgery, intensive care, cardiac catheterization and women's services (including an OB unit and pediatric care).

The applicant proposed three conditions to CON approval in Schedule C:

Location:

- East Florida-DMC, Inc.'s new hospital will be located in the city of Doral on NW 41st Street between NW 109th Avenue to the east and NW 112th Avenue to the west

Percent of a particular subgroup to be served:

- East Florida-DMC, Inc. will provide care to non-pay classified patient at not less than 3.2 percent of discharges
- East Florida-DMC, Inc. will provide care to Medicaid and Medicaid managed care classified patients at not less than 22 percent of discharges

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) also referenced as JHW or the applicant, an affiliate of Jackson Health Systems (JHS), proposes to establish a 100-bed acute care hospital in Miami-Dade County, Florida, Subdistrict 11-1. The proposed hospital will be established on the Jackson West Campus--an ambulatory campus that is currently under development in the Doral area of western Miami-Dade County. The proposed 100-bed community hospital will include 72 general medical/surgical beds, 16 intensive care beds and 12 general OB beds. JHW states that the proposed hospital will not include a dedicated pediatric inpatient unit, citing an in-depth analysis that showed the expected volume of pediatric patients within the market would be insufficient to support a dedicated pediatric unit. The applicant indicates that upon approval of the proposed hospital, 100 acute care beds will be delicensed and transferred to JHW from Jackson Memorial Hospital, which is currently licensed for 1,493 beds.

As required in Section 408.037(2), Florida Statutes, the applicant provides the proposed project location in ZIP Code 33122, on the JHW campus. An approximate location of the proposed project is on the eastern side of Doral, on a 27-acre parcel of land that extends north from NW 25th Street to NW 29th Street and west from Palmetto Expressway to NW 79th Avenue in Doral.

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The applicant proposed seven conditions to CON approval in Schedule C:

1. Site: The applicant will build the proposed 100-bed hospital at the site specified in the CON application. The site address is:
7800 NW 29th Street Miami, FL 33122.
2. Transfer of Beds: Upon licensure of Jackson Hospital West, the applicant will delicense up to 100 licensed beds within the Jackson Health System and license 100 acute care beds to the Jackson Hospital West location. Jackson Memorial Hospital will not add additional medical/surgical beds at the main hospital location for a period of three years after Jackson Hospital West is licensed unless the average occupancy of those beds at the Jackson Memorial Hospital exceeds 70 percent on a trailing six-month basis.
3. Development of Jackson West Campus:
 - a. The applicant will build the Jackson West campus including outpatient and ancillary services, including freestanding emergency department, primary care, specialty care, outpatient lab and radiology, and ambulatory surgery.
 - b. The applicant will construct all buildings on the Jackson West Campus to be LEED Silver Certified.
 - c. The applicant will work to develop the Jackson West Campus to be accessible to residents via the Doral Trolley.
 - d. The applicant will develop a community advisory board to provide oversight for the development of the Jackson West project until the Jackson West Hospital building is complete.
4. Patient Access: Jackson Health System, including Jackson Hospital West, will provide high levels of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically the applicant will:
 - a. Provide care to patients classified as non-pay in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges.
 - b. Provide care to patients classified as Medicaid in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 22 percent of discharges.
5. Promotion of Local Small Businesses: The applicant will develop a mentorship program with construction managers to promote the use of small business for contractors and subcontractors for Jackson West.
6. Population Health Management Activities: The application will enhance the delivery of population health management initiatives to residents of the service area in all payer categories. Specifically:
 - a. The applicant will establish chronic disease management programs for cardiac and diabetes related illnesses.

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- b. The applicant will establish preventative diagnostic and procedural programs with patient education for the following: men's health, women's health, childhood obesity and mental health.
 - c. The applicant will develop multispecialty outpatient programs with a focus on women's, men's, and family wellness in the following: primary care, cardiology, GI, ENT, Orthopedics, general surgery and vascular medicine.
7. Outreach, Education and Community Health Improvement Activities: The applicant will participate in and develop numerous programs and activities aimed at improving the overall health and wellness of the west Miami-Dade community. The outreach activities will include educational workshops, health screenings, sponsorship of community wellness activities, and other programs to be determined as dictated by community needs. Specifically:
- a. To ensure improved access, the applicant will provide an additional point of access to the Jackson Prime program. The purpose of Jackson Prime is to identify and improve access to underserved and underinsured populations.
 - b. The applicant will partner with local service area employers to conduct free/discounted health screenings on a quarterly basis.
 - c. The applicant will sponsor quarterly healthy activities including fun-runs, races and memory walks that occur in the community and will provide specific education related to health and wellness including diabetes, heart disease, weight loss, and fitness at the event.
 - d. The applicant will offer monthly healthy lifestyle workshops and educational lifestyle seminars on the facility campus (nutrition/cooking classes, smoking cessation, classes for expectant mothers, new parents/siblings, etc.)

NOTE: Should either/both of the proposed projects 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.

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 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 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.

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The reviewer presents the following analysis and review of CON application #10550 and #10551 regarding the identified statutory criteria of 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 healthcare facilities and health services in the applicant's service area? ss. 408.035(1)(a) and (b), Florida Statutes.**

The reviewer notes that 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.

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Acute Care Hospital Utilization District 11/Subdistrict 11-1 – Miami-Dade County 12-Month Period Ending December 31, 2017				
Hospital	Beds	Bed Days	Patient Days	Utilization
Aventura Hospital & Medical Center	351	128,115	100,094	78.13%
Baptist Hospital of Miami	669	244,185	169,375	69.36%
Coral Gables Hospital	245	89,425	37,444	41.87 %
Doctors Hospital	281	102,565	29,787	29.04%
Douglas Gardens Hospital	32	11,680	2,155	18.45%
Hialeah Hospital	356	129,940	50,004	38.48%
Homestead Hospital	142	51,830	34,000	65.60%
Jackson Memorial Hospital	1,048	382,520	243,379	63.63%
Jackson North Medical Center	325	118,625	61,201	51.59%
Jackson South Medical Center	222	81,030	45,588	56.26%
Kendall Regional Medical Center	381	139,065	104,172	74.91%
Larkin Community Hospital	100	36,500	14,499	39.72%
Larking Community Hospital Palm Springs Campus	247	90,155	33,866	37.56%
Mercy Hospital A Campus of Plantation General Hospital	435	158,775	44,573	28.07%
Miami Medical Center*	69	25,185	13,884	55.13%
Mount Sinai Medical Center	502	183,230	105,984	57.84%
Nicklaus Children’s Hospital	238	83,830	50,406	60.13%
North Shore Medical Center	279	101,835	46,617	45.78%
Palmetto General Hospital	305	111,325	63,153	56.73%
South Miami Hospital	391	142,715	60,381	42.31%
University of Miami Hospital & Clinics BPEI	100	36,500	218	0.60%
University of Miami Hospital & Clinics SC	40	14,600	12,775	87.50%
University of Miami Hospital & Clinics UHT	456	166,440	92,474	55.56%
West Kendall Baptist Hospital	133	48,545	34,274	70.60%
Westchester General Hospital	98	35,770	8,921	24.94%
Subdistrict 1 Total	7,445	2,714,385	1,459,224	53.76%
District 11 Total	7,602	2,771,690	1,471,568	53.09%
Statewide	52,097	18,879,960	11,023,767	58.39%

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

*Miami Medical Center’s license was put into inactive status as of October 30, 2017

As indicated by the table above, for the 12-month period ending December 31, 2017, Subdistrict 11-1 had a total of 7,445 licensed acute care beds, with an average utilization rate of 53.76 percent. For this same period, District 11 and the statewide overall utilization rates were 53.09 percent and 58.39 percent, respectively.

Acute care bed utilization in the subdistrict over the past three years (CY 2015 – CY 2017) is shown in the chart below.

District 11/Subdistrict 11-1 Acute Care Hospital Utilization Three Years Ending December 31, 2017			
	JAN 2015 DEC 2015	JAN 2016 DEC 2016	JAN 2017 DEC 2017
Number of Acute Care Beds	7,466	7,425	7,445
Percentage Occupancy Rate	54.78%	54.92%	53.76%

Source: Florida Hospital Bed Need Projections & Service Utilization by District, issued July 2015-July 2018

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As shown in the chart above, for the three years ending December 31, 2017, the number of licensed acute care hospital beds decreased overall by 21 beds from CY 2015 – CY 2017, utilization decreased from 54.78 percent to 53.76 percent for the three-year period.

Below is a chart to account for existing notifications in Agency records concerning the addition or deletion of acute care beds in Subdistrict 11-1 for general acute care beds. As shown below, notifications indicate that a net increase of 157 acute care beds are pending licensure in Miami-Dade County. See the chart below.

Acute Care Bed Addition or Deletion through Notification at Subdistrict 11-1 Licensed General Acute Care Hospitals				
Notification Number	Facility	City	# of Beds to Add	# of Beds to Delete
NF#160054	Aventura Hospital and Medical Center	Aventura	60	
NF#170013	Baptist Hospital of Miami	Miami	96	
NF#170039	Baptist Hospital of Miami	Miami		12
NF#170044	Baptist Hospital of Miami	Miami		12
NF#170042	Kendall Regional Medical Center	Miami	42	
NF#170032	Jackson South Medical Center	Miami		14
NF#150011	Larkin Community Hospital	South Miami	4	
NF#180011	Nicklaus Children's Hospital	Miami	10	
NF#170014	South Miami Hospital	South Miami		17
Total Number of Beds to Add/Delete			212	55
Net Number of Beds to Add			157	

Source: Florida Hospital Bed and Service Utilization by District, published July 20, 2018

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

District 11 Total Population Estimates and Percent Change by County: January 2018 to July 2024						
County	Total Population January 2018	Total Population July 2024	Percent Change	Age 65+ January 2018	Age 65+ July 2024	Age 65+ Percent Change
Miami-Dade	2,717,869	2,911,923	7.1%	424,667	499,503	17.6%
Monroe	72,884	72,289	-1.0%	16,370	19,048	16.4%
District 11 Total	2,790,753	2,984,212	6.9%	441,037	518,551	17.6%
State Total	20,523,262	22,257,706	8.5%	4,013,237	4,819,212	20.1%

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

Miami-Dade County (proposed county location), as of January 2018 and July 2024, has the largest total population and largest 65+ population in District 11. The total population in Miami-Dade County is expected to increase 7.1 percent from January 2018 to July 2024. The estimated population increases within Miami-Dade County are equal with the forecasted population for District 11 but do not exceed the state overall.

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East Florida-DMC, Inc. (CON application #10550) asserts that HCA has extensive experience in the development of new hospitals in Florida and throughout the country. HCA operates three acute care hospitals in Miami-Dade County: Aventura Hospital and Medical Center, KRMC and Mercy Hospital. The applicant notes that HCA has 46 affiliated hospitals, 35 affiliated ambulatory surgery centers and employs over 45,000 employees including 300 physicians at its Florida facilities.

DMC indicates that the proposed hospital will operate as part of HCA's East Florida Division (EFD) and will address the needs of the proposed service area by placing an acute care hospital in Doral. The applicant states that EFD is comprised of 14 hospitals, 12 surgery centers, two diagnostic imaging centers, a regional laboratory and other related services. DMC maintains that the proposed project will have its own management team and will initially receive development, training and operational assistance from EFD. The applicant states that HCA will provide ongoing management assistance to DMC and notes that the following will be provided by EFD:

- Ongoing management assistance
- A variety of services including group purchasing
- Managed care support and negotiation
- Patient accounting/billing services
- Quality assurance
- IT support
- Aid in employee recruitment and retention

DMC notes that in CY 2016, HCA's EFD treated nearly 1,270,900 patients with 208,747 hospital admissions and 801,009 emergency room visits. The applicant notes that during the same time period, HCA's EFD provided \$302,250,000 in charity and uncompensated care and serviced 291,092 Medicaid patients and 167,773 uninsured patients. DMC states that HCA's EFD has 18,313 employees and has 6,694 physicians on staff – indicating a significant economic impact on the areas the EFD serves, with a total economic impact of \$2,462,972,000 (including taxes, salaries and payments to local vendors) in CY 2016. DMC reports that EFD's Miami-Dade County facilities served 348,053 patients with 63,638 hospital admissions, 208,883 emergency room visits and provided \$91,574,000 in charity and uncompensated care for the same time period. The reviewer notes that the applicant utilized statistics for CY 2016 in lieu of more recent CY 2017 data.

The applicant contends that EFD utilizes the latest technology to help provide world class care while improving patient safety and quality of care. A description of HCA's mission, vision and values, as well as community organizations, awards and initiatives, are provided on pages 65-68 of CON application #10550. DMC states that analysis of the need for a new hospital has been reoriented away from capacity-based

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considerations, to ones of enhancing access to inpatient services. The applicant provides new health care planning contentions, noting that the proposed project meets all the needs of the propose service area such as:

- There is a sufficient population base in the proposed service area to support the proposed hospital
- The applicant can demonstrate that the proposed facility will achieve efficient utilization based on reasonable assumptions
- There will be a meaningful improvement in travel times for service area residents
- There will be minimal impact on existing providers from the opening of the proposed hospital
- In some cases, an existing facility may be well-utilized but as an alternative to adding bed capacity, it seeks to develop a new facility in an area where it is the primary provider of inpatient care and is proximate enough to share medical staff and services

The applicant indicates that HCA has identified a parcel in southwestern Doral for the proposed new 80-bed hospital. DMC maintains that the proposed hospital will focus on serving the growing population of Doral with the expectation that the proposed hospital will also serve residents living in ZIP Codes to the south and north of Doral. The applicant points out that Doral is currently home to 14 business parks and over 10 universities (trade and private schools). DMC states that the commercial and industrial sectors in Doral are growing and provides a list of various state, county, federal and corporate entities headquartered in Doral.

DMC discusses the geographic isolation of Doral and its citizens, stating that despite increased popularity and tremendous growth over the last 15 years, Doral is isolated from the rest of Miami-Dade County. The applicant provides a narrative description of the area's geographic impediments, noting that the area is surrounded by warehouses, mineral processing plants, landfills, salvage yards, railroad lines and retention ponds—hindering residents from accessing health care services available to the north and east of Doral. DMC notes that there is no hospital to the west of Doral and the Ronald Reagan Turnpike. The applicant indicates that the principal means of accessing health care for these Miami-Dade County residents is to travel south to hospitals located in population-dense residential areas with high traffic volumes and limited number of roadways available.

The applicant asserts that its proposed project is superior to the competing application filed by JHS (CON application #10551), noting that the JHS' proposed site is in the heart of the Doral commercial district, close to one end of the Miami International Airport. DMC provides a map on page 10 of CON application of #10550 indicating that JHS' proposed location is a "sparsely" populated area of Doral and appears to be rather inaccessible from adjacent State Road 826. The

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applicant contends that there are few routes to travel to reach the proposed JHS site—given its relationship to major roadways east of the Doral residential section. DMC indicates that the JHW proposed facility will be located only seven miles away from JHS’ main campus and it is unclear how the proposed facility will improve access to healthcare for the citizens living in Doral. The applicant asserts that the proposed site for JHW is an industrious commercial area of southeastern Doral and is distant from the largest residential area in Doral.

Citing U.S. Census data, DMC maintains that Doral has experienced sustained population growth (33.7 percent) between 2010 and 2017. The applicant indicates that there are 61,130 residents living in a 14-15 square mile area (approximately 4,366 residents per square mile) compared to Miami-Dade County’s population per square mile of 1,450 residents. DMC notes that Miami-Dade has 18 local hospitals with over 7,428 acute care beds, or 270 beds per 100,000 residents in the county. The applicant asserts that Doral residents are at a disadvantage due to the lack of adequate access to health care facilities with crowded traffic conditions to utilize a highly occupied KRMC, travel south to Baptist Hospital or east to Westchester General Hospital. DMC indicates that there are few roads accessible to KRMC from Doral and the suburban areas to the south, making it difficult to reach, limiting access to hospital acute care and other health care options.

DMC asserts that population density and difficult travel conditions are only increasing in Doral with several major mixed-use projects planned/under construction in the next few years for the less than 15-square mile city. The applicant provides a table on page 13 of CON application #10550 which depicts the expected new residential developments with completion dates of 2020 and states that all are within three miles of the proposed DMC site location. DMC maintains that these 11 residential and mixed-use developments will add over 5,800 residential units, estimated to accommodate over 14,550 new residents.

The applicant identifies a primary service area (PSA) comprised of ZIP Codes expected to provide 75 percent of its projected patients and a secondary service area (SSA) comprised of ZIP Codes equating to 20 percent of patients with five percent of discharges comprised from other parts of Florida and the country in recognition of Miami-Dade’s role as a tourist destination. DMC provides a chart illustrating the ZIP Codes representing the anticipated market share capture with the market shares expected to be highest in Zone One ZIP Codes with decreases in each subsequent zone. The applicant indicates that it has grouped ZIP Codes into four different “zones” to recognize that the proposed hospital will achieve different levels of market penetration based on factors such

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as population density, geographic barriers to care and locations of existing hospitals. A color coded version of the chart below can be found on page 78 of CON application #10550.

Doral Medical Center Projected Service Area ZIP Codes and Market Share Zones		
MS Zone	ZIP Code	Service Area Designation
1	33172	PSA
	33178	PSA
	33182	PSA
2	33174	PSA
	33184	PSA
	33194	SSA
3	33126	SSA
	33144	SSA
	33185	SSA
4	33010	SSA
	33012	SSA
	33016	SSA
	33018	SSA
	33165	SSA
	33166	SSA
	33175	SSA

Source: CON application #10550, page 78

Regarding service area population demographics, DMC states the population of the entire service area is projected to grow from 656,570 in 2018 to 697,361 in 2023 (6.21 percent). The applicant notes that the population in the PSA is projected to grow at a faster rate than the SSA, increasing from 170,212 in 2018 to 183,110 in 2023 (7.6 percent) while the SSA will increase at a rate of 5.7 percent. DMC indicates that over the next five years, the proposed hospital location ZIP Code 33178 total population is expected to grow faster (11.0 percent) than in any of the other service area ZIP Codes. During the same five-year period, the applicant projects that the age 45-64 cohort population will increase by 8.44 percent and the age 65+ cohort will increase by 14.20 percent. DMC provides service area population data by age cohort (CON application #10550, pages 79-82) and suggests that the growth in the older age cohort is significant because older individuals utilize health care resources at a higher rate than other age cohorts. The applicant maintains that the proposed hospital will be located in close proximity to the areas of Doral that are projected to experience significant growth in the coming years.

DMC offers a table on page 84 of CON application #10550 depicting population growth by race in the proposed service area. The applicant notes that the Hispanic population in the proposed service area is projected to grow from 597,357 in 2018 to 639,791 in 2023 (7.1 percent). DMC maintains that the PSA is expected to experience greater Hispanic population growth than the SSA (8.95 and 6.49 percent respectively).

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The applicant acknowledges that the population of Doral is predominately Hispanic and asserts that HCA’s EFD facilities have significant experience in serving the Hispanic community and will make use of this experience by developing services and outreach programs that reflect the unique needs of the population.

The applicant analyzes inpatient discharges from the proposed service area noting that in 2017, the PSA and SSA had an average daily census (ADC) of 135.8 and 543 respectively, for a total ADC of 678.7. DMC notes that in 2017 there were 10,342 discharges from the PSA and 42,050 from the SSA. The average length of stay (ALOS) for the PSA was 4.8 days, yielding 49,551 patient days in the PSA and 4.7 days for the SSA yielding 198,185 patients. DMC asserts that based on 2017 utilization and assuming a 75 percent target occupancy rate, there is a total service area need for 905 beds. The applicant provides a chart which depicts total discharges, ALOS, patient days and ADC for the proposed service area based on 2017 utilization. See the table below.

2017 Non-Tertiary Average Daily Census And Acute Care Beds Required for Proposed Service Area				
ZIP Code	Discharges	ALOS	Patient Days	ADC
33172	2,864	5.0	14,331	39.3
33178	1,917	4.5	8,682	23.8
33182	950	4.6	4,324	11.8
33174	2,775	4.9	13,669	37.4
33184	1,836	4.7	8,545	23.4
PSA Subtotal	10,342	4.8	49,551	135.8
33194	493	5.2	2,556	7.0
33126	4,183	4.8	19,920	54.6
33144	2,782	5.3	14,663	40.2
33185	1,756	4.7	8,199	22.5
33010	6,122	4.7	28,551	78.2
33012	7,533	4.5	34,182	93.6
33016	3,442	4.2	14,606	40.0
33018	3,288	4.1	13,641	37.4
33165	5,475	5.1	27,919	76.5
33166	2,075	5.2	10,807	29.6
33175	4,901	4.7	23,141	63.4
SSA Total	42,050	4.7	198,185	543.0
Total	52,392	4.7	247,736	678.7
Bed Need at 75% Occupancy				905

Source: CON application #10550, page 17

DMC presents 2017 OB discharges, ALOS, patient days, and ADC for patients from the proposed service area, showing that there were 6,906 discharges from the proposed service area with an ALOS of 2.8 and ADC of 52.4 for 19,108 OB patient days. The applicant states the 2017 ADC, in conjunction with a 75 percent target occupancy, yields a need for 70 OB beds in the proposed service area. See chart below.

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2017 OB Average Daily Census And Acute Care Beds Required for Proposed Service Area				
ZIP Code	Discharges	ALOS	Patient Days	ADC
33172	491	2.9	1,437	3.9
33178	670	2.8	1,854	5.1
33182	133	2.9	384	1.1
33174	336	3.0	1,008	2.8
33184	237	2.8	6,562	1.8
PSA Subtotal	1,867	2.9	5,335	14.6
33194	68	2.7	182	0.5
33126	599	2.9	1,728	4.7
33144	281	2.8	798	2.2
33185	267	2.8	747	2.0
33010	559	2.6	1,429	3.9
33012	753	2.6	1,930	5.3
33016	507	2.7	1,356	3.7
33018	551	2.7	1,476	4.0
33165	628	2.9	1,822	5.0
33166	280	2.7	769	2.1
33175	546	2.8	1,536	4.2
SSA Total	5,039	2.7	13,773	37.7
Total	6,906	2.8	19,108	52.4
Bed Need at 75% Occupancy				70

Source: CON application #10550, page 18

DMC states that the proposed project will include an eight-bed OB unit with a target population of females in the service area between the ages of 15 and 44. The applicant indicates that the service area female population in this age cohort is expected to increase from 111,908 in 2018 to 112,868 in 2023 (one percent). The applicant highlights that the total service area is expected to increase by 1.7 percent during this time frame, with the female population increasing by 1.9 percent in ZIP Code 33178 (proposed site location). DMC maintains that while the service area growth is not significant, the absolute number of female resident ages 15-44 is more than sufficient to support the proposed OB unit. The table below shows the projected service area female population ages 15-44 between 2018 and 2023.

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Service Area Female Population, Ages 15-44			
ZIP Code	2018	2023	Percent Change
33172	7,695	7,609	-1.1%
33178	11,055	11,217	1.9%
33182	2,656	2,733	2.9%
33174	6,454	6,430	-0.4%
33184	3,372	3,793	1.6%
PSA Subtotal	31,542	31,782	0.8%
33194	1,489	1,496	0.5%
33126	8,514	8,376	-1.6%
33144	4,221	4,163	-1.4%
33185	5,904	6,134	3.9%
33010	7,630	7,614	-0.2%
33012	11,615	11,563	-0.4%
33016	9,093	9,396	3.3%
33018	9,523	9,897	3.9%
33165	8,797	8,716	-0.9%
33166	4,135	4,112	-0.6%
33175	9,445	9,619	1.8%
SSA Subtotal	80,366	81,086	0.9%
Total	111,908	112,868	0.9%

Source: CON application #10550, page 82

DMC provides the payor mix for non-tertiary and OB patients for the PSA, which shows that Medicare accounted for 43.0 percent of the inpatient discharges in 2017, while Medicaid accounted for 17.9 percent. See the chart below.

Target Area 2017 Non-Tertiary and OB Payor Mix Percentage						
ZIP Code	Medicare	Medicaid	Commercial	Self/Non-Pay	Other	Total
33172	42.5%	21.5%	26.5%	7.8%	1.7%	100%
33178	17.4%	15.2%	45.0%	12.2%	10.2%	100%
33182	49.3%	14.9%	28.4%	5.2%	2.2%	100%
33174	55.9%	17.2%	19.2%	5.3%	2.3%	100%
33184	52.7%	18.2%	21.4%	5.8%	1.9%	100%
PSA Subtotal	43.0%	17.9%	27.8%	7.5%	3.7%	100%

Source: CON application #10550, page 87

The applicant asserts that it has the superior proposal by noting that Jackson’s site is between two main roadways-Highway 836 (Dolphin Expressway) and Highway 826 (Palmetto Expressway)—with the Palmetto Expressway heavily traveled by commuters and trucks. The applicant expresses concern that the proposed JHW facility would be overlooking this traffic route, forcing patients to listen to truck and car traffic 24 hours a day, as well as flights at the Miami International Airport, located just a couple of blocks east of the proposed JHW site. DMC states that patients at the proposed JHW hospital would be affected by the noise from rail cars from the railway switching yard north of the airport. The applicant indicates that it commissioned a transportation assessment comparing the appropriateness and accessibility of DMC’s site compared to co-batched applicant JHW’s site. The applicant discusses a study conducted by planning and design engineering consultants Kimley Horn

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in August 2018 and offers the conclusion regarding the co-batched applicants' sites on page 38 of CON application #10550. DMC offers the following summary regarding JHW's proposed site:

- The site will not be appealing to patients or employees given the traffic volume of trains, planes and automobiles along with the accompanying noise pollution
- There will likely be added cost with construction in the proposed location which will increase the financial burden to tax payers
- The proposed site could potentially result in extra expenditures by Miami-Dade County to address the impact of a critical facility location in the airport noise-zone and the Palmetto Expressway noise-zone

The reviewer notes that on pages 55-61 of CON application #10550, the applicant provides a narrative regarding both the recommended and final order for co-batched CON applications #10432 and #10443 submitted by the current co-batched applicants. The narrative includes excerpts from the recommended order and the final order.

The applicant maintains that the proposed facility will alleviate capacity constraints at KRMC, which is an affiliate and the closest hospital to the service area. The applicant states that KRMC has historically been well-utilized and had an average occupancy rate of 74.9 percent for 2017. DMC indicates that for the first six months of 2018, KRMC's ICU beds were occupied an average of 93.3 percent, while its medical/surgical beds were occupied an average of 82.5 percent. DMC maintains that the construction of the proposed hospital and the expected shift in market share of patients from KRMC to DMC will aid in addressing capacity constraints at KRMC. The applicant provides KRMC occupancy by bed type for the period of January 1, 2018 through June 30, 2018. See the table below.

Kendall Regional Medical Center Occupancy by Bed Type			
Bed by Type of Use	Beds	ADC	Occupancy
Medical/Surgical	135	111.31	82.45%
Progressive Care/Telemetry	137	108.35	79.09%
Adult ICU	52	48.49	93.25%
Pediatric	15	4.76	31.71%
Pediatric ICU	7	2.94	41.99%
Obstetrics	35	17.13	48.93%
NICU	13	10.98	84.45%
Mental Health	23	21.36	92.87%
Total	417	325.3	78.01%
With Observation		30.00	
Total Effective Occupancy	417	355.3	85.21%

Source: CON application #10550, page 95

DMC contends that it is the most logical applicant to serve the Doral community because its proposed service area overlaps substantially with KRMC. The applicant maintains that the development of a hospital by any other hospital system would significantly have an adverse impact on

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KRMC and would break the continuity of care for patients currently served by KRMC's physicians. The applicant illustrates overlapping service area ZIP Codes of KRMC and DMC, as well as Jackson Memorial's overlap with the proposed JHW service area on page 101 of CON application #10550.

Regarding projected non-tertiary acute care utilization, DMC notes that the non-tertiary service use rate for the Doral area has declined over the past several years, based on the analysis of use rates in the service area from 2015 to 2017. DMC assumed a slight reduction in market share for non-tertiary services in all of its service area ZIP Codes by one percent per year for the interim years as well as the first three years of operation for the hospital (2021, 2022 and 2023). The applicant indicates that while Miami-Dade County and DMC's proposed service area show declines in use rates recently, the continuation of this trend has not yet been established and other factors serve to offset this trend such as the aging of the service area population.

DMC provides utilization projections for the first three years of operation of the proposed hospital based on population growth by ZIP Code, age and use rates by age using data from the Agency's inpatient database. The applicant provides the following table in which it projects 2,448 service area discharges in year one, 3,169 in year two and 3,794 in year three (2023). DMC projects its non-tertiary bed need at 75 percent occupancy to be 45 beds in year one, 58 beds in year two and 69 beds in year three. See the table below.

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Projected DMC Non-Tertiary Discharges			
ZIP Code	2021	2022	2023
33172	775	921	1,059
33178	527	649	757
33182	249	303	348
33174**	214	360	494
33184	144	243	335
PSA Subtotal	1,909	2,476	2,993
33194	39	54	93
33126*	83	95	108
33144	55	63	71
33185	37	56	64
33010	60	71	76
33012	73	87	93
33016	35	42	45
33018	34	41	44
33165	53	79	89
33166	21	31	36
33175	49	73	83
SSA Subtotal	539	693	801
Service Area Discharges	2,448	3,169	3,794
In-Migration	129	167	200
Total DMC Discharges	2,577	3,336	3,993
Projected ALOS	4.73	4.73	4.73
Projected Days	12,183	15,776	18,883
Projected ADC	33.4	43.2	51.7
Bed Need at 75%	44.5	57.6	69.0

Source: CON application #10550, page 117

*Note 33126 consists of 33126, unique ZIP Codes 33106 and 33206

**Note 33174 consists of 33174 and unique ZIP 33199

The applicant indicates it used a similar methodology to project the utilization for its OB beds, based largely on the market share zone assumption along with the use rate trend between the years 2015-2017. DMC projects 435 service area OB patients in year one, 549 in year two and 638 in year three of operation. The applicant then assumes a five percent in-migration, equaling OB patients of 458 in year one, 578 in year two and 672 in year three. DMC projects its OB bed need at 75 percent occupancy, to be five beds in year one, six beds in year two and seven beds in year three. See the chart below.

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Projected DMC OB Discharges			
ZIP Code	2021	2022	2023
33172	122	146	165
33178	170	205	233
33182	34	41	47
33174**	25	42	57
33184	18	30	41
PSA Subtotal	369	464	543
33194	5	7	9
33126*	12	13	15
33144	6	6	7
33185	6	8	10
33010	6	7	7
33012	8	9	10
33016	5	6	7
33018	6	7	7
33165	6	9	11
33166	3	4	5
33175	6	8	9
SSA Subtotal	67	85	96
Service Area Discharges	435	549	638
In-Migration	23	29	34
Total DMC Discharges	458	578	672
Projected ALOS	2.77	2.77	2.77
Projected Days	1,268	1,559	1,859
Projected ADC	3.47	4.38	5.09
Bed Need at 75%	4.96	6.26	7.28

Source: CON application #10550, page 120

*Note 33126 consists of 33126, unique ZIP Codes 33106 and 33206

**Note 33174 consists of 33174 and unique ZIP 33199

DMC provides a summary of projected non-tertiary and OB utilization indicating that total projected days will result in ADCs of 36.9 in year one, 47.6 in year two and 56.8 in year three. The applicant projects its total bed need at 75 percent occupancy, to be 50 beds in year one, 64 beds in year two and 76 beds in year three. DMC maintains that utilization projections are very achievable and notes its affiliation with KRMC, which has the largest market share among all hospitals serving the Doral area. The applicant states that it will encourage physicians on the medical staff of KRMC (many of whom have offices in the DMC's proposed service area) to join DMC's medical staff. DMC indicates that this will facilitate the growth in its patient volumes. The applicant contends that its projected utilization was based on a reasonably defined service area and realistic projections of market share by ZIP Code. DMC cites the strong utilization of HCA's other Miami-Dade County facilities as bolstering its own utilization projections. The applicant provides utilization for all Miami-Dade hospitals from 2015-2017 on page 109 of CON application #10550 as well as the following utilization chart illustrating occupancy at HCA's EFD hospitals compared to JHS hospitals for the years 2015-2017.

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HCA East Florida Division and JHS Occupancy Rates			
Facility	2015	2016	2017
Aventura Hospital and Medical Center	78.6%	76.4%	78.1%
Kendall Regional Medical Center	73.9%	76.1%	74.9%
Mercy Hospital	42.4%	39.2%	37.7%
EFD System Total	63.8%	62.4%	61.7%
Jackson Memorial Hospital	61.8%	68.3%	63.6%
Jackson North Medical Center	41.1%	45.3%	51.6%
Jackson South Community Hospital	39.5%	51.1%	48.1%
Jackson System Total	54.7%	61.3%	59.0%

Source: CON application # 10550, page 46

Based on the utilization in the previous chart, DMC argues that JHS has significant excess capacity at its existing locations and lacks sufficient cause to build a new hospital when it has underutilized hospitals distributed throughout Miami-Dade County. The applicant maintains that Jackson Memorial has 1,048 licensed beds with a 63.6 percent occupancy rate, equating to (on average) 667 empty beds on any given day. The applicant expresses concern that the addition of beds to JHS in Doral would likely cause underutilization and be an inefficient use of healthcare resources. The reviewer notes that CON application #10551 does not propose to increase the net number of acute care beds in existing JHS hospitals.

DMC discusses market share, stating that Miami-Dade County is a highly competitive market with four major systems and various independent hospitals. The applicant notes that patients from the Doral area travel to many different hospitals but that KRMC is the patient-preferred hospital. DMC insists that the proposed project would provide a more accessible hospital for patients who are now traveling through congested areas to reach KRMC for care. The applicant asserts that approval of the proposed JHW facility would offer Doral a hospital operated by a provider that more than 90 percent of residents currently do not choose to utilize. The applicant provides a chart depicting market share for all Miami-Dade acute care facilities on page 106 of CON application #10550.

Regarding impact on existing providers, the applicant states that for the overall service area there is a projected incremental growth of 454 discharges in 2023 (third year of operation) for non-tertiary patients. DMC notes this growth is projected to occur despite the fact that the use rates for the service area are projected to decline. The applicant indicates that approximately 12 percent of the non-tertiary patient discharges will be attributable to the incremental growth of the service area discharges along with a 26 percent shift in discharges from KRMC. DMC notes that approximately nine percent of the projected OB patient discharges are due to the incremental growth in the service area. In total, the applicant expects to see 4,432 discharges in the service area by year three of operations.

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DMC anticipates that KRMC will be impacted the most by the proposed project with a 4.5 percent impact on discharges. The applicant contends that the impact considers the proposed service area and not KRMC's total service area. DMC states the impact analysis does not take into account the population growth in other portions of KRMC's service area. The applicant notes that the remaining facilities located near or within DMC's proposed service area all experience an impact of 2.8 percent or less on discharges. DMC asserts that the benefits of having accessible hospital services in an area that is currently underserved, far outweigh the minimal impact that the proposed project will have on existing providers. The applicant provides additional narrative on potential adverse impact on existing providers on pages 124-126 of CON application #10550.

With regards to availability, DMC maintains that there is no acute inpatient option in the proposed PSA and the proposed project will enhance the availability of healthcare services in the Doral area. The applicant indicates that it will offer service area residents convenient access to high quality health care services and eliminate the need for residents to leave their community to access these services. DMC asserts that KRMC has established a presence in the Doral area and the proposed facility will provide important access to health care services for residents through contracts with major HMO's and PPO's. DMC provides a list of current managed care contracts for EFD facilities in Attachment K of CON application #10550.

The applicant asserts that the proposed project will expand the continuum of care to residents of the proposed service area by appropriately positioning services to maximize access and improve the distribution of health services in the area. DMC affirms that the need for the proposed project is driven by the growing population and the necessity of a community hospital to meet the increasing demand for health care services. The applicant indicates it will have the ability and capacity to accommodate this increasing demand for services by the residents in Doral. The applicant states that HCA affiliates have a reputation for delivering high quality health care services. DMC maintains that the proposed facility will have the same state-of-the-art medical, pharmaceutical and information technologies available to other HCA affiliates, while remaining a hospital with an emphasis on meeting local community needs and enhancing efficiency of the care provided.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) presents the following five major rationales to support need for the proposed project followed by a brief summary of the applicant's details for each respective rationale.

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Rationale #1: Jackson West's freestanding ED and outpatient development projects are underway and provide unique development infrastructure for inpatient bed capacity.

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

The applicant commits to the development and thoughtful placement of a variety of services within the communities in the four quadrants of Miami-Dade County. JHW indicates that the proposal has been strategically planned to respond to the growing needs of the Miami-Dade community, provide an innovative health care delivery model and address unmet community needs which include: increase financial/geographic access to health care services, enhance the continuum of care offered by JHS and focus on community-based services.

JHW highlights the uniqueness of the proposed delivery framework stating that no other provider in the area currently offers inpatient care in the context of the proposed campus. The applicant states that the proposed hospital will anchor an extensive ambulatory campus in western Miami-Dade County ensuring continuity of care on the proposed campus and throughout JHS. The applicant maintains that as a fully-integrated quaternary health care provider, JHS offers every component of the health care delivery system from primary care to organ transplant. JHS discusses several strategies aimed at improving population health which include:

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- Primary care to increase focus on prevention and wellness
- To develop hub-and-spoke-model by placing primary care, outpatient care and community hospital beds in the four quadrants of Miami-Dade County with the main campus serving as the hub for tertiary and quaternary referrals
- Develop urgent care centers in local communities to increase access to non-emergent care
- Manage the continuum of care for un- and underinsured populations who typically have challenges in accessing health care services in a timely manner through the utilization of Jackson Prime

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

The applicant maintains that JHS continues to strengthen their integrated medical home model strategy, aiming for a seamless and timely continuum of services, coordinated by a primary care physician and networked group of specialists/services. The primary goals of JHS's integrated medical home model includes:

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

The applicant states that on average, JHS' internal data shows it has had more than 1,000 non-trauma emergency room visits and over 23,000 non-emergency outpatient visits for Jackson Prime patients at its existing campuses. JHS details 2017 and annualized 2018 emergency and outpatient visits data for Jackson Prime patients who reside in the proposed 12-ZIP Code service area. See the figure below.

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Emergency and Outpatient Visits at JHS Facilities Jackson Prime Patients Residing in 12-ZIP Code JHW Service Area			
Visit Type	2017	Eight Months 2018	Annualized 2018
Emergency Room Visits (Non-Trauma)	1,215	725	1,088
Outpatient Visits (Non-Emergency)	20,848	15,548	23,322

Source: CON application #10551, page 40

JHS attests to providing care for a large number of emergency and outpatient visits for patients who reside in the proposed 12-ZIP Code service area (regardless of payor source). The applicant reports that JHS facilities provide over 52,000 emergency and outpatient visits annually from the proposed total service area, with more than 60 percent of those visits originating from the eight ZIP Code PSA. The applicant details the 2017 and annualized 2018 JHS non-trauma emergency and outpatient visits for the total service area. See the table below.

2017 and 2018 Annualized Emergency and Outpatient Visits at JHS Facilities Patient Residing in 12-ZIP Code JHW Service Area - All Payors			
Area/ZIP Code	2017	Eight Months 2018	Annualized 2018
PSA			
33122/33172	6,291	4,713	7,070
33126	8,869	6,267	9,401
33144	4,634	3,113	4,670
33166	4,309	3,098	4,647
33174	4,010	3,063	4,595
33178	4,155	3,386	5,079
33182	1,208	940	1,410
PSA Subtotal	33,476	24,580	36,870
SSA			
33155	5,195	3,596	5,394
33165	6,426	4,621	6,932
33175	5,470	3,777	5,666
33184	2,127	1,476	2,214
SSA Subtotal	19,218	13,470	20,205
12-ZIP Code Area Total	52,694	38,050	57,075

Source: CON application #10551, page 41

The applicant maintains that the proposed site in Doral was chosen based on a variety of factors including the large and growing population base and ease of access via major transportation routes within the area. JHW indicates that it also considered outpatient and inpatient factors, including the large number of outpatients within the JHS system who reside in the proposed service area as well as the highly fragmented market of inpatient discharges. The applicant contends that the proposed location does not impact residential areas and is optimally situated to provide services to residents of Doral and western Miami-Dade. JHS maintains that the freestanding ED at Jackson West will offer convenient emergency services for the PSA to the nearly 250,000 residents who do not have an ED available currently.

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The applicant explains that the inpatient component is critical to the overall strategy of population health management and access to services. JHS notes that the seamless integration of primary and specialty care, diagnostic/interventional platform and inpatient care in one location will provide consistency and continuity for patients and staff. The applicant attests that patients will benefit from consistent policies and procedures for patients who have accessed care previously at other JHS locations resulting in improved times in accessing care and reduced stress on the patient.

JHW notes that there is a strong physician presence, providing evidence of the network of physicians in the proposed area who currently refer patients to JHS facilities in other parts of Miami-Dade County. The applicant states that there are numerous credentialed JHS physicians with offices in the proposed service area who treated patients at JHS facilities in 2017. The applicant provides a list detailing the range of physician specialists who currently have offices within the area and referred adult patients to JHS facilities last year. See the figure below.

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

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

Source: CON application #10551, page 43

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The applicant contends that the proposed project will result in increased accessibility to JHS for all quadrants of Miami-Dade County and will ease the fragmentation of the market—offering patients a consolidated continuum of care close to home with tertiary referrals served at hospitals located outside the immediate area.

Rationale #2: *The large and expanding population base in the service area, as well as challenges created by rapid growth in the area.*

- The population of the proposed 12-ZIP Code service area is currently more than 430,000 and will increase to nearly 460,000 by 2023
- Residential and commercial development in western Miami-Dade and Doral is record-breaking, resulting in the fastest growth in Florida and one of the 15 fastest growing areas in the United States
- Rapid residential and commercial growth has created traffic and infrastructure concerns resulting in the need for a comprehensive array of services available locally (including health care services)

The applicant indicates that according to The City of Doral Economic Snapshot, more than two million square feet of commercial developments have been approved in the area², with over 600,000 square feet under construction. The reviewer notes that this is documented (CON application #10551 Exhibit C). JHW notes that in September 2017, Doral announced it was entering a bid to become home to Amazon's second U.S. headquarters which would bring thousands of high-paying jobs to Doral and spark more residential/commercial development to the area. The applicant indicates that the Miami-Dade Public School System is currently planning to add two new K-8 schools and convert Doral Middle School into a second high school for the city.

JHW indicates that the proposed hospital is proximate to seven approved residential communities totaling 7,730 dwelling units which are all accessible to the proposed community hospital. The applicant provides a chart on page 46 of CON application #10551 illustrating the proximity and driving distance to the approved residential communities.

The applicant states that over the past several years, the Miami Herald has published numerous articles related to increasing traffic and transportation challenges throughout Miami. JHW notes that one such article was the 2015 Urban Mobility Scorecard released by the Texas A&M Transportation Institute in August 2015, which detailed South Florida's traffic woes—the study ranked the Miami-Dade/Broward/Palm Beach region as one of 15 urban areas with the worst traffic in the nation. The applicant states that the study found that during the recession, traffic congestion was less serious due to the fact that many

² This includes the Codina Partners and Lennar Corp's joint bid to develop a defunct golf course adjacent to Doral into single family homes.

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people were out of work. JHW indicates that the Texas A&M report is considered “the nation's most accurate measure of traffic conditions in large metropolitan areas.”

JHW maintains that Western Miami-Dade has experienced increased challenges related to transportation and infrastructure as a result of growth in residential/daily population and development. The applicant asserts that there has been significant media coverage in local Miami newspapers related to increasing traffic congestion and prolonged travel times around the area.

The applicant asserts that the proposed hospital will be easily accessible to Doral and the surrounding communities by public transportation, which is critically important to many of the patients JHS serves. JHW maintains that the proposed campus was designed with patient accessibility in mind and will have a variety of transportation options for patients and families. Specifically, JHW indicates that it will have a Doral Trolley stop allowing access for patients who rely on public transportation. The applicant notes that there will be a shuttle bus between JHW and JHS' downtown Miami campus.

The applicant states that there is significant population growth in the proposed PSA projected to be almost 270,000 residents in 2023 which will cause barriers to access for the population of the area. JHW predicts that the large and growing population base in the proposed service area will continue to drive demand for both in- and outpatient services. According to the applicant, the proposed JHW campus will ensure that barriers related to travel time for less acute conditions will be eliminated. JHW asserts that its focus on population health management and coordination of care will place patients into the health care delivery system earlier, before conditions become more severe or chronic. The applicant notes that education, access and prevention will be an integral part of the programming at Jackson West and JHW.

JHW discusses the proposed service area and states the following was taken into account: geographic proximity of the ZIP Code areas to the proposed hospital location, projected admission volumes within the service area, the historical draw of patients from the area to JHS facilities, the expected market share by service area ZIP Code and health planning expertise.

Citing the use of Claritas data, the applicant provides total service area population estimates, by ZIP Code, from 2017 to 2023. The applicant states that the PSA is home to approximately 252,000 residents in 2018, and is projected to increase by almost seven percent to approximately 269,000 by 2023. JHW indicates that the projected rate of total population growth in the PSA is expected to outpace both county and

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statewide growth during the noted five-year period. JHW indicates that the four ZIP Code SSA is home to approximately 183,000 residents in 2018, and is projected to increase by more than four percent to approximately 190,000 residents by 2023. The applicant states that combined, the proposed 12-ZIP Code service area will be home to nearly 460,000 residents and will account for approximately 16 percent of the total Miami-Dade population by 2023. See the chart below.

Jackson Hospital West				
2018-2023 Total Service Area Resident Population Growth				
Area/ZIP Code	City Name	2018	2023	Total Growth
PSA				
33126	Miami	50,562	53,481	5.8%
33144	Miami	28,614	30,126	5.3%
33166	Miami Springs	24,523	25,928	5.7%
33122/33172	Doral	42,726	45,811	7.2%
33174	University Park	34,480	36,081	4.6%
33178	Doral	55,857	61,975	11.0%
33182	Tamiami	14,807	15,591	5.3%
PSA Subtotal		251,569	268,993	6.9%
SSA				
33155	Coral Terrace	45,794	47,660	4.1%
33165	University Park	57,135	59,016	3.3%
33175	Tamiami	57,234	60,121	5.0%
33184	Tamiami	22,350	23,661	5.9%
SSA Subtotal		182,513	190,458	4.4%
Service Area Total		434,082	459,451	5.8%
Miami-Dade Total		2,779,248	2,961,757	6.6%
Florida Total		21,107,181	22,528,389	6.7%

Source: CON application #10551, page 50

JHW analyzes the age distribution of the resident population in the proposed 12-ZIP Code service area, stating that there is a diverse patient population in terms of age. With regard to the PSA, the applicant notes that by 2023 the adult population ages 18-44 will account for a larger portion of the total resident population than the statewide average. With regard to the elderly population, JHW points out that the PSA's 65+ population will account for a larger percentage of the overall PSA than the Miami-Dade average in 2023. The applicant provides a chart on pages 52-53 of CON application #10551 that depicts the age distribution of the proposed service area compared to the averages of Miami-Dade County and Florida. The applicant maintains that the proposed service area represents a large and growing population base and is sufficient to support the proposed 100-bed hospital.

The applicant indicates that women of childbearing age, within the 18-44 cohort, are another important aspect of the demographic analysis. JHW states that the proposed 12-ZIP Code service area is currently home to approximately 74,000 women of childbearing age. Citing the Agency's inpatient database, the applicant highlights that the large population base of women of childbearing age in the service area generated nearly 2,600 normal newborns in 2016. The reviewer notes that more recent

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2017 statistics were available through the Florida Center for Health Information and Transparency but were not provided by the applicant. JHW asserts that demand for obstetrics and other women’s services will remain consistent as the total population continues to grow. The applicant provides the 2018 and 2023 projected female population for age cohort 18-44. See the chart below.

JHW Service Area 2018-2023 Projected Female Population, Ages 18-44		
Area/ZIP Code	2018	2023
PSA		
33126	8,514	8,375
33144	4,221	4,163
33166	4,135	4,112
33172/33122	7,695	7,610
33174	6,454	6,430
33178	11,005	11,217
33182	2,656	2,733
PSA Subtotal	44,680	44,640
SSA		
33155	7,402	7,297
33165	8,797	8,716
33175	9,445	9,619
33184	3,732	3,793
SSA Subtotal	29,376	29,425
Service Area Females 18-44	74,056	74,065

Source: CON application #10551, page 54

JHW maintains the importance of assessing socioeconomic aspects of residents in the service area as JHS is a safety-net hospital system. The applicant states that the proposed service area has a diverse socioeconomic mix of residents, as indicated by the median household income by ZIP Code presented in the following chart.

JHW Service Area 2018-2023 Median Household Income			
Area/ZIP Code	2018	2023	Increase
PSA			
33126	\$34,576	\$38,077	\$3,501
33144	\$40,165	\$43,503	\$3,338
33166	\$49,547	\$55,099	\$5,552
33172/33122	\$45,627	\$49,599	\$3,972
33174	\$41,599	\$45,739	\$4,140
33178	\$81,231	\$88,191	\$6,960
33182	\$68,096	\$72,837	\$4,741
PSA Average	\$51,549	\$56,149	\$4,601
SSA			
33155	\$62,269	\$68,267	\$5,998
33165	\$48,158	\$52,459	\$4,301
33175	\$53,351	\$58,092	\$4,741
33184	\$49,727	\$54,703	\$4,976
SSA Average	\$53,376	\$58,380	\$5,004
Total Service Area Average	\$51,343	\$59,181	\$7,838
Miami-Dade	\$47,515	\$51,764	\$4,249

Source: CON application #10551, page 55

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The applicant states that in 2018 at least half of the eight proposed PSA ZIP Codes have a median household income (HHI) below the county average. Conversely, JHW notes that the SSA has a more favorable median HHI profile when compared to the county average. The applicant maintains that for 2018, all four of the SSA ZIP Codes have median HHI that exceed the county average. The applicant declares that all residents are stakeholders in JHS and are entitled to care, regardless of their ability to pay. As the safety net hospital system in the county, the applicant maintains that JHS has a long and well-established commitment of providing world class health care to all patients in need. JHS states that the diverse socioeconomic status of the population in the proposed service area will ensure patients of all socioeconomic backgrounds are able to easily access inpatient care within their community.

JHW contends that there is a lack of an available and accessible community hospital for the growing population. The applicant points out that currently there is one operational hospital within the PSA ZIP Codes that the applicant plans to serve, that hospital being Miami Medical Center (ZIP Code 33126). The reviewer confirms that per the Agency's FloridaHealthFinder.gov website, The Miami Medical Center is located at ZIP Code 33126 and that there is no other licensed hospital within the boundaries of the applicant's proposed PSA. The applicant describes The Miami Medical Center as a 69-bed "boutique" hospital with limited services that does not offer an emergency department (ED) and does not accept Medicaid or traditional Medicare patients. The reviewer confirms that The Miami Medical Center had 69 licensed acute care beds as of December 31, 2016. The reviewer notes that according to this same table, The Miami Medical Center had a total occupancy rate of 4.80 percent, the second lowest occupancy rate of any acute care hospital in the district/subdistrict for CY 2016. According to the Agency website FloridaHealthFinder.gov, The Miami Medical Center does not offer emergency services. This same source also indicates that The Miami Medical Center's owner/licensee (controlling interest) is Miami International Medical Center, LLC. JHW asserts that given that The Miami Medical Center is not a "full-service" general community hospital, it is not a similar alternative to the development of the proposed project. The reviewer also notes that The Miami Medical Center entered an inactive license status on October 30, 2017 after having transferred or discharged all patients.

Rationale #3: Jackson Health System currently serves residents of the defined eight- ZIP Code PSA and four-ZIP Code SSA and the proposed service area represents a fragmented medical market capable of supporting its own community hospital without impact to existing providers.

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- The patient population of the proposed service area represented 2,035 non-tertiary discharges and 436 OB discharges at JHS facilities, resulting in an ADC of 35 patients in 2017. When JHW filed its original CON application in 2015, JHS facilities discharged an average daily census of 28 service area patients in CY 2014.
- The majority of these JHS discharges would reasonably choose to be treated at the new hospital offering greater patient convenience.
- The 30,875 total non-tertiary discharges and 4,712 total OB discharges generated by the proposed 12-ZIP Code service area in 2017 were spread amongst a large number of hospitals.
- There were more than 57,000 outpatient/emergency visits to JHS facilities from residents of the proposed 12-ZIP Code service area in 2018 (based off of eight months of annualized 2018 data), including more than 23,000 who were covered by Jackson Prime, a historically vulnerable and/or underserved population.
- As a safety net hospital, JHS is in a unique position to meet the needs of all Miami residents.
- Development of the proposed 100-bed hospital, even without assuming significant system-wide redirection, would have no effect on other providers in terms of utilization.

Citing the Agency’s inpatient database, JHW provides the following figure to account for 2014-2017 annualized discharges (non-tertiary, tertiary and OB) for the total service area (all ages). The applicant indicates that non-tertiary discharges exclude tertiary discharges that are not likely to be treated in a community hospital. See the table below.

2014-2017 Discharges by Type, Proposed Jackson Hospital West Service Area Residents						
	2014	2015	2016	2017	Change	Three-Year Average
Non-Tertiary Discharges	32,695	33,048	32,627	30,875	-5.6%	-1.9%
Tertiary Discharges	10,907	11,196	10,689	10,591	-2.9%	-1.0%
OB Discharges	4,778	4,787	4,902	4,712	-1.4%	-0.5%
Total Service Area Discharges, All Ages Excluding Normal Newborns	48,380	49,031	48,218	46,178	-4.6%	-1.5%
Non-Tertiary and OB Only	37,473	37,835	37,529	35,587	-5.0%	-1.7%

Source: CON application #10551, page 57

*OB Defined as MS-DRGs 765-782

The applicant discusses the decline in total non-tertiary discharges for the proposed service area, generated by the resident population base between 2014 and 2017, with the largest portion of the decline between 2016-2017. JHW maintains that the overall decline was in large part driven by the decline in discharges generated by the 0-17 age cohort. The applicant provides the following chart depicting the shift in age distribution of non-tertiary discharges in the proposed service area for years 2014 – 2017.

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2014 – 2017 Age Distribution of Non-Tertiary Discharges by JHW Service Area Residents				
Age Cohort	2014	2015	2016	2017
0-17	6.4%	6.1%	5.6%	5.3%
18-44	12.6%	13.1%	12.6%	11.9%
45-64	23.9%	23.7%	23.5%	22.8%
65+	57.1%	58.4%	58.4%	59.9%
Total, All Ages	100.0%	100.0%	100.0%	100.0%
Elderly Age Cohorts, Percent of 65+				
65-74	30.1%	29.2%	28.8%	28.1%
75-84	39.2%	38.2%	38.7%	37.9%
85+	30.7%	32.6%	32.5%	34.0%

Source: CON application #10551, page 59

JHW contends that given the population growth in the proposed service area, coupled with the fact that Doral has been declared that fastest growing area in Florida, it is highly unlikely that the decrease in the area’s discharges that occurred between 2016 and 2017 will continue.

The applicant states that an analysis of historical OB utilization generated by the proposed 12-ZIP Code service area shows that the vast majority of OB discharges generated by the JHW service area are the 18-44 age cohort (4,712) in 2017. The applicant asserts that the proposed facility is well-situated to serve the identified service area and will offer an array of outpatient women’s services including an OBGYN specialty clinic. The Agency notes that outpatient women’s services and an OBGYN specialty clinic would not be subject to CON review.

Based on the records from the Agency’s inpatient database, JHW provides the following three tables to account for 2014-2017 actual JHS facility non-tertiary discharges, actual JHS facility OB discharges and the actual JHS facility combined non-tertiary and obstetrics discharges (for residents from the proposed total service area), with the corresponding JHS market share of each. The applicant maintains that based on the three figures above, service area reliance on JHS for non-tertiary and OB care continues to increase. See the tables below.

2014-2017 Actual JHS Non-Tertiary Discharges Proposed Jackson Hospital West Service Area Residents						
	Non-Tertiary Discharges					Three-Year AAGR
	2014	2015	2016	2017	Change	
Jackson Memorial Hospital	1,335	1,351	1,510	1,394	4.4%	1.5%
Jackson South Medical Center	368	444	599	592	60.9%	20.3%
Jackson North Medical Center	33	41	40	49	48.5%	16.2%
JHS Total Area Non-Tertiary	1,736	1,836	2,149	2,035	17.2%	5.7%
Service Area Total Non-Tertiary	32,695	33,048	32,627	30,875	-5.6%	-1.9%
JHS Market Share, Non-Tertiary	5.3%	5.6%	6.6%	6.6%		

Source: CON application #10551, page 63

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2014-2017 Actual JHS Obstetrics Discharges, All Ages Proposed Jackson Hospital West Service Area Residents						
	Obstetrics Discharges					Three- Year AAGR
	2014	2015	2016	2017	Change	
Jackson Memorial Hospital	291	303	393	342	17.5%	5.8%
Jackson South Medical Center	61	80	83	88	44.3%	14.8%
Jackson North Medical Center	5	8	17	6	20.0%	6.7%
JHS Total Area OB	357	391	493	436	22.1%	7.4%
Service Area Total OB	4,778	4,787	4,902	4,712	-1.4%	-0.5%
JHS Market Share, OB	7.5%	8.2%	10.1%	9.3%		

Source: CON application #10551, page 62

2014-2017 Actual JHS Non-Tertiary and Obstetrics Discharges Proposed Jackson Hospital West Service Area Residents						
	Combined Non-Tertiary and Obstetrics					Three- Year AAGR
	2014	2015	2016	2017	Change	
Jackson Memorial Hospital	1,626	1,654	1,903	1,736	6.8%	2.3%
Jackson South Medical Center	429	524	682	680	58.5%	19.5%
Jackson North Medical Center	38	49	57	55	44.7%	14.9%
JHS Total Area Non-T and OB	2,093	2,227	2,642	2,471	18.1%	6.0%
Service Area Total Non-T & OB	37,473	37,835	37,529	35,587	-5.0%	-1.7%
JHS Market Share, Non-T & OB	5.6%	5.9%	7.0%	6.9%		

Source: CON application #10551, page 62

The applicant states that JHS non-tertiary discharges from the proposed 12-ZIP Code service area increased by approximately 300 discharges between 2014 and 2017, with the majority of the growth at Jackson Memorial Hospital—the closest JHS facility to the proposed service area.

JHW provides a breakdown by Major Diagnostic Category (MDC) of the 2017 actual JHS non-tertiary 2,035 discharges of patients who reside in the proposed 12-ZIP Code total service area. According to this breakdown of the 2,035 discharges, the single highest number of discharges by MDC is MDC 6 – Diseases and Disorders of the Digestive System, capturing 352 discharges or 17 percent of the total MDC discharges. The reviewer notes that the applicant conditions to the development of multispecialty outreach programs with a focus on GI, including others (see Item C-Program Summary: Condition #6.c.). See the table below.

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MDC	MDC Description	2017 Discharges	Percent of Total
6	Diseases & Disorders of the Digestive System	342	16.8%
5	Diseases & Disorders of the Circulatory System	245	12.0%
8	Diseases & Disorders of the Musculoskeletal System	202	9.9%
4	Diseases & Disorders of the Nervous System	179	8.8%
11	Diseases & Disorders of the Respiratory System	173	8.5%
1	Diseases & Disorders of the Kidney & Urinary Tract	165	8.1%
7	Diseases & Disorders of the Hepatobiliary System and Pancreas	160	7.9%
10	Diseases & Disorders of the Endocrine, Nutritional & Metabolic System	140	6.9%
18	Infectious and Parasitic Diseases & Disorders	121	5.9%
9	Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	92	4.5%
16	Diseases & Disorders of the Blood and Blood Forming Organs	61	3.0%
3	Diseases & Disorders of the Ear, Nose, Mouth and Throat	50	2.5%
21	Injuries, Poison & Toxic Effect of Drugs	41	2.0%
23	Factors Influencing Hlth Status and Other Contacts with Hlth Services	17	0.8%
2	Diseases & Disorders of the Male Reproductive System	13	0.6%
12	Diseases & Disorders of the Eye	13	0.6%
13	Diseases & Disorders of the Female Reproductive System	11	0.5%
25	HIV Infections	10	0.5%
Total, All JHS Non-Tertiary Discharges From 12 ZIP Area		2,035	100.0%

Source: CON application #10551, page 65

Utilizing the Agency inpatient database records from 2014 to 2017, the applicant states that the combined non-tertiary and OB ADC among patient days for patients from the proposed 12-ZIP Code total service area has increased from 28.1 (2014) to 35.2 (2017)—a 25.3 percent increase over three years. Given this, JHW expects that these patients would seek care at the proposed new hospital, given its geographic proximity to their homes. JHW presents the following chart to illustrate JHS Hospital’s 2017 ADC for the proposed service area.

2017 JHS Hospital’s Non-Tertiary and Obstetrics ADC for Proposed Service Area			
Actual 12-ZIP Area	Non-tertiary	Obstetrics	Combined
JHS Discharges	2,035	436	2,471
JHS Patient Days	11,547	1,283	12,830
ALOS	5.7	2.9	5.2
ADC	31.6	3.5	35.2

Source: CON application #10551, page 67

Regarding service area non-tertiary market shares, the applicant states that in 2017, Jackson Memorial Hospital ranked sixth with 1,394 non-tertiary discharges from the proposed 12-ZIP Code service area, despite having no facility in the area. The applicant notes that combined market share for all JHS facilities was 6.6 percent or fourth in terms of market share. JHW emphasizes that care is fragmented and there is no single dominant health care provider with 50 percent market share in the proposed service area. Utilizing the Agency inpatient discharge database records (and the same excluded MS-DRGs as indicated previously), the

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applicant provides the 2017 proposed service area non-tertiary discharges and market share for the 10 hospitals that service the highest number of proposed total service area residents. The 10 hospitals are ranked in descending order by discharges below.

2017 PSA and SSA Combined Non-Tertiary Discharges and Market Share			
Rank	Hospital Name	2017 Discharges	2017 Market Share
1	Kendall Regional Medical Center	9,068	29.4%
2	Baptist Hospital of Miami	5,050	16.4%
3	Coral Gables Hospital	2,101	6.8%
4	South Miami Hospital	2,046	6.6%
5	Doctor's Hospital	1,990	6.4%
6	Jackson Memorial Hospital	1,394	4.5%
7	University of Miami Hospital	1,245	4.0%
8	Nicklaus Children's Hospital	1,054	3.4%
9	Mercy Hospital-Campus of Plantation General Hospital	916	3.0%
10	West Kendall Baptist Hospital	908	2.9%
Total 12-ZIP Code Area Non-Tertiary Discharges and Share, Top 10 Facilities		25,772	83.5%
All Other Discharges		5,103	16.5%
Total 12-ZIP Code Area Non-Tertiary Discharges		30,875	100.0%
JHS Total 12-ZIP Code Non-Tertiary Discharges and Shares		2,035	6.6%

Source: CON application #10551, page 70

JHW provides two data charts (CON application #10551, pages 71-72, Figures 35 and 36) which breaks down the above table and presents the market share percentage by hospital, PSA ZIP Code and by SSA ZIP Code. Regarding the PSA and SSA ZIP Codes, the applicant indicates that in 2017, a total of 17 hospitals from the PSA and 14 hospitals from the SSA, discharged more than 100 residents of the eight-ZIP Code PSA and four-ZIP Code SSA.

Regarding OB market share, the applicant utilizes the Agency inpatient discharge database to provide the 2017 proposed service area OB discharges and market share for the 10 hospitals that service the highest number of proposed total service area residents. The 10 hospitals are ranked in descending order by discharges below.

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2017 PSA and SSA Combined Obstetrics Discharges and Market Share			
Rank	Hospital Name	2017 Discharges	2017 Market Share
1	South Miami Hospital	996	21.1%
2	Kendall Regional Medical Center	955	20.3%
3	Baptist Hospital of Miami	865	18.4%
4	Mercy Hospital-Campus of Plantation General Hospital	364	7.7%
5	Jackson Memorial Hospital	342	7.3%
6	West Kendall Baptist Hospital	222	4.7%
7	Mount Sinai Medical Center	202	4.3%
8	Palmetto General Hospital	167	3.5%
9	Memorial Hospital Miramar	158	3.4%
10	Hialeah Hospital	150	3.2%
Total 12-ZIP Code Area OB Discharges and Share, Top 10 Facilities		4,421	93.8%
All Other Hospitals		291	6.2%
Total 12-ZIP Code Area OB Discharges		4,712	100.0%
JHS Total 12-ZIP Code OB Discharges and Shares		436	9.3%

Source: CON application #10551, page 73

The applicant provides two charts (CON application #10551, page 74, Figures 38 and 39) which break down the above table and presents the market share percentage by hospital, PSA ZIP Code and by SSA ZIP Code. Regarding the PSA and SSA ZIP Codes, the applicant indicates that in 2017, JHS facilities had a 10.8 percent market share in the PSA and 7.1 percent market share in SSA of OB discharges for residents. The applicant indicates that with JHS already having a presence in the planned service area, it is reasonable that some portion of these patients would choose to seek care closer to their homes and in a brand new state-of-the-art facility.

JHW states that there was an increase in service area market share for patients who were discharged with MS-DRGs that are considered tertiary. Among service area providers, the applicant indicates that JHS ranks third, with KRMC ranking first and attributes this ranking to the fact that KRMC is a provisional Level 1 Trauma Center with a range of specialty services and is able to treat a relatively high acuity of patients. The applicant details the service area market share by facility for tertiary discharges generated in 2017. See the table below.

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2017 JHW Service Area Market Share of Tertiary Discharges			
Rank	Hospital Name	2017 Discharges	2017 Market Share
1	Kendall Regional Medical Center	2,441	23.0%
2	Baptist Hospital of Miami	1,385	13.1%
3	Jackson Memorial Hospital	1,178	11.1%
4	South Miami Hospital	914	8.6%
5	Mercy Hospital-Campus of Plantation General Hospital	595	5.6%
6	Mount Sinai Medical Center	476	4.5%
7	University of Miami Hospital	465	4.4%
8	Nicklaus Children's Hospital	457	4.3%
9	Larkin Community Hospital	445	4.2%
10	Palmetto General Hospital	438	4.1%
All Other Hospitals		1,797	17.0%
Total Tertiary Discharges, 12-ZIP Area Residents		10,591	100.0%

Source: CON application#10551, page 75

The applicant contends that JHS's market share of tertiary discharges compared to non-tertiary discharges from service area providers is evidence that preference for non-tertiary, emergency or routine hospital services is correlated to geographic proximity, while patients are willing to travel further distances for more advanced services or conditions. The applicant maintains that this notion is integral to the provision of a coordinated continuum of care in JHS's hub and spoke model, where patients requiring tertiary and quaternary services are referred from existing JHS facilities in northern and southern Miami-Dade to Jackson Memorial Hospital in downtown Miami.

JHW discusses and provides a July 2015 article from US News and World Report – "Can Your Community Hospital Handle This", (CON application #10551, Exhibit E) detailing the trend and increased need to travel to an academic medical center or tertiary care facility for certain complex conditions or advanced stages of disease. JHS maintains that its main campus has a wide range of highly complex and advanced medical offerings.

The applicant comments on the service area non-tertiary discharges per 1,000 population. Utilizing the Agency inpatient discharge database and Claritas data, JHW indicates that the overall discharge rates per 1,000 population for non-tertiary discharges in the proposed 12-ZIP Code service area are consistent with the Miami-Dade average. However, using the same source and exclusions for 2017 data, the applicant describes how age-specific rates show significant differences in several age cohorts excluding ages 0-17 and 65+. The applicant contends that lower age-specific discharge rates per 1,000 population generated by the service area population as compared to the county average provide some evidence of access issues, given the historical and future projected growth in the service area population.

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JHW provides the proposed hospital's projected utilization noting that it is projected separately for non-tertiary and OB cases. The applicant states that the proposed hospital will reach a total ADC of 37.2 in year one and 57.9 in year two.

Projected Non-Tertiary Utilization

JHW's stated assumptions for projected non-tertiary utilization include:

- Non-tertiary discharge rates for the 0-64 population would remain constant at 2017 levels
- Non-tertiary discharge rates for the 65+ population would experience lowered levels of decline or growth, based on each individual ZIP Code and age cohort's 2014-2017 trend
- Projected non-tertiary ALOS used to project service area patient days and census would remain constant at actual 2017 levels for the proposed 12-ZIP Code area

Concerning non-tertiary utilization estimates, JHW provides 2014-2017 discharges per 1,000 population by age cohort, with an overall average annual growth rate (AAGR) of -2.8 percent (the only positive AARG by age cohort being 0.2 percent for the age 85+ population). The applicant offers 2017 and 2021-2022 non-tertiary discharge estimates per 1,000 population by each ZIP Code and age cohort in the PSA and SSA on pages 81 and 82 of CON application #10551.

The applicant emphasizes that JHS does not assume that the development of a comprehensive continuum of care within the area will stop the decline in elderly use rates in the area, but reasonably assumes that it will slow the rate of decline in the discharge rate of the elderly population. JHW maintains that it did not factor in the likelihood of an increase in overall utilization from the ease of access of the proposed facility—meaning it did not assume that use rates will increase in any age cohort, unless the historical trend of the particular ZIP Code shows growth in the age cohort.

JHW expects 32,307 total non-tertiary discharges at the proposed project by year one and 32,698 total non-tertiary discharges at the proposed project by year two. The applicant provides tables to illustrate these expected totals by identifying the discharge for each distinct ZIP Code. See the figures below.

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2017 Actual Compared to 2021 and 2022 Projected Non-Tertiary Discharges Generated by Residents of the Proposed 12-ZIP Code Service Area			
Area/ZIP Code	Market Discharges		
	2017	2021	2022
PSA			
33122/33172	2,681	2,874	2,925
33126	3,811	3,897	3,919
33144	2,569	2,656	2,679
33166	1,917	2,071	2,117
33174	2,549	2,632	2,653
33178	1,704	1,988	2,069
33182	859	920	935
PSA Subtotal	16,090	17,038	17,297
SSA			
33155	3,676	3,725	3,739
33165	4,984	5,094	5,124
33175	4,462	4,675	4,733
33184	1,663	1,775	1,805
SSA Subtotal	14,785	15,269	15,401
12-ZIP Code Area Total	30,875	32,307	32,698

Source: CON application #10551, page 83

2017 Actual Compared to 2021 and 2022 Projected Non-Tertiary Discharges by Age Cohort Generated by Residents of the Proposed 12-ZIP Code Service Area			
Age Cohort	Market Discharges		
	2017	2020	2021
0-17	1,640	1,690	1,703
18-44	3,687	3,695	3,697
45-64	7,052	7,481	7,593
65-74	5,196	5,441	5,514
75-84	7,004	7,012	7,015
85+	6,296	6,988	7,176
12-ZIP Code Area Total	30,875	32,307	32,698

Source: CON application #10551, page 84

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

The applicant establishes that JHS's combined non-tertiary market share in the proposed total service area is 6.6 percent. The applicant reiterates the high fragmentation in the proposed service area. JHW anticipates capturing an overall non-tertiary market share of approximately 7.9 percent of the total service area discharges in year one and 12.1 percent of discharges in year two. The applicant maintains that these estimates are projected based on geographic proximity and historical experience. The applicant reaches this total service area estimate by a ZIP Code calculation (CON application #10551, page 85, Figure 48). JHW estimates all non-tertiary discharges, ALOS, patient days and ADC for year one and year two as shown below.

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Projected Non-Tertiary Utilization, Excluding OB, Year One (2021) and Year Two (2022) Jackson Hospital West		
Non-Tertiary	2021	2022
Discharges	2,546	3,968
ALOS	4.9	4.9
Patient Days	12,475	19,443
ADC	34.2	53.3

Source: CON application #10551, page 85

Regarding projected OB utilization, JHW provides the following assumptions for projected OB utilization:

- The obstetrics discharge rates by ZIP Code for the 18-44 population would remain constant at 2017 levels through the projection period
- Projected OB ALOS used to project service area patient days and census would remain constant at actual 2017 levels for the proposed 12-ZIP Code area

The applicant reiterates that JHS’s combined OB market share in the proposed total service area is 9.3 and ranks fourth in terms of the proposed service area market share. Based on these considerations, the applicant anticipates capturing an overall OB market share of approximately 8.3 percent of service area discharges in year one which will increase to 12.8 percent in year two. The applicant maintains that these estimates are projected based on geographic proximity, discussions with JHS administration and leadership, and historical experience. JHW estimates all obstetrics discharges, ALOS, patient days and ADC for the first two years of operation as shown below:

Projected Obstetrics Utilization Year One (2021) and Year Two (2022) Jackson Hospital West		
Obstetrics	2021	2022
Discharges	388	597
ALOS	2.8	2.8
Patient Days	1,092	1,681
ADC	3.0	4.6

Source: CON application #10551, page 89

Combined Projected Utilization Summary

JHW combines the proposed project’s non-tertiary and OB estimates by total discharges, ALOS, patient days and ADC for year one and year two in the chart below. The applicant anticipates total occupancy at 37.2 percent in year one and 57.9 percent in year two.

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Projected Overall Utilization, Years 1 and 2 Jackson Hospital West		
Non-Tertiary	2021	2022
Discharges	2,546	3,968
ALOS	4.9	4.9
Patient Days	12,475	19,443
ADC	34.2	53.3
Obstetrics		
Discharges	388	59.7
ALOS	2.8	2.8
Patient Days	1,092	1,691
ADC	3.0	4.6
Non-Tertiary and OB		
Total Discharges	2,934	4,565
Total ALOS	4.6	4.6
Total Patient Days	13,567	21,124
Total ADC	37.2	57.9
Total Beds	100	100
Total Occupancy	37.2%	57.9%

Source: CON application #10551, page 90

JHW reiterates having not only relied upon redirection of current service area residents treated in JHS facilities to reach its projected volume—although the applicant contends that it is reasonable to assume that 75 percent of these 335 ADC patients would choose JHW as opposed to a more distant JHS facility. The applicant concludes that this 75 percent estimate would result in a redirected census of 26 patients. The applicant maintains that this calculation serves as a reasonability test to the conservative nature of its proposed project projections. See the figure below.

Potential Effect of Redirection from Other JHS Facilities to JHW ADC Non-Tertiary and Obstetrics Patients	
JHW Projected Year 2 (2021) ADC	57.9
2017 JHS Non-Tertiary and OB ADC from 12-ZIP Area	35.2
Percent Redirection from JHW	75.0%
Redirected ADC to JHW	26.4
Percent of JHW ADC Resulting from Redirection	45.5%

Source: CON application #10551, page 91

The applicant anticipates that in total, there will be a net loss in ADC of approximately 30.0 patients spread among more than 100 hospitals, in the proposed project’s second year of operation. JHW contends that in order to calculate impact, JHW’s discharges (4,565) were subtracted from the projected market cases (37,379) to calculate the number of discharges remaining for each existing provider (32,814). Based on the Agency inpatient discharge database for 2017 and considering incremental growth and market share shift, the applicant provides the projected impact on the top 15 providers within the total service area for year two of operation. See the figure below.

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Projected Impact on the Top 15 Service Area Providers Considering Incremental Growth and Market Share Shift Only Effect on Patient Census by 2022 (Year 2)					
Hospital Name	Service Area Non-Tertiary and OB			Total Hospital	Lost ADC
	2017 ADC	Change	2022 ADC	2017 ADC	% of Total Hospital
Kendall Regional Medical Center	117.1	(6.5)	110.6	285.4	-2.3%
Baptist Hospital of Miami	83.9	(5.5)	78.4	464.0	-1.2%
Coral Gables Hospital	24.9	(3.1)	21.8	165.4	-1.8%
South Miami Hospital	34.0	(2.8)	31.1	81.6	-3.5%
Doctor's Hospital	27.6	(2.5)	25.0	102.6	-2.5%
Jackson Memorial Hospital	27.2	(2.6)	24.6	666.8	-0.4%
University of Miami Hospital—UHealth Tower	17.7	(1.4)	16.4	253.4	-0.5%
Nicklaus Children's Hospital	10.8	(0.7)	10.1	122.1	-0.5%
Mercy Hospital-Campus of Plantation General Hospital	15.5	(1.6)	13.9	138.1	-1.2%
Westchester General Hospital	13.1	(1.0)	12.2	93.9	-1.0%
West Kendall Baptist Hospital	12.3	(0.5)	11.8	24.4	-2.0%
Hialeah Hospital	10.7	(1.3)	9.5	137.0	-0.9%
Palmetto General Hospital	8.5	(0.7)	7.7	290.4	-0.3%
Mount Sinai Medical Center	10.7	(0.9)	9.7	173.0	-0.5%
Jackson South Medical Center	7.1	(0.5)	6.6	124.9	-0.4%
All Other Hospitals	23.5	(1.5)	22.0		
Total All Hospitals	444.5	(33.0)	411.6		

Source: CON application #10551, page 93

The applicant states that it is important to note that the analysis of adverse impact does not account for any overall increases in utilization between 2017 and 2022 at any existing provider. JHS assumes that each provider's total ADC before the project's impact would remain constant at 2017 levels. The applicant contends that given the minimal lost patient days/ADC projected on existing providers the proposed hospital will have minimal impact on existing providers.

JHW maintains that the projections above illustrate a "worst-case" scenario for existing providers, as each hospital experiences a decline in census that is in proportion to the current service area market share distribution. The applicant indicates that providers who discharge higher volumes of service area residents are assumed to experience a higher rate of loss of discharges upon implementation of this proposal.

The applicant asserts that the development of JHW is responsive to changing models of health care delivery and focused on population health and disease management, which are both achieved through a highly integrated and coordinated care delivery system. The applicant contends that the community benefits of the development of the proposed hospital in western Miami-Dade far outweigh any impact.

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Rationale #4: *Jackson West provides additional opportunity for partnership with the University of Miami's (UM) Miller School of Medicine*

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

The applicant explains that the relationship between JHS and the UM's Miller School of Medicine has enabled JHS to bring world-class academic medicine to everyone in Miami-Dade County and enabled JHS's flagship hospital to develop as a major tertiary and quaternary care center, benefiting the community and the region.

The applicant provides an August 31, 2017 Letter of Intent (LOI), signed by parties, between the Public Health Trust of Miami-Dade County, Florida - the Trust - and the University of Miami - the Institution - (CON application #10551, Exhibit F). A review of the LOI indicates that the Trust and the Institution, "agree to collaborate and cooperate with regards to the provision of inpatient and outpatient community health clinical services as required by the Trust to the west Miami-Dade area, including but not limited to the Jackson West campus". The reviewer notes that the LOI does not expressly address serving as a rotation site for various UM medical residencies. The reviewer additionally notes that #8 of the two-page LOI specifically states that:

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

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

Rationale #5: *There is strong physician and community support for the proposed 100-bed acute care hospital located at Jackson West.*

- The applicant notes that JHW received numerous letters of support for the proposed project from a variety of people including physicians, elected officials, community residents, current and former JHS patients, community business owners and employees, community organizations, as well as JHS employees
- According to the applicant, the letters speak to the lack of access for in- and outpatient services within the proposed service area and the benefits of the development of a full-service medical home model including inpatient beds in the Doral/western Miami-Dade

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The applicant contends that the proposed 100-bed hospital will increase JHS's ability to meet the needs of the communities that rely so heavily upon it for everything from physician's office visits to organ transplants.

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 healthcare for the residents of the service district.**

ss. 408.035(1)(e) and (g), Florida Statutes.

East Florida-DMC, Inc. (CON application #10550) states the proposed project will foster competition that promotes quality and cost-effectiveness and offer accessible inpatient and outpatient services to the Doral community. The applicant maintains that it will draw on the resources of HCA to enhance the cost efficiency of the services provided. DMC notes that it will coordinate services with KRMC, which is the largest provider of inpatient services to the proposed service area population. The applicant maintains that because there is an existing base of physicians located in the proposed service area that support the project, DMC will be able to achieve efficient levels of utilization. The applicant asserts that through its expertise in developing new community hospitals in Florida and throughout the country, HCA will bring innovative facility designs and service delivery to DMC.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) states that the proposed facility was planned in response to the needs of the western Miami-Dade community and to ensure accessibility of high quality health services for residents of the proposed area. The applicant states that JHS partnered with the Health Council of South Florida to develop the 2015 Community Health Needs Assessment in order to fully identify the needs of the individual communities within Miami-Dade County. JHS indicates that the assessment was developed using surveys of residents, community leaders, stakeholders, in-depth interviews with key JHS executives and analysis of demographic and utilization data for the area.

The applicant indicates that one of the five priority areas identified for JHS was in the western Miami-Dade area where there is a lack of a dedicated health care delivery system. JHS maintains that this includes the lack of emergency services, primary care, specialty services and inpatient care within the proposed service area. The applicant identifies a need to bring resources closer to communities, thus reducing the need for patients to travel to existing facilities. JHS notes the need for specific

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services in western Miami-Dade and the type of continuum of care that would be most coordinated, efficient and cost-effective for patients, payers and the system. The applicant maintains that the inclusion of primary care (both acute and chronic), specialty clinics, diagnostics, treatment and a freestanding emergency department will provide unprecedented access to services for residents of the proposed service area who typically have to travel outside of the immediate community, in heavy traffic, to receive care.

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

- Creation of a continuum of care access point that is convenient for residents of the area
- Enhancement of more efficient and timely movement within the continuum of care
- Encouragement of better coordination of care when higher level specialty care or inpatient admission is required
- Better health status of the population in the area and enhanced outcomes when interventions are required.

JHW contends that all of the above mentioned goals have a direct impact on cost-effectiveness of care. The applicant indicates that increased access to preventative care and chronic disease management in the earlier stages of illness are crucial to the management of costs and charges for patient care. The applicant ensures that the proposed facility will enhance access to health care for the residents of the service district and will promote quality of care and cost-effectiveness. JHW comments that easily accessible services typically encourage earlier utilization of health care services and interventions, which ultimately promote overall health, as well as provide increased patient choice and competition in the area, which benefits patients with regards to cost and quality of health services.

The applicant maintains that the proposed project will significantly benefit from the JHS academic affiliation. JHS states to have over 1,110 residents and fellows actively training. The applicant maintains that while JHW will not be a statutory teaching hospital, core philosophy and programs that comprised this constellation of medical services and care

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will be an integral part of JHW. The applicant indicates that the proposal will ensure that patients have a choice of providers with different philosophies, resources, values and objectives, as well as increase efficiency and cost-effectiveness for patients and the provider.

- 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 each co-batched applicant's affiliated hospitals and District 11 overall, in fiscal year (FY) 2017 by data from the Florida Hospital Uniform Reporting System (FHURS).

Medicaid, Medicaid HMO and Charity Data for East Florida DMC-Inc., (CON application #10550), Jackson Memorial Hospital (CON application #10551) and District 11 FY 2017				
Applicant/Area	Medicaid and Medicaid HMO Days	Medicaid and Medicaid HMO Percent	Percent of Charity Care	Percent Combined Medicaid, Medicaid HMO and Charity Care
JMH	173,563	38.57%	7.95%	46.52%
HCA	27,484	23.85%	2.52%	26.37%
District 11 Total	453,237	24.86%	4.02%	28.86%

Source: Agency for Health Care Administration FHURS

The table below illustrates the co-batched applicant's state fiscal year (SFY) 2017-2018 low-income pool (LIP) and disproportionate share hospital (DSH) program participation, as of November 11, 2018 are presented below.

The Public Health Trust of Miami-Dade County, Florida (CON application #10551) for Jackson Memorial Hospital (JMH) and HCA East Florida Division Hospitals (CON application #10550) LIP and DSH Program Participation SFY 2017-2018		
Program/Facility	Annual Total Allocation	Year-to-Date Total Allocation as of November 11, 2018
LIP/HCA	\$149,494*	\$149,494*
LIP/JMH	\$104,092,579	\$104,092,579
DSH/HCA	--	--
DSH/JMH	\$64,445,617	\$64,445,617

Source: Agency Division of Medicaid, Office of Program Finance

*Total includes HCA's District 11 hospitals, Kendall Regional Medical Center and Aventura Hospital and Center

As shown in the table above, HCA affiliated District 11 hospitals were not disproportionate share hospitals. Both applicants have drawn the entirety of their SFY 2017-2018 LIP allocations and JHS has drawn the entirety of DSH allocations for the same time period.

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East Florida-DMC, Inc. (CON application #10550) states that HCA’s affiliated hospitals in the service area have a history of providing care to Miami-Dade residents regardless of payor source. The applicant asserts that Miami-Dade affiliates served 8,122 Medicaid patients in 2017, accounting for 17.9 percent of its total patient days. DMC notes that EFD facilities served 3,503 self-pay patients, approximately 7.7 percent of its total patient days. The applicant provides the following table to show payor mix for HCA Miami-Dade County hospitals for CY 2017.

2017 HCA Miami-Dade County General Acute & OB Payor Mix		
Payor	Discharges	Percent
Medicare/Medicare HMO	22,870	50.5%
Medicaid/Medicaid HMO	8,122	17.9%
Commercial/HMO/PPO	9,262	20.4%
Self-Pay/No Pay	3,503	7.7%
All Other	1,544	3.4%
Total	45,301	100.0%

Source: CON application #10550, page 134

The applicant reports that HCA EFD facilities provided \$302,250,000 in charity and uncompensated care and served 291,092 Medicaid patients and 167,773 uninsured patients in 2016. HCA’s EFD facilities in Miami-Dade County provided \$91,574,000 in charity and uncompensated care for 2016. The reviewer notes that the applicant did update these figures to show 2017 data. Below, the applicant provides the projected payor mix for the first year of operation (2023) of the proposed facility.

East Florida DMC-Projected 2023 Non-Tertiary Payor Mix Percentage						
ZIP Code	Medicare	Medicaid	Commercial	Self-Pay/No Pay	Other	Total
PSA	46.5%	15.0%	26.1%	7.5%	5.0%	100.0%
SSA	54.8%	13.4%	19.2%	6.4%	6.2%	100.0%
Total	48.3%	14.6%	24.6%	7.3%	5.2%	100.0%
East Florida DMC-Projected 2023 OB Payor Mix Percentage						
ZIP Code	Medicare	Medicaid	Commercial	Self-Pay/No Pay	Other	Total
PSA	0.0%	35.9%	51.8%	11.4%	0.8%	100.0%
SSA	0.0%	57.4%	40.3%	2.0%	0.2%	100.0%
Total	0.0%	39.2%	50.1%	10.0%	0.7%	100.0%
East Florida DMC-Projected 2023 Non-Tertiary and OB Payor Mix Percentage						
ZIP Code	Medicare	Medicaid	Commercial	Self-Pay/No Pay	Other	Total
PSA	39.4%	18.2%	30.0%	8.1%	4.4%	100.0%
SSA	49.0%	18.1%	21.4%	5.9%	5.5%	100.0%
Total	41.3%	18.2%	28.3%	7.7%	4.6%	100.0%

Source: CON application #10550, page 135

The applicant indicates that HCA affiliates consider patients with income less than 200 percent of the Federal Poverty Level who are having non-elective procedures to be eligible for charity care. DMC maintains that HCA affiliates also offer discounts to uninsured patients who are not eligible for charity care or Medicaid. The applicant notes that all self-pay patients, excluding those receiving elective cosmetic procedures, hospital designated self-pay flat rate procedures and scheduled/discounted procedures for international patients, will receive a managed care like discount. DMC indicates that the proposed facility will serve any

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Medicaid/Medicaid HMO, charity care and uninsured patients who require health care services and will utilize the same charity care policies and uninsured discount policies as other HCA affiliated facilities.

DMC has conditioned this application on providing care to non-pay classified patients at not less than 3.2 percent of discharges and care to Medicaid and Medicaid managed care classified patients at not less than 22 percent of discharges. The applicant affirms it will seek to serve all patients who are currently experiencing problems accessing hospital care or OB hospital services in Doral and the projected service area.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) states that in addition to providing a broad and integrated array of high-quality services and programs, JHS brings a not-for-profit focus to its health care services, ensuring that services are available to all residents, including the vulnerable, indigent, elderly and transient populations. The applicant indicates that it will maintain its charitable mission with the proposed 100-bed hospital by providing a significant amount of care to populations that are uninsured or underinsured. JHS notes that it is the largest provider of bad debt, charity (17.6) and Medicaid (33.2 percent) in the state, in terms of percent of total revenue. Based on the most recent FHURS, LIP and DSH data shown above, the Agency concurs that the applicant is a significant provider of medical services to the medically indigent, underinsured, and uninsured population in Miami-Dade County.

The applicant notes again that JHS currently serves a large number of Jackson Prime patients who reside within the proposed 12-ZIP Code service area. Stating the use of FHURS data, the applicant provides the figure below which details the four-year financial access history of JHS's three referenced hospitals. See the table below.

**Jackson Health System Patient Access Indicators
Fiscal Years Ended September 30, 2014-2017**

JHS Patient Access Indicators, FY Ended September 30, 2014-2017				
Admissions	FY 2014	FY 2015	FY 2016	FY 2017
Medicaid	8,308	3,045	11,126	10,709
Medicaid CMO	7,529	13,459	15,462	15,785
Mcaid + Mcaid CMO Admissions	15,837	16,504	26,588	26,494
Total Admissions	56,432	58,091	63,728	65,762
Mcaid + Mcaid CMO % of Total	28.1%	28.4	41.7%	40.3%
Bad Debt	\$471,097,788	\$561,105,056	\$542,762,519	\$536,998,289
Charity Care	\$317,445,225	\$322,019,247	\$342,068,704	\$334,730,106
Total Bad Debt + Charity Care	\$788,543,013	\$883,124,303	\$884,831,223	\$871,728,395

Source: CON application #10551, page 116

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JHS expresses a commitment to the provision of care to all Miami-Dade County and provides tables on page 117 of CON application #10551, depicting the provision of bad debt, charity and Medicaid services charges by the top 10 providers of these provisions based on FY 2016 FUHRS data. The applicant points out that compared to the next closest providers in rank order, JHS provided nearly two to four times the dollar amount of charity care, combined bad debt and charity care and Medicaid.

Regarding the applicant's provision of non-pay and Medicaid patient access to the total proposed service area, CON application #10551 conditions (Condition #4, a. and b.), as follows:

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

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

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

East Florida-DMC, Inc. (CON application #10550) indicates that it has provided a detailed and complete description of the proposed 80-bed facility in the previous sections of the application. DMC states that the proposed facility will be located in ZIP Code 33178, and that the PSA and SSA have been identified by ZIP Code. DMC expects to draw at least 75 percent of its patients from the PSA and another 20 percent of patients are projected to come from the SSA. DMC assumes a five percent in-migration factor, reflecting the expectation that some patients will be from other states and countries given Miami-Dade's role as a tourist destination. See the table below.

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Doral Medical Center Projected Service Area ZIP Codes and Market Share Zones		
MS Zone	ZIP Code	Service Area Designation
1	33172	PSA
	33178	PSA
	33182	PSA
2	33174	PSA
	33184	PSA
	33194	SSA
3	33126	SSA
	33144	SSA
	33185	SSA
4	33010	SSA
	33012	SSA
	33016	SSA
	33018	SSA
	33165	SSA
	33166	SSA
	33175	SSA

Source: CON application # 10550, page 78

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) previously indicated ZIP Code 33122 as the location of the proposed project as well as the corresponding PSA and SSA, by ZIP Codes. JHW estimates that in year one and in year two, roughly 77 percent of total discharges will originate from residents in the PSA and for the same time period, 23 percent of total discharges will originate from residents in the SSA. See the table below.

JHW Proposed Primary and Secondary Service Area Discharges		
Primary Service Area/ZIP Code	2021	2022
33122/33172	440	686
33126	580	896
33144	286	443
33166	305	478
33174	289	448
33178	260	412
33182	103	160
PSA Subtotal	2,263	3,523
Secondary Service Area/ZIP Code		
33155	178	276
33165	218	336
33175	199	310
33184	76	120
SSA Subtotal	671	1,042
12-ZIP Area Total	2,934	4,565
% From PSA	77.1%	77.2%
% From SSA	22.9%	22.8%

Source: CON application #10551, page 119

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The applicant notes that ZIP Codes 33122 and 33172 are shown combined due to the fact that 33122 has very little population and generates very few discharges on an annual basis. The reviewer notes that according to the United States Bureau of Census “American FactFinder” website at

https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml#_af=33122, the census 2010 total population of ZIP Code 33122 was one and the population of ZIP Code 33172 was 37,664. The applicant contends that ss.408.037 (2), Florida Statutes, has no reference to discharges being sorted by ZIP Codes, from largest to smallest volume. JHW provides a short excerpt of the referenced statute (CON application #10551, page 120). The applicant illustrates ZIP Codes from highest to lowest volume, with the corresponding cumulative totals for year two (2022). See the table below.

JHW Projected Discharges by ZIP Code Sorted in Descending Order			
Area/ZIP Code	Area	Year Two 2022	Cumulative Percent of Total
33126	PSA	896	19.6%
33122/33172	PSA	686	34.7%
33166	PSA	478	45.1%
33174	PSA	448	54.9%
33144	PSA	443	64.6%
33178	PSA	412	73.7%
33175	SSA	336	81.0%
33165	SSA	310	87.8%
33155	SSA	276	93.9%
33182	PSA	160	97.4%
33184	SSA	120	100.0%
12-ZIP Area Total		4,565	

Source: CON application #10551, page 121

The applicant discusses (CON application #10551, page 121) the expected volume totals of some of the stated ZIP Codes and indicates that it would not be appropriate to include ZIP Code 33175 in JHW’s proposed PSA since it is geographically farther away from the proposed project than ZIP Code 33182 and has an acute care hospital. The reviewer confirms that according to the Agency’s HealthFinder.gov website, ZIP Code 33175 is the location of KRMC. JHW maintains that the projected utilization at the proposed hospital is not solely reliant on a particular ZIP Code being classified within a PSA or SSA designation, therefore that the projected utilization would not change based on movement of a ZIP Code from its designation as primary or secondary.

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.

East Florida-DMC, Inc. (CON application #10550): The Agency received three detailed written statements of opposition (DWSOs) to CON application #10550. All documents were received timely pursuant to 408.039 (3)(c), Florida Statutes. The statements were received from:

- A joint letter of opposition was submitted on behalf of the Miami Medical Center (MMC) and Variety Children's Hospital d/b/a Nicklaus Children's Hospital (NCH) in Miami, Florida
- The Public Health Trust of Miami-Dade County, Florida
- A joint letter of opposition on behalf of three Tenet Healthcare Corporation (Tenet) hospitals: Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital

Each DWSO is briefly summarized below.

MMC and Variety Children's Hospital d/b/a NCH submitted a joint DWSO to CON application #10550. The opposition states that DMC's primary argument is to serve a growing population of Doral, yet does not provide any information, data, anecdotes or substantive facts to demonstrate that residents of Doral do not have reasonable access to existing hospitals in the subdistrict. Opposition indicates that the information presented in CON application #10550, including area hospital utilization, travel time, access to KRMC and other hospitals and decreasing use rates among other details support the denial of the applicant's proposal. The opposition provides the following statements against the approval of the proposed hospital. The reviewer notes the similarity to opposition provided by Tenet.

- The applicant failed to provide bed need methodology (as required by rule) for non-tertiary, pediatric, OB and emergency services that supports approval of the proposal.
- The hospital will not foster competition that promotes cost-effectiveness or quality of care.
- Existing area hospitals are sufficiently equipped, staffed and operated to provide the necessary services to the entirety of the subdistrict, including the applicant's proposed service area.

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- The hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as DMC failed to demonstrate barriers to access to existing acute care hospitals.
- Data and substantive facts prove that there are available, nearby quality hospitals which are reasonably accessible to residents of the proposed service area.
- The addition of three freestanding EDs in the Doral area will provide three new hospital access points for service area residents.
- Medical treatment trends for inpatient services are decreasing at a rate greater than the population increase.
- DMC will not offer anything different than what is already readily available at multiple hospitals throughout the service area including KRMC, which is within the applicant's proposed service area.
- CON application #10550 failed to meet 408.037(2), Florida Statutes, as it relates to the definition of the service area for a new hospital.
- MMC will accept Medicaid and Medicare patients and provide quality care for inpatients and outpatients upon re-opening.

MMC and NCH provide a summary of opposition to the proposed project and offers statistical data in several categories indicating that the proposed project would create duplication of pediatric services. NCH states to have previously opposed DMC's two previous applications and continues to oppose the applicant's proposal. Opposition asserts that the proposed new hospital will have a material and substantially adverse effect on MMC and NCH.

NCH indicates that the proposed project by DMC will be a duplication of readily available and accessible pediatric services. As a specialized pediatric hospital, NCH states that it currently has a 60 percent market share of inpatient volume originating from DMC's proposed service area, as well as 47.1 percent of outpatient emergency department market share and 62.3 percent of outpatient surgical volume. The opposition states that during its most recent ownership, Miami Medical Center had 20 percent of inpatient cases originating in DMC's proposed service area. The reviewer notes that, with the exception of the second quarter of 2017 in which the Agency received no data, the number of patient days reported by MMC was between 184-659 of a total available 6,210 patient days for MMC's brief period of active licensure.

The opposition indicates that it is unique because of its dedicated physicians and nurses who are passionate about providing innovative care to children. NCH notes that its programs are ranked among the top 10 in the nation in pediatric subspecialties and includes a list of achievements on pages 14-22 of the submitted DWSO. Opposition cites the depth and impact of its outreach program and provides several examples of their dedication to serving pediatric patients throughout

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south Florida and the state. NCH contends that it is the leading provider of healthcare services for medically needy children and contributes \$20 to \$32 million annually in uncompensated care.

NCH attests that it plays a role in the Doral area and has its comprehensive outpatient center located in Doral ZIP Code 33178, within the same ZIP Code area as the proposed DMC campus (just one mile to the southeast of the proposed DMC hospital site).

Opposition discusses the applicant's target population, noting that DMC forecast a 34 percent market share by 2023 within Doral. NCH states that based on the forecasted utilization, the applicant could anticipate an ADC of 18.5 patients, rising to 24.4 patients if forecasting 75 percent utilization—not sufficient to justify the approval of CON application #10550.

To further demonstrate the lack of need for the proposed hospital, opposition notes that Miami-Dade County has eight freestanding EDs licensed or under development, six being located in DMC's proposed service area, noting that these freestanding EDs establish various hospital access points within the service area that did not exist prior to the applicant's previous CON applications.

NCH states having conducted a travel assessment and maintains that residents of DMC's proposed service area have reasonable access, noting that there are at least 12 medical surgical hospitals within 20 minutes of the proposed hospital site. The opposition refutes DMC's claim that area residents have "barriers to access" and provides charts and maps to illustrate the geographic accessibility of area hospitals.

In estimating the impact on MMC and NCH, opposition analyzed DMC's forecasted utilization by ZIP Code for non-tertiary and OB cases and applied DMC's projected market shares. The opposition provides several examples of factors not included in the baseline which will ultimately impact existing area hospitals, which include:

- If use rates decline further than estimated by DMC, which is likely given current patterns, then DMC market share must increase to meet the same market forecast. Increased market shares at DMC further increase the negative impact at MMC and NCH.
- If the OB use rate decreases, DMC's market share must increase to meet the same OB forecast.
- Increased market shares at DMC negatively impact the high risk OB program under development at NCH.
- Impact on MMC would increase if market share estimates in the SSA are understated, some of which is likely given the contiguous ZIP Codes, proximity and roads.

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- Consideration for tertiary services and referral are not included in the baseline. This will have a significant impact on NCH's pediatric trauma service, NICUs and other pediatric subspecialties.
- Impact to MMC will be between 10 to 20 percent of anticipated utilization in 2023.
- DMC's estimated financial impact on NCH will range between four and five million per year, affecting both inpatient and outpatient utilization.

The reviewer notes that NCH is a Class II Specialty Children's Hospital—one of only five in the state and the only one located in south Florida. It is unclear to the reviewer the significance of the impact on such specialized children's services by the community hospital it opposes.

The opposition shares the sentiment expressed in Tenet's DWSO, NCH states that in addition to the impact on utilization and the resulting financial implications, approval of the proposed hospital would impact both MMC and NCH in its staffing and recruitment.

Opposition reiterates that CON application #10550 failed to meet the CON statutory review criteria as provided in 408.035(2), Florida Statutes. NCH notes that the applicant failed to provide a need methodology and only provided estimated future use rates—those use rates do not support the addition of licensed beds within the subdistrict. Opposition also questions why the applicant failed to include the contiguous ZIP Code of 33155 which has the majority of pediatric admissions from its proposed service area. NCH contends that DMC did not prove that the residents of the area do not have reasonable access to existing hospital services in the subdistrict and failed to demonstrate that there were any geographic, financial, programmatic or cultural access barriers for residents of its proposed 16 ZIP Code service area.

The Public Health Trust of Miami-Dade County, Florida submitted a DWSO to DMC's application. JHS indicates that DMC's current application (#10550) does not contain any new information that is supportive of the approval of its application and contends that DMC's application is misleading and is a manipulative representation of data. Opposition maintains that DMC's application contains updated data to account for the additional quarters of Agency data that became available between the filing of the second and third CON application.

JHS states it analyzed more recent data for its proposed 12-ZIP Code service area which confirms that there was no material change and that the data trend was accurate and supportive of its analysis and position. Opposition questions DMC's level of commitment to the population it proposes to serve and cites CON application #9675 submitted by Kendall Healthcare Group (an HCA affiliate), to build an 80-bed facility in the

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western portion of Miami-Dade County—but the CON was never implemented or constructed. JHS maintains that the fact that HCA did not build the awarded facility and now chooses to re-file to build a hospital in the same area calls into question HCA’s true commitment to serve the needs of the residents of the Doral community.

Opposition notes that DMC proclaimed to be the superior applicant in the development of a hospital in western Miami-Dade. JHS adamantly disagrees with DMC’s assessment and finds much of its justification for approval is superficial and misconstrued. JHS specially addresses claims made by DMC and counters with the following:

- JHW’s site is an easily accessible location for a hospital and is well-positioned to serve the large and growing population in and around Doral.
- JHW will be established through a transfer of existing licensed bed capacity within the JHS, thus resulting in efficient use of operational capacity.
- JHS’ management team has unprecedented expertise and leadership that has resulted in a significant financial turnaround and a new system-wide focus on strategic growth and long-term viability.
- JHS is the best candidate to serve all residents of the western Miami-Dade area and is the most financially accessible health system in the county, as well as one of the most financially accessible systems in the state.
- JHS has an infrastructure, affiliated physicians with primary offices in the proposed 12-ZIP Code service area and has a commitment from the University of Miami’s Miller School of Medicine to collaborate on expansion of specialty and sub-specialty presence in the area.
- HCA charity and indigent care historical experience pales in comparison to JHS.
- DMC’s project will have negative impact on existing providers.
- Development of JHW by JHS will have no material impact on existing providers.
- DMC’s project lacks positive impact on local economy/development and community benefit.
- DMC’s conclusion regarding historical patient preference is misleading, as it indicates that market share is the only indicator of patient preference.
- DMC’s CON application failed to meet 408.037(2), Florida Statutes, as it relates to the definition of the service area for a new hospital.

JHS comments on the co-batched applicant’s proposed service area, stating that despite the bed need demonstrated by DMC without regards to population growth, DMC continues to support the need for only their

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80-bed hospital in the community. Opposition contends that if DMC's bed need calculations are accurate and DMC's hospital was approved and implemented, high occupancy would immediately be reached.

Opposition notes that DMC indicates that the proposed hospital will significantly alleviate existing capacity constraints at KRMC projecting that CON application #10550 will reduce KRMC's discharges by 1,086, resulting in an ALOS of 4.8 (a reduction of ADC of 14, which reduces occupancy by only three percent). JHS maintains that this impact is minimal and will not significantly improve KRMC's occupancy challenges, negating DMC's argument that their 80-bed hospital is needed to reduce KRMC's occupancy rate.

JHS provides a detailed comparison of each co-batched applicant's "Conditions Predicated Upon Award" and notes that DMC significantly changed its conditions from their first CON application #10394 related to financial accessibility. Opposition maintains that this calls into question DMC's real commitment to the population of the proposed service area. JHS maintains that its financial accessibility conditions are consistent between the three previously submitted CON applications--highlighting JHS' continued commitment to the provision of care to the under and uninsured residents of the communities it serves.

JHS states contrary to DMC's claims that JHW will add burden to tax payers, JHS indicates that expanding the JHS network will actually lower its dependence on public funds, not increase it. Unlike for-profit HCA, JHS has proven that health care systems do not have to ration care to the uninsured in order to have sound financial operations.

Opposition maintains that JHS has committed to placing its proposed hospital on a full service campus, enhancing continuity of care by co-locating outpatient specialty care, walk-in treatment, diagnostic, imaging and other comprehensive services. Opposition indicates that it is committed to serving the full range of patients equally, including contracting with all managed Medicaid providers and will accomplish a single high standard of care for all patients. JHS notes that its application is committed to expanding healthcare access in an underserved part of Miami-Dade by using its new facility to lower taxpayer cost by increasing access to the historically underserved.

Tenet's DWSO indicates that three Tenet hospitals (Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital) would each be substantially and adversely affected by the approval of CON application #10550. Opposition states that the application submitted by DMC is the

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third attempt at applying to establish a hospital in Doral³ and notes that CON applications (#10394 and #10432) were preliminarily denied by the Agency. The opposition maintains that the arguments made by DMC in the current application are identical to CON applications 10394 and 10432, with the primary difference being updated data for the 18-month passage of time. Tenet notes that its opposition is similar to the DWSOs submitted to DMC's previous applications.

The opposition states that DMC's primary argument for approval of the proposed hospital is to serve a growing population of Doral. Opposition indicates that the Doral population represents a small portion of DMC's service area and points out that DMC's traffic engineer report reveals that Doral's population is far less dense compared to areas north and south of Doral. As such, the opposition maintains that residents of the surrounding areas have more immediate access to other existing hospitals. The opposition provides the following statements against the approval of the proposed hospital. The reviewer notes the similarity to opposition provided by MMC/NCH.

- DMC does not provide any information, data, anecdotes or substantive facts which demonstrate that residents of Doral do not have reasonable access to existing hospitals in the subdistrict.
- The forecasted utilization and market share used by DMC to quantify its utilization (admissions, ADC, occupancy) does not provide bed need methodology that supports the addition of a new general acute care hospital to the service area.
- DMC does not provide any methodology need for non-tertiary, pediatric, OB and emergency services in the subdistrict.
- The applicant failed to meet the CON Statutory Review Criteria as provided in Section 408.035, Florida Statutes, for new general acute care hospitals.
- The hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as DMC failed to demonstrate barriers to access to existing acute care hospitals.
- Data and substantive facts prove that there are available, nearby quality hospitals which are reasonably accessible to residents of the proposed service area.
- The existing service area providers are sufficiently equipped, staffed and operated to provide the necessary services to the entirety of the subdistrict including the applicants proposed service area.
- Three separate freestanding EDs⁴ are planned/in development in the Doral area, providing three new hospital access points for service area residents.

³ The reviewer notes that East Florida DMC previously submitted CON applications to establish a new acute care hospital in the City of Doral in August 2015 and February 2016 hospital batching cycles.

⁴ The reviewer notes that Kendal Regional Medical Center, Jackson West and Baptist Health South Florida have each developed freestanding EDs

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- The hospital will not foster competition that promotes cost-effectiveness or quality of care.
- DMC will not offer anything different than what is already readily available at multiple hospitals throughout the service area including at KRMC, which is within the applicant's proposed service area.
- KRMC has physical space to construct additional beds if needed.

Tenet conveys that in the absence of unmet need in the service area, the applicant's proposal and forecasted utilization will be entirely at the expense of the other service area providers. The opposition indicates that Tenet's affiliate hospitals will be materially, substantially and adversely affected with the approval of the applicant's proposed hospital. The opposition provides several examples of factors not included in the baseline which will ultimately impact existing Tenet hospitals, which include:

- If use rates decline further than estimated by DMC, which is likely given current patterns, then DMC market share must increase to meet the same market forecast.
- Impact on Tenet hospitals would increase if market share estimates in the SSA are understated, some of which is likely given the contiguous ZIP Code areas, proximity and roads.
- Consideration for tertiary services and referral are not included in the baseline. Both Hialeah Hospital and Palmetto General Hospital have neonatal intensive care units (NICUs). Diversion or loss of OB cases will result in some loss of NICU cases.
- Palmetto General has an extensive invasive cardiology program. Loss of non-tertiary cases or medical cardiology cases could result in loss of these incremental cases as the patient will likely be referred within the HCA system.
- Both Palmetto General and Hialeah Hospital have psychiatric units. While not proposed for East Florida-DMC, any presenting cases in the ED will likely be referred within the HCA system.
- Tenet hospitals would lose inpatient and outpatient revenue as well as contribution margin.

Citing the utilization of Agency inpatient data, opposition analyzed the applicant's proposed service area utilization, specifically non-tertiary and OB discharges for CY 2015 through 2017—noting that overall, non-tertiary and OB volumes have declined in both the PSA and SSA. The opposition provides the following summary regarding service area utilization between 2015 and 2017:

- Non-tertiary cases declined by 530 cases in the PSA and 3,480 in the SSA
- OB volume in DMC's proposed service area declined by 253 cases
- Discharge use rates per 1,000 population have declined across almost every proposed service area ZIP Code

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- Non-tertiary discharge use rates per 1,000 have declined across each age cohort in the overall service area
- The 65+ age cohort use rates have declined up to 11 percent

Tenet notes that DMC has conditioned approval to provide a minimum of 3.2 percent of its discharges to non-pay patients as well as provide a minimum of 22 percent discharges to Medicaid and Medicaid managed care patients. Opposition highlights that DMC is not precluded from adding beds, services or providing tertiary and quaternary services which would further impact Tenet hospitals. Opposition concludes by stating the applicant's limiting the CON approval to just three conditions supports that nothing new is being added to the community by CON application #10550 that is not already available to residents of this vast proposed service area.

Opposition states that in addition to the impact on utilization and the resulting financial implications, approval of the proposed hospital would impact Tenet hospital's staffing and recruitment, as there are currently significant nursing shortages in specialty areas including emergency room care, critical care and operating room care. The opposition suggest that the re-opening of Miami-Medical Center⁵ in 2019 (providing adult and pediatric non-tertiary services) will place additional pressures on staffing and recruitment, as well as impact the nursing and ancillary pool of area professionals. Opposition contends that DMC did not demonstrate that the residents of the area do not have reasonable access to existing hospital services in the subdistrict or that any geographic, financial, programmatic or cultural access barriers for residents of its proposed 16 ZIP Code service area exist. Opposition maintains that while none of the three Tenet hospitals are physically located in the East Florida-DMC's PSA, all three are accessible to some or all of the proposed service area.

Tenet includes a summary of the Final Order pertaining to CON application #10394 and gives a brief history and list of accolades for the three opposing Tenet facilities.

Opposition reiterates that CON application #10550 is not supported by statutory and/or rule criteria or reasonable health planning and will negatively impact quality of care in the community and increase vacancy rates at Tenet hospitals. Tenet asserts that DMC will not foster competition that positively affects quality and/or cost-effectiveness.

⁵ The reviewer notes that Miami Medical Center has 69-bed licensed acute care and was purchased by Variety Children's Hospital in 2018. Miami Medical Center is currently inactive and scheduled to reopen in 2019. The facility will treat both adults and children for non-tertiary medical/surgical services.

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Based on the above mentioned arguments, opposition concludes that CON application #10550 should be denied.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551): The Agency received three DWSOs to CON application #10551. All documents were received timely pursuant to 408.039 (3) (c), Florida Statutes. The statements were received from:

- A joint letter of opposition was submitted on behalf of DMC and KRMC
- MMC
- A joint letter of opposition on behalf of Tenet (Coral Gables Hospital, Hialeah Hospital and Palmetto General Hospital)

Each written statement of opposition is briefly summarized below.

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

KRMC contends that there are no meaningful or significant changes to CON application #10551 from previously filed applications and the project remains flawed. Opposition asserts that JHW does not satisfy the relevant statutory criteria under ss. 408.035, Florida Statutes. KRMC indicates that JHW sets forth the following bases for approval of the proposed project:

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

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

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

KRMC comments that JHW is placing its hospital in the center of an industrial/warehouse/commercial center that is not accessible to any of the communities that JHW targets. Opposition emphasizes that the proposed site for CON application #10551 is located in the middle of an area with no population (ZIP Code 33122) and on the western side of Miami International Airport (MIA) and that the area is expected to be at a decibel noise level (NDL) greater than 65.

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

Opposition contends that for citizens of Doral, the JHW location is neither convenient nor accessible since it will be situated in the southeastern quadrant while the majority of the population resides in the northwestern quadrant.

KRMC points out that ZIP Code 33166 (Virginia Springs and Miami Springs) are included in the proposed service area for CON application #10551 but that JHS does not contend that these communities need a community hospital. Opposition notes that though JHS indicates that the Tamiami community has a need for a local hospital, the JHS site is not located in or near the Tamiami community and KRMC is more accessible to those residents, as well as in Doral, Fountainbleau and University Park. KRMC asserts that due to all of its access limitations, University Park would not be well served by CON application #10551.

Opposition indicates that the proposed SSA for JHW does not align with projected utilization, and ZIP Codes 33165 and 33175 should be classified as PSA ZIP Codes not SSA Zip Codes—while ZIP Code 33182 should be removed from the PSA and be classified as an SSA.

KRMC comments that CON application #10551 overstates its projections by failing to consider the most recent data available which shows that JHW's proposed service area discharges have declined at an average annual rate of three percent over the past

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two years. Opposition notes that JHW amended its market share projections from previous applications without explanation. KRMC maintains that as a result of changes in market share and failure to appropriately reduce rates across all age groups, JHW has overstated the projected utilization for the proposed hospital.

Opposition indicates that JHS overstates its historical presence in the Doral area and that KRMC is the provider of choice in JHW's proposed PSA.

3. *JHS does not have the experience to operate a smaller community hospital.*

KRMC contends that JHS's primary mission is to operate a large academic medical center and serve as Miami-Dade's public hospital. KRMC also contends that the two smaller hospitals in JHS's system are not well utilized.

Opposition notes that JHS's proposed "transfer" of 100 beds to JHW is not meaningful given that there are no CON restrictions on existing hospitals adding bed capacity.

Opposition maintains that CON application #10551 does not address capacity constraints at KRMC even though Jackson Memorial (main campus) has hundreds of vacant beds each day. KRMC maintains that the development of JHW will duplicate JHS' existing capacity and add operating costs to an already financially stressed hospital system.

KRMC contends that approval of CON application #10551 will have a significant adverse impact on KRMC. Opposition indicates that since CON application #10551 presents flawed assumptions and an inaccurate market demand forecast. Opposition expects that if JHW is to achieve the projected utilization presented in its application, JHW will have to increase its market share in the Doral area ZIP Codes to much higher levels than it assumed which would disproportionately affect KRMC.

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

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

KRMC maintains that approval of the JHW project will impact the state's Medicaid budget. Using what the KRMC references as the "FL Provider DRG Calculator SFY 2018-2019", KRMC indicates that Jackson Memorial Hospital has a higher provider average per discharge automatic rate enhancement payment (\$2,590.74) and a higher provider annual automatic rate enhancement allocation (\$65,846,136), when compared to other providers in the area, with all referenced providers having the same DRG base rate (\$3,437.60) except KRMC which is allowed a \$57.80 per discharge automatic rate enhancement.

Opposition contends that CON application #10551 should be denied as it has failed to demonstrate consistency with the CON statutory criteria of 408.035 (2), Florida Statutes.

MMC indicates that it is a 69-bed acute care hospital with an inactive license whose previous operation business model (no ED, did not accept government payors) failed but was awarded in bankruptcy court, and has subsequently changed ownership to Variety Children's Hospital. MMC maintains that it will re-open during the first quarter of 2019, accept government payors, and treat all ages, including pediatrics. Opposition notes that Variety Children's acquisition of MMC is not based on community need but rather strategic positioning relative to Variety Children's mission and objectives. MMC states that it is less than four miles from the proposed site for JHW. Opposition asserts that JHW will be a duplication of readily available and accessible services.

Opposition provides a history of JHS' last three CON applications. MMC asserts that it is a reckless use of taxpayer dollars to build the shell of a hospital it does not have regulatory approval to operate as it has failed to prove need for a new hospital.

MMC maintains that there is a declining trend in inpatient utilization, including in 2018, as the trend toward outpatient services increases. Opposition notes that pending freestanding EDs set to open in 2019 will meet any intended need for the proposed service area. MMC indicates that there are vacant acute care beds in the three acute care hospitals located in CON application #10551's SSA.

Opposition asserts that CON application #10551 failed to meet the statutory criteria for general hospitals of 408.035, Florida Statutes, as it did not demonstrate need for a new hospital in Doral, will not enhance

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access and is not warranted by lack of availability, accessibility or extent of utilization to other area providers. MMC stresses that JHW has not proposed anything different than what is already readily available at existing providers.

MMC indicates that Doral is an affluent area of western Miami-Dade County and the goal of CON application #10551 is to enhance JHS' bottom line. Opposition maintains that JHW is a duplication of readily available services and it would clearly adversely affect other providers without providing meaningful benefits to residents of the proposed service area.

Opposition notes that CON application #10551 represents poor health planning since it does not propose a specific inpatient pediatric unit, yet it documents that it is establishing an extensive outpatient pediatric program.

MMC maintains that the fact that service area residents utilize several different hospitals is no different than any other large metropolitan city. Opposition stresses that residents of Doral have access to inpatient, outpatient and emergency hospital services "in every sense of the term".

MMC indicates that by 2023 there will be a net bed surplus in Miami-Dade County of 3,052 beds which was calculated utilizing a 1.5 percent use rate decline (less than the recent annual decline experienced within Miami-Dade County). Opposition notes that acute care vacant beds are dispersed across every hospital in the County. In terms of Doral, opposition indicates that there is need for only 14.2 beds which is not sufficient to justify a new hospital. MMC maintains that the Doral area is well surrounded, supported and accessible to a number of hospitals with a wide range of services including physicians with a wide range of specialties. Opposition indicates that the JHW campus is already developing an outpatient campus on the proposed site for CON application #10551 which is a more practical and less regulated means of providing services.

In terms of financial accessibility, opposition asserts that while JHS' provision of charity care declined by \$26 million between 2016 and 2017, county funding increased by \$18 million—receiving \$431 million total in 2017.

MMC presents a number of arguments, several pertaining to ongoing litigation and orders regarding previous JHS applications in comparison to CON application #10551. The reviewer notes that these are mainly legal arguments that are not appropriate within the context of the state agency action report.

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Opposition maintains that CON application #10551 failed to address declining discharge use rates in ages 0-64 and instead focuses on the increasing 85+ population—resulted in an overstatement of forecasted utilization by JHW. MMC particularly cites Figure 44 (page 81) as being misleading.

MMC contends that JHW did not establish need for new general hospital within Doral and that, “there is surely no need for two new hospitals to serve the Doral area of western Miami-Dade County.” Opposition indicates that JHW’s forecasted utilization will be at the expense of existing providers. MMC stresses that CON application #10551 would have “a material impact on the future revitalization of MMC.” Opposition identifies considerations that JHW should have included in its market share analysis, including:

- If use rates decline further than estimated by JHW, which is likely given current patterns, the JHW market shares must increase to meet the same market forecasts.
- Inclusion of the Hialeah community in the JHW service area definition would have resulted in a greater case impact from what was presented in CON application #10551.
- If market share estimates are understated, then the impact on license area hospitals, including MMC, would increase accordingly.
- Given that JHW overstates the non-tertiary market forecast by almost 1,400 cases, its market share needs to increase for non-tertiary to achieve the same number of cases at the ZIP Code level.

Based on opposition’s anticipated contribution margin analysis, it is estimated that the financial impact of JHW approval on MMC will range between \$4.2 and \$10.5 million per year affecting both inpatient and outpatient utilization. MMC contends that JHW will impact staffing and recruitment, as well as requiring retention payments and increasing base salaries at MMC. The reviewer notes that currently, MMC is an inactive facility and before that, an underutilized facility—it is unclear how such a high financial impact figure was calculated or how the inactive licensure status affected staffing and recruitment regardless of CON application #10551.

MMC comments on JHW’s proposed conditions, noting that the conditions are generally basic, expected and meaningless.

Tenet provides a summary of opposition to the proposed project and offers statistical data including charts, graphs and maps to illustrate the absence of need for the proposed project. Opposition notes that JHS has submitted a total of four CON applications (#10395, #10433, #10502 and #10551) seeking approval for the proposed new hospital in Doral and notes that JHS’ initial CON application (#10395) was preliminarily approved by the Agency. The opposition notes that the decision to

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preliminarily approve the project has been challenged by five parties and includes the final order which overturned the Agency's initial approval of CON application #10395 (which is currently under appeal).

Tenet asserts that it is a reckless use of taxpayer dollars to build the shell of a hospital it does not have regulatory approval to operate as it has failed to prove need for a new hospital.

Opposition maintains that there is a declining trend in inpatient utilization, including in 2018, as the trend toward outpatient services increases. Opposition notes that pending freestanding EDs set to open in 2019 will meet any intended need for the proposed service area. Tenet indicates that there are vacant acute care beds in the three acute care hospitals located in CON application #10551's SSA.

Tenet presents a number of arguments, several pertaining to ongoing litigation and orders regarding previous JHS applications in comparison to CON application #10551. The reviewer notes that these are mainly legal arguments that are not appropriate within the context of the state agency action report.

Opposition contends that several of JHS' rationales for need are virtually identical to rationale presented in their prior CON applications therefore, the DWSO is similar to the detailed statement submitted for JHS' three previous CON applications. Tenet provides the following statements against the approval of the proposed hospital:

- JHS has provided no evidence of geographic, financial or programmatic access barriers for the Doral area.
- Market needs are already being met by existing providers, which are all located within reasonable travel time of the proposed service area.
- JHS is not the provider of choice in other communities where affiliate hospitals are located.
- The forecasted utilization and market share used by DMC to quantify its utilization (admissions, ADC, occupancy) does not provide bed need methodology that supports the addition of a new general acute care hospital to the service area.
- JHS does not provide any information, data, anecdotes or substantive facts which demonstrate that residents of Doral do not have reasonable access to existing hospitals in the subdistrict.
- Data and substantive facts prove that there are available, nearby quality hospitals which are reasonably accessible to residents of the service area.
- The applicant failed to meet the CON statutory review criteria as provided in Section 408.035, Florida Statutes, for new general acute care hospitals.

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- The proposed hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as no barriers to access were demonstrated by CON application #10551.
- JHW does not propose to offer anything different than what is already readily available at multiple hospitals throughout the area.

Opposition notes that CON application #10551 does not propose to have a specific pediatric unit, all forecasted utilization incorporates ages 0 to 17 and the same market share is applied to children as adults and the elderly. Tenet notes that the application does not identify how many beds would be dedicated to the OB unit.

Tenet maintains that Palmetto General Hospital, Coral Gables Hospital and Hialeah Hospital will be materially, substantially and adversely affected with the approval of CON application #10551. Opposition contends that while none of the three opposing hospitals are physically situated within the JHW proposed service area, all three existing Tenet hospitals are accessible to some or all of the proposed service area residents. Opposition states that these three Tenet hospitals discharged 4,629 residents from the applicant's proposed service area in CY 2017, and of those, 3,531 were non-tertiary discharges, 322 were OB cases and remaining 776 cases were all other services not proposed to be provided at JHW. The opposition discusses Tenet ED visits and Ambulatory surgery visits from the applicants defined service area and provides a chart to illustrate the respective reliance of Tenet hospitals on the JHW's service area for ED and ambulatory surgery volume. Tenet provides a narrative to describe the services, programs and recognitions at all three opposing hospitals as well as narrative and data tables regarding each facilities reliance on JHW's proposed service area.

Tenet comments on the emergence of freestanding EDs within the market, noting that Miami-Dade County has eight freestanding EDs licensed or under development, with three being located in the City of Doral. Opposition notes these additional hospital access points did not exist at the time of the applicant's previous CON applications. Tenet states that use rates continued to decrease in favor of outpatient services and other available resource. The opposition maintains that the establishment of freestanding EDs is a cost-effective approach to employing medical treatment trends to meet any potential acute care service demands within the proposed service area.

Opposition provides the following summary regarding service area utilization between 2015 and 2017:

- Tenet hospitals experienced net decline of more than three percent (1,400 cases) in acute care discharges.
- There were over 8,218 fewer discharges over the three-year period.
- OB volume has declined by 1,207 cases or nearly four percent.

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- JHS' OB cases increased by 138 cases (two percent) during the same time-period.
- Miami-Dade County outpatient emergency room activity declined by 11,603 outpatient ED visits (1.2 percent).
- JHS experienced an overall increase in ED visits of 5.5 percent.
- Despite net decline in acute care cases, Tenet ED volume has grown by nearly 1,000 visits (one percent).
- There was an overall decline trend in non-tertiary discharges in both the PSA and SSA.
- An estimated 19 percent of the total proposed service area population is age 65+, however only 17 percent of the PSA's population are 65+.
- In the applicant's second year of operation (2022), of the 49,000 65+ PSA residents, fewer than 6,000 reside within Doral.
- In CY 2017, the proposed 12 ZIP Code service area had 30,438 non-tertiary discharge, with 5.4 percent pediatric and 59.9 percent age 65+.
- From 2015-2017, PSA residents had 109 fewer OB discharges, while the SSA increased by 34 total OB cases.
- From 2015 to 2017, the PSA experienced a decline of 387 non-tertiary and OB cases overall, for the same time period the SSA experienced 1,789 fewer cases.
- From 2015-2017, every age cohort in the applicant's proposed service area experienced a decline in non-tertiary and OB use rates per 1,000 population.
- From 2015-2017, the PSA non-tertiary discharge use rate fell from 68 to 64.9 discharges per 1,000 population and the SSA use rate fell from 92.7 discharges to 81.5 discharges per 1,000 population.

Tenet discusses charity care, noting that during the past two fiscal years, the three affiliate hospitals have collectively provided over \$205 million in charity care. The opposition states that JHS provided \$97 million in charity care for the same period but notes that JHS receives significant state and local government tax subsidies to care for indigent patients whereas Tenet provides these charity services without any financial incentive to do so. Utilizing the Agency's inpatient data tapes for CY 2013-2017, Tenet indicates that for this five-year period, Jackson Memorial Hospital (main campus) has declined in the amount of Medicaid and medically indigent inpatient care it has proved to the community. Opposition asserts that JHW will cost the Medicaid system more per discharge than any of the Tenet or Miami-Dade County hospitals.

Tenet provides a response to each of the applicant's five rationales presented in CON application #10551 on pages 73-91 of the DWSO.

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Opposition contends that residents of the service area have reasonable access and cites Google Maps in an analysis to determine the travel time (with traffic) from each ZIP Code centroid in the applicant's total service area. According to the opposition, there are between nine and 16 medical surgical hospitals that are accessible within 25 minutes of the JHW site for each service area ZIP Code, with between 950 and 2,370 vacant acute care beds available. Tenet maintains that all the applicant's proposed PSA ZIP Codes have many accessible hospitals.

Tenet calls into question JHS' baseline and contends that there are fallacies to the applicant's forecast utilization as it is not exclusive to the 85 and older use rate. Opposition discusses some characteristics/cases of CON application #10551's baseline estimates not included by JHW and that these characteristics/cases will ultimately impact the Tenet hospitals, resulting in significantly more impact on these providers. Tenet describes additional factors, estimates and analyses which could result in a material increase of baseline values. Opposition also notes that the impact on staffing and recruitment would result in materially more adverse impact on the Tenet hospitals and the communities that the hospitals serve on a going forward basis.

Opposition indicates the following observations derived from CON application #10551's "average at best, and not meaningful" list of conditions:

Transfer of Beds

- This condition is without merit—with each of JHS's three hospitals being over-bedded so a condition to not add beds to the market is inconsequential

Patient Access

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

Promotion of Local Small Business

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

Population Health Management Activities

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

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Outreach, Education and Community Health Improvement Activities

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

Opposition asserts that the applicant's proposal does not offer anything new or unique to the market and most importantly, JHW failed to prove that area residents do not have reasonable access to existing hospital services in the subdistrict.

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

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

The Agency received one timely response to the DWSOs from DMC. The response to the detailed statement of opposition (RDWSO) was provided by Craig D. Miller, Attorney and Associate, Rutledge Ecenia, Attorneys and Counselors at Law on behalf of CON application #10550. This RDWSO is pursuant to the DWSOs submitted by:

- JHS
- MMC/NCH
- Tenet

DMC refers to these three entities, collectively, as the opponents.

Another RDWSO was provided by Carlos A. Migoya, on behalf of CON application #10551, pursuant to the DWSOs submitted by:

- KRMC
- MMC
- Tenet

Each of the RDWSOs is briefly summarized below.

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East Florida-DMC, Inc. (CON application #10550), noted the history of DMC and JHW and stated that little had changed since 2015 when the first two applications were originally filed. DMC maintains that that the Agency's prior decisions are relevant and set precedent for current and future decisions.

DMC indicates that JHS seems to be “under the inaccurate assumption that the Agency will approve the application with [the] largest volume of paper filed” citing the 100 pages of opposition narrative filed and the hundreds of letters of support that have not been updated since 2015.

The applicant indicates that while CON application #10550 is consistent with previously filed applications and is updated with current data, CON application #10551 changed its service area definition and market share projections but fails to appropriately update with current data. In addition, DMC notes that JHS “has admittedly and brazenly started construction of its new hospital despite the fact that it does not have CON approval”.

DMC notes several flaws with CON application #10551, including:

- JHW will result in unnecessary costs for a hospital significantly larger than necessary based on historical and current utilization trends.
- JHW should not get credit for the fact that it has started construction on a hospital project for which it does not have approval which will result in unnecessary costs to local and state tax payers.
- There is nothing unique about the large and rapidly growing population that JHW proposes to serve, much of which is the same as the population proposed to be served by DMC.
- The slight growth of the proposed service area of JHW is a small fractional increase in market share.
- JHS' undocumented and uncommitted relationship with UM is irrelevant to the success of JHW.
- JHS claims that support for JHW is demonstrated by submitting hundreds of letters of support that have not been updated for years while DMC submitted only current 2018 letter.
- JHS receives tax-payer funding to offset its services to indigent patients but HCA hospitals provide significant levels of Medicaid and charity care as well without tax-payer funding.

The applicant contends that the industrial area identified for JHS's proposed site is a poor location choice and within the area governed by the Miami-Dade County Aviation Planning Division—which requires a review of any development greater than or equal to 35 feet above mean sea level, including a six-floor hospital.

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DMC maintains, that despite comments regarding the proposed site being too small, the site is sufficiently sized for the proposed 80-bed hospital and HCA has experience building green-field hospitals throughout Florida. The applicant notes that the proposed site is surrounded by residential areas—while JHW’s proposed site has no residential areas immediately surrounding the area. The applicant stresses that JHS has never constructed a new green-field hospital while the two community hospitals it operates have low occupancy rates and have been financially struggling for years.

The applicant notes that while JHS claims preference for HCA facilities is based solely on geographic proximity, KRMC’s market share is higher for many ZIP Codes than other similar proximate hospitals.

DMC indicates that it will pay taxes and JHW will require significant tax support to cover its operating costs. The applicant maintains that JHS did not present any evidence that JHW will improve the financial position of JHS. Moreover, DMC asserts that the proposed 100-bed hospital by JHW will remain mostly empty and lose money. The applicant notes that in 2016, the total economic impact of HCA East Florida Division affiliates was \$2,462,972,000, including taxes, salaries and payments to local vendors.

The applicant states that in the JHS DWSO, JHS contends its application and conditions are comparatively superior to DMC’s conditions. DMC provides the following rebuttal:

- Site: Both applicants condition their project on a specific site. The DMC site is clearly superior to that proposed by JHW.
- Transfer of Beds: Jackson’s proposed transfer of beds is meaningless as they can add these 100 beds back to its license at any time.
- Development of the West Jackson Campus: Jackson proposes a condition that it will develop an outpatient campus at the proposed site of JHW—but JHS indicates it plans to do so whether JHW is approved or not. DMC states that it also intends to develop outpatient services and a freestanding ED on its proposed site.
- Financial Access: JHW and DMC provide identical commitments to 22 percent of discharges for Medicaid and 3.2 percent of discharges to self-pay/non-pay/charity care.
- Population Health Management Activities: These conditions are completely unrelated to the development of a new hospital and can be successfully implemented within JHS’ existing three-hospital system. The applicant will and should develop these services with or without approval of JHW.
- Outreach/Education: JHW proposes a number of conditions related to educations and outreach that have nothing to do with the need for a

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new hospital and commits to programs that it already intends to implement whether or not the JHW project is approved or not.

DMC notes that the DWSOs criticize CON application #10550's lack of a county-wide bed need analysis—the applicant indicates that this bed need analysis is too big and too fluid. The applicant contends that the bed need analysis conducted in the DWSOs of Doral are too small. With respect to the proliferation of freestanding EDs in proposed service area and Miami-Dade in general, DMC maintains that the limited services offered within a freestanding ED does not make up for the lack of hospital access to care for Doral residents.

The applicant indicates that it factored declining use rates into its projections for CON application #10550 while CON application #10551 ignored 2017 data and misrepresented utilization trends within the proposed service area suggesting that there should be a growth in demand for hospital services. DMC maintains that its need and utilization projections are reasonable and JHW's are not.

DMC stresses that its service area is appropriately defined by statute and reasonably reflects local travel patterns, demographic trends and distribution of the population. The applicant asserts that CON application #10550 meets the needs of Doral for a new community hospital while CON application #10551 is meant to serve numerous areas of Miami-Dade. DMC maintains that the proposed service area for JHW does not meet the statutory requirement of 408.037 (2), Florida Statutes—despite what the applicant indicates are “its most recent manipulations”.

The applicant contends that a comparison of charges between hospitals should be given no weight in the review of competing applicants. DMC indicates that Jackson Memorial has significantly higher costs per adjusted admissions than KRMC. The applicant asserts that disproportionately high costs and operating losses at JHS facilities suggest significant operating losses at JHW.

DMC maintains that its proposed site is overall more convenient to the service area, not just the northeastern ZIP Codes. The applicant disputes opposition claims that there is sufficient hospital access within CON application #10550's proposed service area. DMC notes that the travel time analysis prepared by Kimley Horne documents that portions of the proposed service area do not have reasonable access to hospital services.

The applicant responds to comments about adverse impact to existing providers by restating that CON application #10550 will not adversely impact any other providers. DMC notes that the majority of patients that

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will be served by the proposed facility will come from the redirection of patients from KRMC which will alleviate capacity constraints. The applicant maintains that Tenet's market share of the proposed facility's PSA is minimal (6.5 percent) and according to Tenet's data, equates to a total loss of patient discharges of 1.3 percent. In regards to MMC, the applicant stresses that MMC is not providing any acute care services at present and therefore does not have standing to submit opposition. DMC asserts that "it is wholly unclear at this time how MMC should be considered in analyzing the need for DMC" as it has not documented any adverse impact. The applicant indicates that, when MMC's license was active in CY 2017, it served 0.2 percent (111 patients) of the market share for DMC's proposed service area. As to NCH, because it is a dedicated pediatric hospital, DMC indicates that it is clear that it will have no "meaningful" adverse impact on NCH.

DMC stresses that the proposed JHW hospital will have adverse financial impact on existing providers from "discharge impact payment/reimbursement and the loss of discharges". The applicant notes that it has not calculated the financial impact of JHW on KRMC but that it is clear it will be significant.

The applicant provides a number of pages of legal analysis on the recommended order from DOAH cases 16-0112-16-0115 in the RDWSO, noting that despite JHS assertions, the recommended order is not a "red herring".

DMC maintains that HCA has spent more statewide on hospital capital projects than any other system and stands ready to implement CON application #10550 once approved.

The applicant asserts that arguments presented by the opponents of CON application #10550 are "irrelevant, misrepresented, insignificant and/or simply not true". DMC maintains that CON application #10550 will improve access to inpatient services, particularly to the residents of Doral. The applicant contends that its service area definition and projections are conservative, reasonable and developed utilizing sound methodology. DMC indicates that the proposed site is conveniently accessible to residents and will alleviate capacity constraints at KRMC with minimal impact on existing providers.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) contends that the DWSOs filed against JHW did not contain any significant issues related to the analysis of need for the proposed project, but outlined general reasons (many of which were vague or inaccurate according to JHS) for why the opposing parties felt that JHW should not be approved and particularly addressed issues not contained in the current application.

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The applicant notes that the criticisms of the JHW application fall into three broad categories:

- 1. Site and Service Area:** The DWSOs incorrectly allege that JHW's site will not enhance access to inpatient services for residents of Doral and western Miami-Dade. The opposing parties generally (and inaccurately) portray JHW's service area as solely focusing on "Doral", when JHW clearly presented its project as responsive to the needs of residents of western Miami-Dade. Additionally, opposing parties incorrectly assert that JHW's service area is somehow manipulated or unrealistic but that this same service area was initially approved in CON application #10395.
- 2. Effect of the Potential Approval of East Florida – DMC:** The DWSOs incorrectly assert that JHW failed to consider the effects of CON #10394 in consideration of utilization projections and/or impact of the development of JHW's proposal.
- 3. JHS's Ability to Develop a Successful Community Hospital:** The DWSOs attempt to call into question JHS's ability to develop, implement and operate a community hospital. These assertions are misguided and lack merit, given the fact that JHW has been developed from the ground up by the JHS team and size and service planning is rooted in the needs of the area and overall vision of JHS to provide enhanced population health management to patients from the area, including the large number of patients JHS currently serves who reside there.

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

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

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

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The applicant addresses each DWSO filed by the three parties below.

General Observations: KRMC's Opposition

JHS maintains that KRMC did not review CON application #10551 as the DWSO was not properly updated. The applicant provides a selection of issues and inaccuracies, including:

- The basis for approval bullets contained in the DMC/KRMC opposition statement are not contained in CON application #10551.
- DMC/KRMC discuss JHW's proposed site and refer to pages 37-38 of CON application #10551 which is confusing since these pages focus on JHS' charitable mission and ambulatory/primary care strategy.
- DMC/KRMC states that historical utilization data used through the application is based on CY 2014-2016, which is incorrect since CY 2017 is utilized. This assumption makes DMC/KRMC's analysis flawed.
- DMC/KRMC criticizes JHS' condition that it will transfer 100 beds from Jackson Memorial Hospital to JHW, stating that the JHW application proposes no condition that would preclude the reopening of these beds at Jackson Memorial Hospital. This is not true.
- DMC/KRMC discusses JHW's impact analysis and refers to page 84 and 85 of the JHW application—which concern projections only.
- DMC/KRMC discuss JHW's market growth, however the numbers are incorrect. The identified 40,174 market discharges are not included in the JHW application.
- DMC/KRMC states that page 87 (figure 61) shows the projected impact on the top providers in the service area with DMC and JHW in the market which is confusing since this page show OB discharges per 1,000 population by ZIP Code. Figure 61 is also on page 105, not 87.

General Observations: MMC's Opposition

JHS notes that Variety Children's Hospital's experience is limited to comprehensive pediatric care but is planning to license and operate a formerly bankrupt venture, in the form of MMC. The applicant maintains that MMC claims that it will be adversely impacted by the proposed projects are highly unlikely given the lack of comprehensive services proposed to be offered at MMC combined with Variety Children's focus on pediatrics. Further, JHS asserts that Variety Children's purchase of MMC demonstrates that there is a need for expanded adult inpatient services in the proposed service area. The applicant contends that Variety's Children's is not vested in the Doral community since it purchased MMC for strategic positioning not community need.

General Observations: Tenet's Opposition

The applicant asserts that Tenet did not raise any substantive issues or contrary data to support denial of CON application #10551. JHS stresses that discussion of prior case precedent has no bearing on CON application #10551. The applicant notes that Tenet's discussion of adverse impact by facility failed to quantify the adverse impact.

JHS contends that nothing in Tenet's DWSO illustrated that JHW will not benefit residents of Doral and the surrounding communities with minimal impact on existing providers.

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

The applicant notes that as of August 2018, foundations were being poured for an outpatient center and existing warehouses had been demolished in preparation of the full JHW campus.

The applicant contends that the opposing parties attempt to undermine JHS's site selection and development of JHW are inaccurate and unfounded. The applicant asserts that not only has JHS considered the proposal's proximity to the airport, it has completed the preliminary design phase in which sound abatement requirements and additional enhancements to the site are included not only in the plans but also in the project costs. The applicant asserts that there is extensive development (both industrial and residential) throughout the county and MIA's flight patterns impact more of the county than just JHW's site.

JHS restates its total 12 ZIP Code service area and indicates that considering traffic congestion and gridlock in western Miami-Dade, adequate planning of infrastructure is necessary to ensure that residents have access to timely in- and outpatient care. The applicant notes that it took into consideration a variety of transportation options for area patients and families such as the Doral Trolley and a shuttle bus to promote ease of access.

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

JHW Projections

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

JHS provides a very brief six-step discharge description of the proposed project. The applicant comments that its estimates are reasonable and achievable, especially in light of JHS's consistent increasing census of non-tertiary and OB patients from the service area, which increased from approximately 28 in 2014 to 35 in 2017. The applicant notes that it did not rely on redirection of the existing ADC of 35 non-tertiary and OB patients treated in JHS hospitals from the proposed service area in 2017, but that it utilized the figure to serve as a reasonability test to the conservative nature of its projections.

The applicant contends that bed availability on a county-wide basis is irrelevant and reiterates that the proposed project will not add beds to the county-wide or JHS inventory but will streamline care for residents of the area who currently have a lack of dedicated inpatient resources in a community with a large nucleus of residential population. JHS maintains that arguments about bed availability and its ability to successfully develop a community hospital are just a distraction presented to mislead the reader.

JHS is Well-Equipped to Successfully Develop JHW

The applicant asserts that the JHS of today is not the JHS of old. JHS indicates that it has been reinvigorated by new leadership, increased patient volumes, significant system-wide remodeling of its aged facilities, technology upgrades and development of urgent care centers.

The applicant maintains that the JHW campus provides the necessary foundation and bridge to integrate care. The applicant notes that continuity of care, integrated care, care networks and improved quality outcomes are not just abstract concepts but will be operationalized at the JHW campus with the development in real time of the following programs:

- ✓ Primary care (adult and pediatric)
- ✓ Emergency care and ED (adult and pediatric)
- ✓ Specialty clinics (adult and pediatric)

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- ✓ Diagnostic and treatment services including imaging and ambulatory surgery (adult and pediatric)

The applicant indicates that these services provide a platform to provide a holistic approach to medicine for all residents of Miami-Dade County, regardless of their ability to pay. JHS reiterates that the proposal is a two-phase approach with a robust ambulatory platform aligned with the proposed inpatient hospital.

Recommended Order in Earlier Proceedings is a Red Herring

JHS extensively discusses previous litigation, specifically DOAH Case Nos. 16-0112CON through 16-115CON and additionally discusses how NCH, KRMC and Tenet addressed the orders pertaining to those DOAH cases (pages 15 to 22 of the RDWSO).

H. SUMMARY

East Florida-DMC, Inc. (CON application #10550) proposes to establish a new 80-bed Class I general acute care hospital in Miami-Dade County, Florida, Subdistrict 11-1. The proposed hospital will be located in the southwestern region of Doral in ZIP Code 33178 and will serve the growing population of Doral along with residential areas to the north and south of Doral and will be accessible to Doral and suburban areas of the county. The applicant states that location of the hospital will be on NW 41st Street between NW 109th Avenue to the east and NW 112th Avenue to the west in the heart of Doral.

DMC states that the proposal will include a complement of 80 licensed acute care beds, including 72 medical/surgical and eight OB beds. The applicant states that the proposed hospital will be privately owned by DMC and operated as a hospital within the HCA East Florida Division. HCA operates three acute care hospitals in Miami-Dade County: Aventura Hospital and Medical Center, KRMC and Mercy Hospital. DMC indicates that no public funds will be utilized in construction of the hospital and will contribute to the State, County and municipal tax base as a proprietary corporation. DMC states that the proposed facility will provide a full range of non-tertiary services, including emergency, imaging, surgery, intensive care, cardiac catheterization and women's services, including an obstetrics unit and pediatric care.

The applicant proposed three conditions to CON approval in the applicant's Schedule C.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) proposes to establish a 100-bed acute care hospital in Miami-Dade County, Florida, Subdistrict 11-1. The proposed hospital will be established on the

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Jackson West Campus--an ambulatory campus that is currently under development in the Doral area of western Miami-Dade County. The proposed 100-bed community hospital will include 72 general medical/surgical beds, 16 intensive care beds and 12 general OB beds. JHW states that the proposed hospital will not include a dedicated pediatric inpatient unit, citing an in-depth analysis that showed the expected volume of pediatric patients within the market would be insufficient to support a dedicated pediatric unit. The applicant indicates that upon approval of the proposed hospital, 100 acute care beds will be delicensed and transferred from JHS's flagship hospital, Jackson Memorial Hospital, which is currently licensed for 1,493 beds, to JHW.

The applicant proposed seven conditions to CON approval in the applicant's Schedule C.

Need, Availability and Access:

East Florida-DMC, Inc. (CON application #10550) contends that need for the proposed project is demonstrated by the increased popularity and tremendous growth over the past 20 years in the City of Doral. DMC notes that the city is isolated geographically from the rest of Miami-Dade County—surrounded by warehouses, mineral processing plants, landfills, salvage yards, railroad lines and retention ponds. DMC indicates that these geographic and business features of western Miami-Dade obstruct and hinder Doral residents from accessing health care services available to the north and east of Doral and notes that there is no hospital to the west of Doral and the Ronald Reagan Turnpike.

DMC states that the principal means of accessing healthcare for these western Miami-Dade County residents is to travel south to hospitals located in population-dense residential areas with high traffic volumes on the limited number of roadways available. The applicant indicates the central focus of this project is to enhance access for all residents requiring acute care and OB care in a hospital setting. Regarding utilization, DMC notes that in 2017, there were 10,342 discharges from the service area for non-tertiary services and 1,867 for OB services. DMC states on average, these patients filled over 136 non-tertiary and 15 OB beds on a daily basis.

The applicant asserts that its proposed project is superior to the competing application filed by JHS, noting that the JHW's proposed site is in the heart of the Doral commercial district--close to one end of the Miami International Airport. DMC contends that there are few routes to travel to reach the JHW site—given that it is in the “armpit” of two major roadways east of the Doral residential section.

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Three DWSOs were received by the Agency regarding this proposal and each is briefly described below:

MMC and Variety Children's Hospital d/b/a NCH indicates that CON application #10550 should not be approved for the following reasons:

- The applicant failed to provide bed need methodology (as required by rule) for non-tertiary, pediatric, OB and emergency services that supports approval of the proposal.
- The hospital will not foster competition that promotes cost effectiveness or quality of care.
- Existing area hospitals are sufficiently equipped, staffed and operated to provide the necessary services to the entirety of the subdistrict, including the applicant's proposed service area.
- The hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as DMC failed to demonstrate barriers to access to existing acute care hospitals.
- Data and substantive facts prove that there are available, nearby quality hospitals which are reasonably accessible to residents of the proposed service area.
- The addition of three freestanding EDs in the Doral area will provide three new hospital access points for service area residents.
- Medical treatment trends for inpatient services are decreasing at a rate greater than the population increase.
- DMC will not offer anything different than what is already readily available at multiple hospitals throughout the service area including KRMC, which is within the applicant's proposed service area.
- CON application #10550 failed to meet 408.037(2), Florida Statutes, as it relates to the definition of the service area for a new hospital.

The Public Health Trust of Miami-Dade County, Florida indicates that CON application #10550 should not be approved for the following reasons:

- DMC's application is misleading and is a manipulative representation of data.
- HCA's true commitment to serve the needs of the residents of the Doral community is in question.
- HCA charity and indigent care historical experience pales in comparison to JHS.
- DMC's project will have negative impacts on existing providers.
- DMC's project lacks positive impact on local economy/development and community benefit.
- DMC's conclusion regarding historical patient preference is misleading, as it indicates that market share is the only indicator of patient preference.

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- DMC's CON application failed to meet 408.037(2), Florida Statutes, as it relates to the definition of the service area for a new hospital.
- DMC will not significantly improve KRMC's occupancy challenges.

Tenet provides the following statements against the approval of CON application #10550.

- DMC does not provide any information, data, anecdotes or substantive facts which demonstrate that residents of Doral do not have reasonable access to existing hospitals in the subdistrict.
- The forecasted utilization and market share used by DMC to quantify its utilization (admissions, ADC, occupancy) does not provide bed need methodology that supports the addition of a new general acute care hospital to the service area.
- DMC does not provide any methodology need for non-tertiary, pediatric, OB and emergency services in the subdistrict.
- The applicant failed to meet the CON statutory review criteria as provided in Section 408.035, F.S., for new general acute care hospitals.
- The hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as DMC failed to demonstrate barriers to access to existing acute care hospitals.
- Data and substantive facts prove that there are available, nearby quality hospitals which are reasonably accessible to residents of the proposed service area.
- The existing service area providers are sufficiently equipped, staffed and operated to provide the necessary services to the entirety of the subdistrict including the applicants proposed service area.
- Three separate freestanding EDs are planned/in development in the Doral area, providing three new hospital access points for service area residents.
- The hospital will not foster competition that promotes cost-effectiveness or quality of care.
- DMC will not offer anything different than what is already readily available at multiple hospitals throughout the service area including at KRMC, which is within the applicant's proposed service area.
- KRMC has physical space to construct additional beds if needed.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) presents five major justifications (rationales) to support need for the proposed project and each of these rationales is stated below:

- The development of a comprehensive infrastructure of emergency, outpatient and physician services is currently underway at Jackson West, which will enhance JHS's ability to focus on population health through a coordinated/integrated continuum of care. While the outline components of Jackson West are excluded from CON review,

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the array of services under development provides a solid platform for success and results in a need for inpatient bed capacity at the site.

- The large and rapidly growing population base, as well as rapidly expanding commercial and residential development in the proposed 12-ZIP Code area.
- The fact that JHS currently serves a significant and growing number of patients who reside in the area including a large number of patients covered under the Jackson Prime program, which represents a historically vulnerable and/or underserved population. Further, the market is highly fragmented, as evidenced by the fact that residents seek care at a large number of providers.
- The expansion of partnership opportunities with the UM to expand the world-class expertise and long-standing success of the JHS/UM collaboration to the western Miami-Dade area.
- The overwhelming community support for the proposed hospital as evidenced by letters of support from physicians, elected officials, community leaders, service area employers/employees, residents, current and former JHS patients, Jackson employees, and other representatives of community organizations. In particular, the patient letters speak to the challenges associated with travel from western Miami-Dade into downtown to seek care at Jackson Memorial Hospital, as well as the benefit of having local access to JHS expertise in the community.

Three DWSOs were received by the Agency regarding this proposal and is briefly described below:

KRMC indicates that CON application #10551 should not be approved for the following reasons:

- JHW's site is poorly situated to serve Doral residents.
- JHW's service area is unreasonable and does not consider DMC approval.
- JHS does not have the experience to operate a smaller community hospital.
- JHS's proposed "transfer" of 100 beds to JHW is not meaningful given that there are no CON restrictions on existing hospitals adding bed capacity.
- JHW does not address capacity constraints at KRMC even though Jackson Memorial (main campus) has hundreds of vacant beds each day.
- JHW will have a significant adverse impact on KRMC.
- JHW will cost tax payers more to develop and operate as JHS already relies heavily on subsidies from the state and county and that the proposed project would lead to greater dependence on such funding to offset even larger losses from operations.
- Approval of the JHW project will impact the state's Medicaid budget.

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- JHW failed to demonstrate consistency with the CON statutory criteria of 408.035(2), Florida Statutes.

MMC indicates that CON application #10551 should not be approved for the following reasons:

- It is a reckless use of taxpayer dollars to build the shell of a hospital JHS does not have regulatory approval to operate.
- There is a declining trend in inpatient utilization, including in 2018, as the trend toward outpatient services increases.
- There are vacant acute care beds in the three acute care hospitals located in CON application #10551's SSA.
- The application failed to meet the statutory criteria for general hospitals of 408.035, F.S., as it did not demonstrate need for a new hospital in Doral. The proposed facility will not enhance access and is not warranted by lack of availability, accessibility or extent of utilization to other area providers.
- JHW is a duplication of readily available services and it would clearly adversely affect other providers without providing meaningful benefits to residents of the proposed service area.
- Residents of Doral have access to inpatient, outpatient and emergency hospital services "in every sense of the term".
- JHS' provision of charity care declined by \$26 million between 2016 and 2017, county funding increased by \$18 million—receiving \$431 million total in 2017.
- The application failed to address declining discharge use rates in ages 0-64 and instead focuses on the increasing aged 85+ population—resulting in an overstatement of forecasted utilization.
- JHW will have "a material impact on the future revitalization of MMC".
- JHW's proposed conditions are generally basic, expected and meaningless.

Tenet provides the following statements against the approval of CON application #10551.

- JHS has provided no evidence of geographic, financial or programmatic access barriers for the Doral area.
- Market needs are already being met by existing providers, which are all located within reasonable travel time of the proposed service area.
- JHS is not the provider of choice in other communities where affiliate hospitals are located.
- The forecasted utilization and market share used by DMC to quantify its utilization (admissions, ADC, occupancy) does not provide bed need methodology that supports the addition of a new general acute care hospital to the service area.
- JHS does not provide any information, data, anecdotes or substantive facts which demonstrate that residents of Doral do not have reasonable access to existing hospitals in the subdistrict.

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- Data and substantive facts prove that there are available, nearby quality hospitals which are reasonably accessible to residents of the service area.
- The applicant failed to meet the CON statutory review criteria as provided in Section 408.035, F.S., for new general acute care hospitals.
- The proposed hospital is not warranted by lack of availability, accessibility, extent of utilization of other area providers as no barriers to access were demonstrated by CON application #10551.
- JHW does not propose to offer anything different than what is already readily available at multiple hospitals throughout the area.

The Agency finds that the applicants, collectively, provided evidence demonstrating need for an acute care hospital to serve the City of Doral and the surrounding areas. The Agency finds that both applicants have satisfied the applicable review criteria. In order to enhance access to health care for residents of the subdistrict while fostering competition that promotes quality and cost-effectiveness, the Agency has determined that both applications merit approval.

Competition:

East Florida-DMC, Inc. (CON application #10550) states the approval of the DMC project will foster competition that promotes quality and cost-effectiveness. DMC notes it will offer accessible inpatient and outpatient services to the Doral community drawing on the resources of HCA to enhance the cost-efficiency of the services provided. The applicant maintains that the proposed project will spur innovation, induce efficiency, reduce cost, enhance quality and extend all other benefits of competition to the proposed service area.

DMC maintains that approval of the proposed project would provide a more accessible hospital for patients who are now traveling through congested areas to KRMC (current patient preference in the Doral area) for care and would not suppress choice for the residents of the county.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551) asserts that the proposed new 100-bed community hospital has been planned in response to the needs of the western Miami-Dade community and to ensure accessibility of high quality inpatient and outpatient services for residents in the area. The applicant ensures that the proposed Jackson West Campus and JHW will enhance access to health care for the residents of the service district and will promote quality of care and cost-effectiveness. JHW expresses that patients should have a choice of providers with different philosophies, recourses, values and objectives.

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The applicant conveys the sentiment that the proposal will increase efficiency and cost-effectiveness for patients and the provider. Because of expected population growth in the service district over the next few years, the applicant expects no negative impact on existing providers that already serve the residents of the total service area.

Medicaid/charity care:

East Florida-DMC, Inc. (CON application #10550)

- For FY 2017, HCA affiliates combined Medicaid, Medicaid managed care, HMO and charity care total annual patient day average was 26.37 percent, which was slightly lower than the District 11 average of 28.86 percent for the same time period.
- HCA was allocated and drew down \$149,494, the entirety of LIP funding. HCA affiliated District 11 hospitals were not disproportionate share hospitals.
- DMC is conditioning this application on providing care to non-pay classified patients at not less than 3.2 percent of discharges and care to Medicaid and Medicaid Managed Care classified patients at not less than 22 percent of discharges. The applicant affirms it will seek to serve all patients who are currently experiencing problems accessing hospital care or OB hospital services in Doral and the projected service area.

The Public Health Trust of Miami-Dade County, Florida d/b/a Jackson Hospital West (CON application #10551)

- For FY 2017 FUHRS, JHS's flagship Jackson Memorial Hospital's combined Medicaid, Medicaid HMO and charity care total annual patient day average was 46.52 percent, with the District 11 average of 28.86 percent for the same time period
- Jackson Memorial Hospital is the highest volume combined Medicaid/Medicaid HMO and charity care patient day provider in District 11, among Class 1 hospitals, for FY 2017
- Jackson Memorial Hospital was allocated and drew down \$104,092,579 LIP funding and \$64,445,617 DSH funding in SFY 2017-2018
- The hospital was allocated and drew down the entirety of LIP and DSH funding in SFY 2017-2018

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Regarding the applicant's provision of non-pay and Medicaid patient access to the total proposed service area, CON application #10551 conditions (Condition #4, a. and b.), as follows:

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

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

I. RECOMMENDATION:

Approve CON #10550 to establish a new 80-bed acute care hospital in District 11, Subdistrict 1, Miami-Dade County.

CONDITIONS:

Location:

- East Florida-DMC, Inc.'s new hospital will be located in the city of Doral on NW 41st Street between NW 109th Avenue to the east and NW 112th Avenue to the west

Percent of a particular subgroup to be served:

- East Florida-DMC, Inc. will provide care to non-pay classified patient at not less than 3.2 percent of discharges
- East Florida-DMC, Inc. will provide care to Medicaid and Medicaid managed care classified patients at not less than 22 percent of discharges

Approve CON #10551 to establish a new 100-bed acute care hospital in District 11, Subdistrict 1, Miami-Dade County.

CONDITIONS:

1. Site: The applicant will build the proposed 100-bed hospital at the site specified in the CON application. The site address is: 7800 NW 29th Street Miami, FL 33122.

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2. Transfer of Beds: Upon licensure of Jackson Hospital West, the applicant will delicense up to 100 licensed beds within the Jackson Health System and license 100 acute care beds to the Jackson Hospital West location. Jackson Memorial Hospital will not add additional medical/surgical beds at the main hospital location for a period of three years after Jackson Hospital West is licensed unless the average occupancy of those beds at the Jackson Memorial Hospital exceeds 70 percent on a trailing six-month basis.
3. Development of Jackson West Campus:
 - a. The applicant will build the Jackson West campus including outpatient and ancillary services, including freestanding emergency department, primary care, specialty care, outpatient lab and radiology, and ambulatory surgery.
 - b. The applicant will construct all buildings on the Jackson West Campus to be LEED Silver Certified.
 - c. The applicant will work to develop the Jackson West Campus to be accessible to residents via the Doral Trolley.
 - d. The applicant will develop a community advisory board to provide oversight for the development of the Jackson West project until the Jackson West Hospital building is complete.
4. Patient Access: Jackson Health System, including Jackson Hospital West, will provide high levels of charity care and Medicaid to exceed the 12-ZIP Code service area average. Specifically the applicant will:
 - a. Provide care to patients classified as non-pay in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 3.2 percent of discharges.
 - b. Provide care to patients classified as Medicaid in an amount which would exceed the prior year's 12-ZIP Code area average discharges, not to be less than 22 percent of discharges.
5. Promotion of Local Small Businesses: The applicant will develop a mentorship program with construction managers to promote the use of small business for contractors and subcontractors for Jackson West.
6. Population Health Management Activities: The application will enhance the delivery of population health management initiatives to residents of the service area in all payer categories. Specifically:
 - a. The applicant will establish chronic disease management programs for cardiac and diabetes related illnesses.
 - b. The applicant will establish preventative diagnostic and procedural programs with patient education for the following: men's health, women's health, childhood obesity and mental health.

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- c. The applicant will develop multispecialty outpatient programs with a focus on women's, men's, and family wellness in the following: primary care, cardiology, GI, ENT, Orthopedics, general surgery and vascular medicine.
7. Outreach, Education and Community Health Improvement Activities: The applicant will participate in and develop numerous programs and activities aimed at improving the overall health and wellness of the west Miami-Dade community. The outreach activities will include educational workshops, health screenings, sponsorship of community wellness activities, and other programs to be determined as dictated by community needs. Specifically:
- a. To ensure improved access, the applicant will provide an additional point of access to the Jackson Prime program. The purpose of Jackson Prime is to identify and improve access to underserved and underinsured populations.
 - b. The applicant will partner with local service area employers to conduct free/discounted health screenings on a quarterly basis.
 - c. The applicant will sponsor quarterly healthy activities including fun-runs, races and memory walks that occur in the community and will provide specific education related to health and wellness including diabetes, heart disease, weight loss, and fitness at the event.
 - d. The applicant will offer monthly healthy lifestyle workshops and educational lifestyle seminars on the facility campus (nutrition/cooking classes, smoking cessation, classes for expectant mothers, new parents/siblings, etc.)

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