STATE AGENCY ACTION REPORT

ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center/CON #10574
20900 Biscayne Boulevard
Aventura, Florida 33180

Authorized Representative: Lee B. Chaykin
President and Chief Executive Officer
(305) 682-7000

2. Service District/Subdistrict

District 11/Miami-Dade and Monroe Counties

B. PUBLIC HEARING

A public hearing was held on April 17, 2019 from 2:00 to 4:00 p.m. at the Health Council of South Florida, Inc. in Doral, Florida regarding the proposed project. The hearing was requested on behalf of the Public Health Trust of Miami-Dade County, Florida, through the law firm of Panza Maurer.

First to speak was the applicant, Aventura Hospital and Medical Center (AHMC). Mr. Daniel Sullivan spoke on behalf of the applicant. He stated that the application documents need for the proposed CMR unit. Mr. Sullivan indicated the number or services of AHMC, including the Level II trauma center which serves over 1,000 patients a year, 91 percent have blunt force trauma. He noted the existing CMR providers (primarily on the east coast), indicating that there are only two providers within AHMC's acute service area—St. Catherine's and Jackson North. Mr. Sullivan indicated the significant density of the population (over a million), including the large proportion of elderly and growing at three times the rate of the rest of the population.

The applicant noted Hospital Corporation of America's (HCA) CMR presence within the state of Florida—is the second largest provider of comprehensive rehabilitation services nationally. AHMC is an HCA affiliate.

Mr. Sullivan maintained that the CMR methodology is a not normal circumstance—particularly that it favors existing providers. He asserted that the rule has not been amended since 1995 but that the delivery of CMR services has changed dramatically. Mr. Sullivan stated that there is a movement away from a district basis and that a local-basis analysis is appropriate.

He asserted that AHMC is currently having difficulties placing appropriate patients within existing CMR providers who are being discharged from the Level II Trauma Center at AHMC. Mr. Sullivan indicated that there are a number of reasons for these difficulties including: geographical distance of existing providers, payer mix concerns, issues with St. Catherine's in particular and high occupancies in existing providers. He noted that letters of support included within CON application #10574 document these difficulties.

Mr. Sullivan indicated that the Memorial Health System (MHS) and Memorial South is the majority provider (highest market share) of CMR for AHMC discharges. He noted the high utilization of Memorial South's CMR unit that can cause issues with timely placement.

He conceded that the utilization of CMR services in District 11 is increasing but that the rate and admissions particularly among the elderly population is decreasing in the last three years—this trend is mirrored at AHMC. Mr. Sullivan stated that AHMC believes that having a local choice will increase utilization to CMR services.

Mr. Sullivan stated that when compared with other HCA hospitals, Aventura's discharge to CMR is lower than the average for certain diagnostic categories. He indicated that implementation of a CMR program can cure these institutional barriers. Mr. Sullivan maintained that the proposed program is needed. He notes that none of the District 11 CMR providers will have adverse impact from the proposed unit.

Opposition spoke next, David Leavitt on behalf of the Public Health Trust of Miami-Dade County (Jackson Health System) presented a power point presentation. He noted that there is no numerical need for CMR services. Mr. Leavitt indicated that the not normal circumstances presented by the applicant are the same as others presented by HCA in multiple markets (seven different ones)—making them in fact, normal circumstances.

He noted that half of patients referred to rehabilitation are not admitted due to CMR requirements for inpatient rehabilitation. Mr. Leavitt indicated that there is a 60-bed excess of CMR beds in District 11. He noted that the state examines CMR services on a district or regional basis, not on a local basis. Mr. Leavitt asserted that there are CMR beds (average 100 empty beds) available on any given day in District 11—including at Jackson Memorial and Jackson North. He indicated that it won't be until 2036 when there will be a projected bed need for CMR beds.

Mr. Leavitt maintained that there is a disconnect within the CON application #10574 unrealistic service area, where the applicant states that residents will not travel to access CMR services currently but AHMC's projected service area has residents traveling past existing providers to the proposed project. He contended that 67 percent (six of the nine existing providers are either adjacent or within the projected service area) of the CMR beds are within the market or adjacent to the proposed market the applicant proposes to serve.

As to AHMC's admission rate to CMR, Mr. Leavitt indicated that there is not a material difference (less than one percent) between the applicant and other HCA facilities—AHMC patients are being admitted to CMR at a slightly lower rate than HCA experience. He indicated that this does not illustrate an access issue to CMR services.

He rebutted the applicant's contention that existing providers are not treating the Medicaid and indigent population—he noted that Jackson and St. Catherine's provision to these populations exceeds the proposed condition by AHMC (four percent). Mr. Leavitt noted that AHMC currently discharges seven percent of Medicaid patients to CMR—almost twice their proposed condition.

Mr. Leavitt indicated that the applicant's proposed conditions are meaningless. Opposition maintained that the proposed project does not offer any services that are not available in the market. He debunks AHMC's trauma argument—stating that American College of Surgeons does not require CMR services for trauma. Mr. Leavitt indicated that AHMC's 8.7 percent trauma discharge to CMR is better that Osceola Regional (which does have an inpatient CMR unit).

He indicated that there will be a significant adverse impact on existing providers—including the JHS. Mr. Leavitt summarized his arguments and maintains that the proposed application should be denied.

A number of physicians and proponents for AHMC spoke on behalf of the project. First, Dr. Cochburn, medical director of trauma at AHMC, spoke first—stating that rehab is important to getting them back to a pre-injury

state. He noted two particular patients that had no access to rehab due to issues (including financial). Dr. Krieger, neurosurgeon at AHMC, spoke next thanking the existing facilities for excellent care but notes that continuity of care is supremely important for particular patients especially those complicated cases.

Randy Kitchen spoke from HCA corporate. He asserted that HCA supports quality outcomes and that the Miami market is one of the highest quality programs. Mr. Kitchen stated that HCA dedicates corporate resources to promote quality and quality rehab programs. Holly Tirrell, Director of Rehab for AHMC, spoke of two patients that were unable to access CMR services that had financial access issues. Nyema Robinson, a coordinator at AHMC, identified need for a rehab program because the of the need for loved ones to be available during the rehab process. Neyla Montoya, program director of the rehab program at Mercy Hospital, indicated that continuity of care and proximity of care are the most important factors in choosing CMR services. She indicated that AHMC patients will benefit from the proposed program. Lee Chaykin, CEO of AHMC, spoke of the history of the hospital and its specialized programs—including the educational programs and state designation as a statutory teaching hospital.[1]

Opposition spoke next. Rachel LaBlanc, Associate General Counsel of Memorial Hospital South (MHS) spoke next, she noted that Memorial South is the closest hospital with CMR services within proximity of AHMC. Adverse impact would be significant to MHS as well as other District 11 CMR providers (up to a 40 percent loss of admissions). Ms. LaBlanc asserted that the proposed unit encroaches well beyond MHS' service area, noting that a significant geographic area of District 10 is included within CON application #10574. She noted that there was no numerical need for new CMR beds in District 11 and deficiencies within CON application #10574. Dr. Novick, Rehabilitation Medical Director of MHS, spoke next regarding the quality of care at the MHS with regards to their existing CMR programs including Memorial Health South. He noted that the most complicated patients do best when the programs that serve them have a significant volume of patients, including the higher acuity patients. Dr. Novick maintained that MHS exceeds all quality metrics on all parameters in the state and the nation. He asserted that despite the fact that Memorial South is not on the premise of the trauma center—continuity of care is maintained with the trauma center as well as with referring physicians.

[1] The reviewer notes that AHMC is not designated as a statutory teaching hospital.

Armand Balsano, health planner for MHS, spoke next maintaining that the proposed facility is two miles from an existing facility and has a 60 percent dependency on District 10 Zip Codes. He asserted that there is no need for additional CMR services in District 11. Mr. Balsano stated that the proposed CMR unit is an unnecessary duplication of services.

Members of Jackson Health System (JHS), Dr. Kevin Dalal Medical Director of the Spinal Cord Rehab Unit at Jackson, spoke next stating that everyone should have the patients' best interest at heart, not competitive and financial interests. He noted that CMR is a specialized service, and that the inpatient piece is just the launching pad for a culture of recovery. Roy Hawkins, CEO of Jackson North Medical Center, spoke next, noting the facility is committed to serving all patients and is currently renovating the current 12-bed rehab unit including an 8,000-foot outpatient rehabilitation gym—only six miles away from the proposed facility. He noted that he is a former COO of an HCA facility with a CMR unit. He stated that the facilities would be better served if AHMC and Jackson worked together to enhance efficiencies for the benefit of the community.

Brenda Kane, COO at Jackson Memorial Main Campus, noted the existing CMR services at Jackson Memorial Main Campus including specialized services and teaching opportunities and affiliation with University of Miami. She stated that Jackson Rehab is poised to move into a new state-of-the-art nine-floor building with all private rooms and significant inpatient and outpatient services. Ms. Kane maintained that JHS is financially accessible to all.

Tracy Linn Urruela, currently Director of Rehab Services at Jackson North, indicated the utilization, quality outcomes, staffing, services and regulatory experience of the existing CMR unit. She maintained that Jackson North welcomes a collaborative relationship with AHMC—as well as accepting any referrals from AHMC. Ms. Urruela asserts that adding CMR beds within the district will have an adverse impact on existing providers.

Dr. Ariel Innocentes, Medical Director at Jackson North, noted the experience of his therapy staff. He stated they had 26 referrals from AHMC in the past fiscal year (far less than other facilities because of the lack of information/access provided by AHMC to the patient and their family) six of these patients were admitted. He maintained that most of the denials were as a result of insurance denials on the plan side, not the facility side.

The applicant presented a rebuttal. Mr. Daniel Sullivan spoke to rebut arguments presented by the opposition. He indicated that CON application #10574 has demonstrated not normal circumstances.

Mr. Sullivan stated that declining rates illustrate that there is a need for new CMR services, not an indicator that there is no need. He noted specifically that current residents are not accessing existing providers—thereby demonstrating need. As to adverse impact, Mr. Sullivan noted that the proposed 21-bed unit is quite small and the impact on any single provider will be minimal. He maintained that MHS has no standing to oppose the proposed program. Mr. Sullivan asserted that the CON application has demonstrated need for the proposed project.

Mr. Stephen Ecenia, counsel for AHMC, contended that the adverse impact of the proposed program on any existing program is so minimal to have no impact. Mr. Ecenia asserted that CMR is a service that does not travel. He noted that patients are currently accessing sub-optimal care. Mr. Ecenia took particular umbrage with the Jackson health planner's assertion that a trauma center does not have to have access to CMR care—Mr. Ecenia cited the "bible" for trauma care, chapter 12, for a different conclusion. He asserted that AHMC's lack of CMR services does a disservice to the residents within AHMC's acute care service area. Mr. Ecenia contended that an outmigration of 40 percent of AHMC's service area to receive CMR services within a different service district is a "not normal circumstance". He maintained that MHS has no standing to oppose the proposed service and that the public hospital district is inappropriately spending tax payer's dollars to oppose CON application #10574. Mr. Ecenia concluded by stating that CON application #10574 meets the appropriate criteria and should be approved.

Numerous documents were submitted at the public hearing, including:

- A powerpoint by AHMC in support of CON application #10574
- An email/letter by Dr. Andrew Lozen (Neurosurgeon at AHMC) in support of CON application #10574
- A powerpoint by JHS in opposition of CON application #10574
- A video by Dr. Barth Green, with the University of Miami and JHS partnership with the Miami project to cure paralysis, in opposition of CON application #10574
- A powerpoint by MHS in opposition of CON application #10574

The powerpoint by AHMC in support of CON application #10574 summarized the major points of the application, noting specifically:

- AHMC has demonstrated not normal circumstances
- MHS's beds are highly utilized
- CMR utilization is increasing in District 11 overall but decreasing among age 65+ residents
- Most District 11 CMR providers are not geographically accessible to AHMC's acute care service area residents
- Financial access barriers exist and that AHMC will enhance financial access to CMR services

- Existing barriers impede AHMC's ability to discharge patients to CMR
- AHMC's CMR discharge rates are below those for other HCA hospitals
- Letters of support document the access barriers that AHMC faces
- The proposed project will have minimal impact on existing CMR providers
- CON application #10574 is consistent with statutory and rule criteria

The powerpoint by JHS in opposition of CON application #10574 provided the following:

- Overview of JHS and its CMR services
- Overview of CON application #10574
- Historical District 11 trends regarding the lack of need for new CMR beds
- Data related to adverse impact of existing providers with the approval of CON application #10574
- Commentary related to conditions proposed in CON application #10574 and that those conditions are meaningless

Opposition submitted by JHS contends that CON application #10574 should be denied based on:

- No numerical need
- Low aggregate occupancy
- No growth in CMR use rate
- Adverse impact to existing providers
- AHMC's application is flawed
- A trauma program does not create CMR need
- Precedent case law show that "not normal circumstances" rarely exist in CMR cases

The powerpoint by MHS in opposition of CON application #10574 provided the following:

- Background on the Memorial Rehabilitation Institute
- MHS' basis for opposition to CON application #10574
- Overview of CON application #10574
- Discussion of historical utilization trends
- Issues with CON application #15074
- Analysis of adverse impact on MHS
- Discussion of precedent case law regarding "not normal circumstances" in CMR projects
- Analysis of CON application #10574's conditions and that those conditions are meaningless

Letters of Support
AHMC provides letters of support which address need and endorse the proposal in light of:

- Substantial unmet need for CMR services in the proposed service area
- The lack of appropriate access to CMR services imposing an unfair burden on patients and families who cannot or will not travel to existing CMR facilities within or outside of District 11
- The inherent disruptions in continuity of care for CMR patients discharged from AHMC
- The need for CMR beds at AHMC due to its status as a Level II trauma provider
- The inability or unwillingness of area providers to accept all CMR-appropriate patients (e.g. uninsured, Medicaid/charity care)
- The inability for patients to be placed at existing CMR facilities and having to remain in the acute care setting for extended periods of time
- The religious diversity of patients and their reservations with seeking care at St. Catherine's facilities
- The capacity to improve continuity of care
- Limited bed capacity in surrounding facilities
- An increase in the number and severity of trauma patient cases requiring CMR services at AHMC
- The capacity for patients to receive treatment close to home

Most of the support letters provided with the application were from health providers with an institutional/employment affiliation with the applicant.

Support letters are noted from the following individuals:

- Jose L. Vargas, M.D., CEO/President U.S. Physiatry
- Enid Weiman, Mayor, City of Aventura
- Kathie De Rogatis, RN, MHSA, MPA, Director of Case Management, AHMC
- Stacy Roskin, MD, Medical Director, MCCI Lifetime of Aventura, Chief of Staff, AHMC
- Mark Cockburn, MD, Trauma Medical Center, AHMC

Statement of Opposition: The Public Trust of Miami Dade County
The Agency received a letter of opposition to the proposed project provided on behalf of JHS on Wednesday, April 10, 2019. JHS operates two hospital-based CMR units in Miami-Dade County at Jackson Memorial Hospital (80 CMR beds) and Jackson North Medical Center (12 CMR beds). Statements submitted by Carlos A. Miyoga, President and CEO, JHS and Roy J. Hawkins, SVP and CEO, Jackson North Medical Center are also included with the statement of opposition.

Mr. Miyoga concludes that there is no need for additional CMR beds in District 11 and states that there is "ample capacity" to treat patients in need of CMR services at Jackson Memorial Hospital and Jackson North Medical Center. Mr. Miyoga boasts the historical quality record of CMR services provided at JHS facilities in the service area. He cites the uniqueness of services offered at JHS facilities. Mr. Miyoga states that JHS is constructing a new CMR hospital that will unite clinical research work performed at Jackson, the University of Miami and the Miami Project to Cure Paralysis. He notes that Jackson North Medical Center has a planned renovation for its 12-bed CMR unit scheduled for completion near the end of 2019. Mr. Miyoga maintains that these facilities will only serve to improve the long-standing history of quality care provide at each site.

Mr. Hawkins opposes the proposed project as the result of the proximity of AHMC to Jackson North Medical Center. Mr. Hawkins also states that Jackson North Medical Center has available beds to serve patients in need of CMR services at Aventura. The letter reiterates the provision of specialized services (e.g. vestibular therapy, stroke, orthopedics, vital stim, neurodevelopmental treatment, lymphedema, and wound care) and a planned renovation of the facility's 12-bed CMR unit near the end of 2019. He notes that opposition to the proposed project is due to lack of need within the service area.

Summary of Statement of Opposition

JHS outlines the following reasons for opposing the proposed project:

- No numerical need
- Low aggregate occupancy
- No growth in CMR use rate
- Adverse impact to existing providers
- A trauma program does not create CMR need
- Precedent case law shows that "not normal circumstances" rarely exist in CMR cases

Narrative summaries of distinctions, accreditations and a listing of services and conditions treated at JHS CMR sites are provided on pages 3-10 of the opposition statement. The summaries include:

- Accreditations received by JHS CMR facilities
- Medical rehabilitation, spinal cord injury, traumatic brain injury, burn injury, and pediatric rehabilitation services and units available
- Outpatient services
- Commitment to research on spinal cord injury, traumatic brain injury and traumatic brain injury model systems

JHS describes aspects of plans for a replacement facility for its 80-bed unit at Jackson Memorial Hospital. JHS states that the construction is underway on Jackson Memorial Hospital's campus for The Christine E. Lynn Rehabilitation Center for the Miami Project to Cure Paralysis at UHealth/Jackson Memorial Medical Center. JHS states that the intended replacement facility will include an all-private room configuration. JHS anticipates project completion will occur in 2020.

Descriptions of the existing CMR site and renovations at Jackson North Medical Center are also provided. JHS intends for the renovations at Jackson North Medical Center to be completed by the end of 2019 and states that the unit will include all private rooms and describes services and amenities of the existing and renovated site. JHS opposes the proposed project as an existing provider with available bed capacity within the service area.

Opposition notes that for the 12-month period ended on September 30, 2018, Jackson North Medical Center had an occupancy rate of 62.0 percent. JHS comments on the proximity of JNMC to the proposed CMR site and provides the following table summarizing the market share of CMR providers offering services to District 11 residents for a three-year period from 2016 – 2018 (12 months ended on September 30th for each period).

District 11 Resident CMR Discharges and Market Share by Facility, Three Years Ended September 30, 2016 - 2018

Rank	Hospital Name	9/30/2016	9/30/2017	9/30/2018	2018 Market Share
1	West Gables Rehabilitation Hospital	1,397	1,356	1,404	**20.2%**
2	Encompass Health (Miami)	1,398	1,401	1,379	**19.9%**
3	Jackson Memorial Hospital	548	776	865	**12.5%**
4	St. Catherine's West Rehabilitation Hospital	710	717	776	**11.2%**
5	Mount Sinai Medical Center	746	768	743	**10.7%**
6	Baptist Hospital of Miami	463	376	468	**6.7%**
7	Memorial Regional Hospital South	414	429	403	**5.8%**
8	Mercy Hospital	269	265	297	**4.3%**
9	St. Catherine's Rehabilitation Hospital	235	212	243	**3.5%**
10	Jackson North Medical Center	139	179	236	**3.4%**
Total		**6,319**	**6,479**	**6,814**	**98.1%**
Total, All Other Providers		**140**	**169**	**131**	**1.9%**
Total, District 11 Resident CMR Discharges		**6,459**	**6,648**	**6,945**	**100.0%**
JHS Facilities Combined (JMH and JNMC)		**687**	**955**	**1,101**	**15.85%**

Source: JHS, statement of opposition, page 11

JHS summarizes the CMR need formula outlined in Rule 59C-1.039(5)(a), Florida Administrative Code, and notes that no need was published in District 11 for the July 2024 planning horizon. Based on the need formula, opposition observes a 60-bed surplus in District 11. JHS trends the CMR patient days and surplus of beds within District 11

from January 2015 – January 2019[2] and concludes that the volume of surplus CMR beds calculated from the need formula and patient days within this time period have remained constant. Based on observed occupancy rates within District 11 and the absence of bed need statewide, JHS determines that need is not warranted for additional beds within the service area. Opposition expects for approval of the proposed project to result in an unnecessary duplication of services that would negatively impact existing providers and decrease the efficiency of operations of CMR beds district-wide.

Opposition discusses the absence of need within the service area for additional beds through comparing the occupancy within District 11 and the 80.0 percent occupancy threshold outlined in Rule 59C-1.039(5)(d), F.A.C. JHS notes that the occupancy within District 11 was 68.5 percent for the 12-month period that ended on June 30, 2018 and consistently between 65.0 and 68.0 percent from 2015 – 2019 (FY 2014 – 2018). In discussion of the proximity of District 11 providers to the proposed site, JHS underscores the proximity of a neighboring CMR provider in District 10, Memorial Regional Hospital South (MRHS), which is a provider of CMR services to residents of northern-Miami Dade.

JHS includes an analysis of District 11 provider projected patient days and aggregate occupancies until 2036. The analysis uses patient days from 2015 – 2019 to generate a compound annual growth rate of 1.1 percent which is predicted to be the constant rate of increase of patient days for District 11 until 2036. Opposition assumes that the number of beds until 2036 will remain constant (368 = 358 + 10 approved beds at Mercy Hospital). From the analysis provided, JHS does not expect for the occupancy within District 11 to exceed 80.0 percent until 2036. Opposition determines that the current supply and distribution of services will meet the needs of District 11 patients--evidencing the absence of need for additional CMR beds within the service area.

Changes in the patient day use rates per 1,000 population from FY 2014 – FY 2018 were also computed to demonstrate an absence of need for the proposed project. For the time periods analyzed, JHS finds that patient days changed by 4.5 percent, the July 1 population changed by 4.4 percent and the CMR use rate per 1,000 population changed by 0.1 percent. An analysis of the average daily census (ADC) for the same period trends an increase of approximately 10 patients per day. Based on the volume of patient days, ADC and number of licensed CMR beds—JHS forecasts that (on average) there were at least 113 CMR beds

[2] The reviewer notes that this time period corresponds with the date of Fixed Need Pools published for FY 13-14 – FY 17-18

available for the same time period. A three-year trend in the CMR average length of stay (ALOS) for the 12 months ending September 30th from 2016 – 2018 is also provided. The applicant finds that within this period the District 11 resident ALOS changed by -0.1 percent.

Using data obtained from the AHCA inpatient database for the three-year period between September 30, 2016 and September 30, 2018, JHS provides an overview of historical discharges from AHMC to CMR. Opposition discusses the volume of discharges to CMR for the 12-month period ending September 30, 2018. For this time period, JHS finds that the applicant discharged 362 patients to CMR facilities/units—illustrating more than sufficient access to existing CMR services and beds as needed. Opposition asserts that approval of the proposed project will adversely impact existing providers through the loss of referrals, which will be magnified as a result of the historical unused bed capacity, low occupancy and minimal growth in CMR days within the service area.

JHS next evaluates patterns in the availability of CMR programs at hospitals operated by HCA. Opposition asserts that HCA attributes a link between trauma services and the need for hospital-based CMR units. JHS references Page 92 of the American College of Surgeons' Committee on Trauma's *"Resources for the Optimal Care of the Injured Patient"* document which discusses these themes. Opposition alleges that HCA incorrectly interprets language in this report as justification for seeking hospital-based CMR programs. Based on the current inventory of trauma centers with CMR programs (excluding dedicated pediatric trauma centers), JHS finds that 39.4 percent of Florida trauma centers do not have CMR beds.

Opposition summarizes CMR projects reviewed by the Division of Administrative Hearings and legal determinations regarding those projects on pages 24-25 on the statement of opposition as evidence against need for an additional CMR provider within District 11.

JHS concludes that there is no compelling market factor that demonstrates a lack of access to CMR services or need for additional CMR services. Opposition maintains that approval of the proposed project would result in unnecessary duplication of services and adversely impact existing providers that efficiently serve market needs

Three letters of opposition from JHS providers are also included with the statement of opposition. The comments and themes of these letters are summarized below:

- The history of Jackson North as an experienced well-established provider of CMR services with the capacity/bed availability to meet CMR demand with specialized services

- The limited referrals from AHMC which met admission requirements for CMR services
- The proximity of Jackson North Medical Center to the proposed site
- The difficulty of the recruitment and retention of physiatrists who are specialized in Physical Medicine and Rehabilitation and who are willing and able to provide hospital-based care
- The occupancy rate of Mercy Hospital (84.5 percent), an affiliate hospital of AHMC, and the addition of 10 CMR beds at this facility
- A surplus of beds and bed availability within the service area
- The existing partnerships with existing health facilities, continuum of services, academic training and affiliations available through JHS

Letters were authored by:

- Ariel Inocentes, MD, PT, FAAPM&R Medical Director, Acute Inpatient Rehab Unit, Jackson North Medical Center
- Tracilyn Urruela, PT, Director of Rehab Services, Jackson North Medical Center
- Brenda Cain, Associate Vice President, Rehabilitation Operations

Statement of Opposition: South Broward Hospital District

The Agency received a letter of opposition to the proposed project provided on behalf of South Broward Hospital District (SBHD) through MHS on Wednesday, April 10, 2019. MHS provides hospital-based CMR services in District 10 at Memorial Regional Hospital South (89 CMR beds) and at Memorial Regional Hospital (six-bed pediatric CMR unit). The reviewer notes that MHS is a District 10 CMR provider.

Summary of Statement of Opposition

The SBHD opposes the proposed project as a result of the proximity of AHMC to Memorial Regional Hospital South (five miles/15 minutes).

Memorial Regional Hospital South provides the following reasons for opposing the project:

- Adverse impact to District 11 providers and MHS
- Lack of numerical need for additional CMR beds in District 11
- Aggregate occupancy threshold is not met
- Existing providers are well-positioned to meet increased market demand for CMR services
- A trauma program is not indicative of need for CMR beds
- Precedent case law shows that “not normal circumstances” rarely exist for CMR services

Broadly, SBHD opposes the proposal and determines that the project fails to respond to a variety of applicable review criteria.

C. PROJECT SUMMARY

The applicant's parent-company is Hospital Corporation of America, Inc. (HCA). HCA operates 51 inpatient hospitals within Florida—11 of which offer CMR services (10 hospital-based CMR units and one Class III specialty hospital).

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) is an existing acute care provider in District 11 proposing to establish a 21-bed CMR unit. The applicant has the following licensed inventory and services:[3]

- 351 acute care beds
- 56 adult psychiatric beds
- Comprehensive stroke center
- Level 2 adult cardiovascular services
- Statutory teaching hospital
- Level 2 trauma center

The total project cost is $17,179,000[4]. The project cost includes building, equipment, project development, financing and start-up costs. The project involves 19,450 gross square feet (GSF) of renovation construction.

The applicant anticipates licensure by December 31, 2020 and initiation of service on January 1, 2021.

AHMC includes the following Schedule C conditions with the proposal:

- **Percent of a particular subgroup to be served:**
  - Aventura will provide a minimum of four percent of its annual CMR discharges to patients covered by Medicaid/Medicaid managed care or who meet the criteria for charity care, self-pay/no pay, combined.
- **Accreditations**
  - Aventura will apply for CARF accreditation for its CMR program in the first 12 months of operations
- **Certifications**
  - CRRN certification will be achieved for a minimum of 20 percent of Aventura's rehabilitative nursing staff by Year Four of operation by the proposed CMR unit
- **Medical Director**
  - The medical director of the CMR program will be a board-certified or board-eligible physiatrist with at least two years of experience in the medical management of inpatients requiring rehabilitation services.

[3] https://www.floridahealthfinder.gov/facilitylocator/FacilityProfilePage.aspx?id=9935
[4] Total cost subject to fee, Schedule 1, Line 51

- **Equipment**
  - Aventura's CMR program will provide the following specialized equipment:
    - Unweighting System (Zero G, Vector, LiteGait, etc.)
    - Crosstrainer
    - Total Body Exerciser
    - Integrated Therapy System (Bioness BITS or equivalent)
    - Upper body and lower body functional electrical stimulators (Bioness or equivalent)
    - Bariatric capable electric exercise tables and parallel bars
    - Balance Assessment/Training System
    - Interactive Metronome
    - Neuromuscular Electrical Stimulator and Biofeedback system for Dysphagia (Vital Stim, Synchrony or equivalent)
    - Computerized Speech Lab (VisiPitch or equivalent)
    - Wrist and Upper Extremity System (Saebo Flex, Reo Go or equivalent)
- Available services:
  - Therapy services will be available seven days a week

Note: Should the proposed project be approved, the applicant's conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code. The Agency will not impose conditions on already mandated reporting requirements. The applicant's proposed conditions are as they stated. However, Section 408.043(4), Florida Statutes, states that "Accreditation by any private organization may not be a requirement for the issuance or maintenance of a certificate of need under ss. 408.031-408.045." Also, conditions that are required CMR services would not require condition compliance reports so the Agency will not impose conditions on already mandated reporting requirements.

Aventura Hospital and Medical Center, Project Cost and GSF			
Project	**GSF**	**Total Cost ($)**	**Cost Per Bed ($)**
21-bed CMR Project	**19,450**	**$17,179,000**	**$818,047.62**

Schedule 1 and Schedule 9 (Cost per bed) tables

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

D. REVIEW PROCEDURE

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

Applications are analyzed to identify strengths and weaknesses in each proposal. If more than one application is submitted for the same type of project in the same district, 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. The burden of proof to entitlement of a certificate rests with the applicant.

As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the Certification of the applicant.

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

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

1. Fixed Need Pool

a. Does the project proposed respond to need as published by a fixed need pool? ss. 408.035(1) (a), Florida Statutes. Rule 59C-1.008(2), Florida Administrative Code and Rule 59C-1.039(5), Florida Administrative Code.

In Volume 45, Number 13 of the Florida Administrative Register dated January 18, 2019, need for zero additional CMR beds was published in District 11 for the July 2024 planning horizon. Therefore, the proposed project is submitted outside of the fixed need pool. As of the application deadline March 6, 2019, there are 10 CMR beds approved and pending licensure in District 11.[5]

AHMC notes the absence of numerical need for CMR beds in District 11 for the July 2024 planning horizon. The applicant notes that existing CMR providers are able to add up to 10 beds or 10 percent of their licensed bed capacity when occupancy in their existing licensed beds is at or above 80.0 percent for 12 consecutive months, per 408.036(j), Florida Statutes. AHMC states that the occupancy standard established by 59C-1.039(5), Florida Administrative Code uses an occupancy standard of 85.0 percent. For this reason, the applicant determines that it is "virtually impossible" for the numeric formula to produce need for sufficient beds for a new unit of at least 20 beds if existing providers seek additional beds through exemption.

b. According to Rule 59C-1.039 (5)(d) of the Florida Administrative Code, need for new comprehensive medical rehabilitation inpatient services shall not normally be made unless a bed need exists according to the numeric need methodology in paragraph (5)(c) of this rule. Regardless of whether bed need is shown under the need formula in paragraph (5)(c), no additional comprehensive medical rehabilitation inpatient beds shall normally be approved for a district unless the average annual occupancy rate of the licensed comprehensive medical rehabilitation inpatient beds in the district was at least 80 percent for the 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed bed need pool.

From July 2017 – June 2018, District 11 had 358 licensed CMR beds and an occupancy rate of 68.45 percent. District 11 had the fifth highest occupancy across all districts.

[5] Mercy Hospital (parent-company HCA, Inc.) was issued Exemption #E180027 to add 10 CMR beds. The exemption was withdrawn on March 12, 2019 and Exemption #E190004 was issued to add 10 CMR Beds at Mercy Hospital on March 12, 2019 in conjunction with the withdrawal.

District 11 CMR Providers FY 2014 - FY 2018						
Facility	**Beds**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**
Baptist Hospital of Miami	23	78.28%	81.19%	79.76%	82.31%	83.35%
Encompass Health (Miami)	60	69.63%	70.15%	77.77%	79.93%	77.54%
Jackson Memorial Hospital	80	45.12%	34.46%	37.87%	42.61%	44.13%
Jackson North Medical Center	12	20.57%	24.50%	42.60%	42.05%	62.97%
Mercy Hospital	15	77.39%	80.33%	78.74%	76.05%	84.46%
Mount Sinai Medical Center	46	68.20%	69.37%	63.85%	60.92%	56.91%
St. Catherine's Rehabilitation Hospital	22	62.37%	63.52%	46.58%	43.01%	44.31%
St. Catherine's West Rehabilitation Hospital	40	74.62%	80.99%	76.51%	72.32%	77.65%
West Gables Rehabilitation Hospital	60	82.63%	87.67%	83.97%	88.00%	94.74%
Total	**358**	**65.50%**	**65.42%**	**65.04%**	**66.10%**	**68.45%**

Source: Hospital Bed Need Projections January 2015 – January 2019 Batching Cycles.

The following chart provides a summary of existing CMR providers and their proximity to the proposed CMR project in CON application #10574, driving times vary by traffic conditions and time of day.

District 11 CMR Providers Proximity (Distance in Miles) to CON application #10574										
Location	**CON #10574**	**Jackson (North)**	**St. Catherine's**	**Mount Sinai**	**Jackson Memorial Hospital**	**St. Catherine's West**	**Mercy Hospital**	**West Gables**	**Baptist**	**Encompass (Miami)**
CON #10574		5.7 mi	6.7 mi	13.2 mi	16.1 mi	16.8 mi	18.9 mi	25.1 mi	30.1 mi	40.2 mi
Jackson (North)	5.7 mi		4 mi	13.4 mi	10.6 m	12.1 m	14.0 mi	20.2 mi	25.2 mi	35.4 mi
St. Catherine's	6.7 mi	4 mi		9.2 mi	10 mi	12.4 mi	12.8 mi	18.6 mi	24 mi	34.1 mi
Mount Sinai	13.2 mi	13.4 mi	9.2 mi		7.2 mi	19.5 mi	10.3 mi	16.0 mi	21.0 mi	31.1 mi
Jackson Memorial Hospital	16.1 mi	10.6 mi	10 mi	7.2 mi		16.5 mi	4.3 mi	10.7 mi	15.7 mi	25.8 mi
St. Catherine's West	16.8 mi	12.1 mi	12.4 mi	19.5 mi	16.5 miles		16.6 mi	10.5 mi	15.9 mi	26.1 mi
Mercy Hospital	18.9 mi	14.0 mi	12.8 mi	10.3 mi	4.3 mi	16.6 mi		8.5 mi	10.1 mi	16.1 mi
West Gables	25.1 mi	20.2 mi	18.6 mi	16.0 mi	10.7 mi	10.5 mi	8.5 mi		5.9 mi	13.9 mi
Baptist	30.1 mi	25.2 mi	24 mi	21.0 mi	15.7 mi	15.9 mi	10.1 mi	5.9 mi		9.0 mi
Encompass (Miami)	40.2 mi	35.4 mi	34.1 mi	31.1 mi	25.8 mi	26.1 mi	16.1 mi	13.9 mi	9.0 mi	

Source: Google Maps

The table below shows the total number of District 11 adult residents discharged from a Florida CMR provider for the 12-month period ending June 30, 2018.

District 11 Resident CMR Discharges by Facility FY 2018		
Facility	**Volume of Discharges**	**Percent of Total Discharges**
Baptist Hospital of Miami	466	6.81%
Encompass Health (Miami)	1,421	20.76%
Jackson Memorial Hospital	794	11.60%
Jackson North Medical Center	233	3.40%
Mercy Hospital	296	4.32%
Mount Sinai Medical Center	740	10.81%
St. Catherine's Rehab. Hospital	235	3.43%
St. Catherine's Rehab. Hospital (W)	762	11.13%
West Gables Rehab. Hospital	1,369	20.00%
Total District 11 Providers	6,316	92.27%
Other Florida CMR Providers	529	7.73%
Total	**6,845**	**100.00%**

Source: Florida Center for Health Information and Transparency Database – Type Service 2 Discharges

c. Other Special or Not Normal Circumstances

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) discusses the historical occupancy standard outlined in rule which was implemented in 1995. AHMC notes that the federal Medicare program currently has a "60.0 percent Rule" for inpatient rehabilitation facilities and units which stipulates that at least 60.0 percent of patients discharged from an inpatient rehabilitation hospital or unit has to be treated for one of thirteen conditions in order for a facility to receive Medicare payments per the prospective payment system. The applicant notes that the "60.0 percent rule" resulted in restrictions on the types and numbers of patients that would be eligible under the rehabilitation payment system. As the majority of CMR patients are adults aged 65+ primarily insured by Medicare, the applicant states that Medicare reimbursement changes are significant to utilization.

AHMC maintains that since 59C-1.039, Florida Administrative Code, has not been amended since 1995, the rule does not account for: Medicare reimbursement changes, more recent CMS policy changes, current medical literature or resultant changes in CMR service delivery away from a regional referral model toward a more locally-based step down model which enhances patient continuity of care. The reviewer notes that the applicant is incorrect as 59C-1.039, Florida Administrative Code, was amended on July 2, 2017.

The applicant continues its analysis of contemporary and historical definitions and standards for CMR services in reference to ss. 408.032 (17), Florida Statutes and 59C-1.002, Florida Administrative Code. AHMC determines that the inclusion of CMR services in these statutory references constitute outdated models of CMR service delivery. The applicant maintains that the absence of published need for CMR beds

anywhere in Florida is partially a function of a districtwide approach to need determination. AHMC outlines previously approved CON projects that were approved under "not normal circumstances" during the absence of need on pages 24-25 of CON application #10574.

AHMC describes how the clinical continuity of care is of primary importance and advantage to patients—noting that over the past decade the severity rating of patients admitted to HCA rehabilitation programs nationwide has increased. The applicant states that patients in an acute care setting who are subsequently transferred to Aventura's CMR unit will have the direct benefit of having the same physicians manage their medical care in conjunction with a rehabilitation physician. AHMC indicates that older patients prefer to choose CMR services in close proximity to their acute care setting or home even when services are not optimal to their needs. The applicant contends that patients travelling "elsewhere" may be burdensome to family members. AHMC states that in the absence of the proposed service, many CMR-eligible patients discharged from AHMC are forced to transfer to other existing providers for CMR services which results in less than optimal continuity of care for patients.

AHMC finds a disparity in the accessibility of CMR services to Medicaid and indigent patients. The applicant maintains that as a disproportionate share hospital (DSH), it has historical experience with serving such patients and will enhance the accessibility of services to low-income patients eligible for CMR services. AHMC notes that the approval of the proposal is conditioned to the provision of 4.0 percent Medicaid/Medicaid HMO/charity care.[6]

Service Area Characteristics

Using Agency published population estimates, the applicant finds that from 2014-2019 the total population in Miami-Dade and Monroe Counties is expected to increase by 5.42 percent. AHMC notes that the 65+ population is estimated to account for 15.88 percent of District 11's population in 2019 and 17.03 percent in 2024. The 65+ population is estimated to increase by 7.20 percent for this five year time period.

A map of AHMC's self-identified CMR service area by Zip Code and the distribution of existing Broward County and Miami-Dade CMR providers is provided on page 28 of the application. The applicant outlines its proposed service area with the following Zip Codes. The reviewer notes that a significant amount (thirty-three percent) of the identified Zip Codes are located in Broward County and therefore outside of District 11.

[6] The reviewer notes that AHMC did not participate in the DSH program in the state fiscal year 2018-2019

- 33009 (Broward County)
- 33019 (Broward County
- 33020
- 33023 (Broward County)
- 33054
- 33056
- 33138
- 33147
- 33160
- 33162
- 33167
- 33169
- 33179
- 33180
- 33181
- 33004 (Broward County)
- 33012 (Broward County)
- 33013
- 33014
- 33015
- 33016
- 33021 (Broward County)
- 33024 (Broward County)
- 33025 (Broward County)
- 33027 (Broward County)
- 33055
- 33125

Within the applicant's self-identified service area, population change is forecasted to change by 6.5 percent for the total population and 17.3 percent for the 65+ population from 2018-2023. As the senior population frequently uses CMR services, AHMC maintains that the proposed rehabilitation model is based on the concept that access to CMR services, provided quickly, is the best way to facilitate the return of older persons to the community.

In description of District 11, the applicant notes that Miami-Dade County is the largest county. The applicant indicates that the city of Aventura is located in close proximity to numerous roadways just a few miles south of the Miami-Dade/Broward County line. For this reason, AHMC maintains that the proposed project will afford readily available access to residents of Miami-Dade County and residents in some areas of southern Broward County. A map of District 11 CMR providers is presented on page 30 of CON application #10574.

District 11 Utilization Patterns and Trends

Three-year trends of the utilization in District 11 are provided for existing providers. The applicant determines that the CMR occupancy from the years ending June 30, 2016 to June 30, 2018 has increased by 5.25 percent while the number of patients has changed by 4.4 percent across all providers for the same period. Across all providers, AHMC indicates that most CMR providers in District 11 are well-utilized. The applicant identifies West Gables Rehabilitation Hospital as the most utilized CMR program in District 11 and acknowledges St. Catherine's West Rehabilitation Hospital and Baptist Hospital of Miami as CMR providers with well-utilized, growing programs. AHMC determines that the number of patient days and occupancy rates within District 11 are increasing.

AHMC identifies Jackson North as the closest District 11 provider to its existing campus. The applicant contends that smaller general hospital-based CMR units like Jackson North tend to operate in a step-down capacity and serve patients discharged from their own acute care settings.

The applicant provides the following table reflecting District 11 acute care hospitals with inpatient CMR units, the respective number of patients discharged to CMR and percentage of CMR patients potentially admitted through internal transfer:

FY 2018 Acute Care CMR Facilities - Potential Internal Transfers to CMR			
Facility	**# Acute Patients Discharged to CMR**	**Total # CMR Patients Admitted**	**% of CMR Patients Potentially from Internal Transfer**
Baptist Hospital of Miami	619	506	122.3%
Jackson Memorial Hospital	1,154	1,087	106.2%
Jackson North Medical Center	188	254	74.0%
Mercy Hospital	284	358	79.3%
Mount Sinai Medical Center	891	859	103.7%
Grand Total	**3,136**	**3,064**	**102.3%**

Source: CON application #10574, page 33. The reviewer notes that the percentages in the % column equal the # of acute patients discharged to CMR divided by the total # of CMR patients admitted

AHMC contends that most District 11 providers are likely not taking many patients from external referrals. The applicant states that Jackson Memorial Hospital likely refers a high volume of trauma patients to its own CMR unit. AHMC concedes that while it is not possible to identify patients who were internally discharged to a hospital-based CMR unit, it is logical to assume that at least a majority of the patients who would seek inpatient acute care services at a specific hospital would be receiving inpatient CMR services at the same location.

The applicant notes that both Mercy Hospital and Kendall Regional Medical Center are HCA-affiliated hospitals in District 11. AHMC states that Kendall Regional Medical Center is a Level II trauma center without

a CMR unit and refers patients to Mercy Hospital which subsequently experiences a high occupancy as a result. The applicant asserts that Mercy Hospital is not readily accessible to residents of AHMC's self-identified 27 Zip Code CMR service area due to its location in central Miami-Dade.

AHMC states that though the two St. Catherine's facilities (owned by Catholic Health Services) do not accept or deny patients based on their religious beliefs, certain patients may be reluctant to seek care at these facilities given their Catholic religious affiliation. The applicant references letters of support from case managers echoing these sentiments. AHMC states that young or relatively healthy patients looking to receive CMR services with the goal of a quick return home tend to be averse to referrals to St. Catherine facilities because of these facilities provision of skilled nursing care and hospice.

The applicant provides data trending the three-year CMR patient discharges and use rates from FY 2016 – 2018. A consolidated table depicting this data is provided below:

FY 2016 - 2018 Miami Dade CMR Patient Discharges by Age						
Age Group	**0-17**	**18-44**	**45-64**	**65+**	**Total**	**Total Adult**
% Change 2016 - 2018	13.3%	-1.6%	14.5%	-2.2%	1.6%	1.5%
FY 2016 - 2018 Miami Dade CMR Patient Use Rates by Age						
Age Group	**0-17**	**18-44**	**45-64**	**65+**	**Total**	**Total Adult**
% Change 2016 - 2018	12.2%	9.0%	[redacted]	-7.5%	-7.0%	-1.1%

Source: CON application #10574, page 34

From the analysis provided, the applicant finds that the number of discharges for CMR patients has increased while the patient use rate has decreased. AHMC attributes this decrease to access issues for the 65+ population.

AHMC provides a table summarizing the distance in miles to existing District 11 CMR providers. In reviewing the proximity and location of area providers, the applicant states that patients who reside in the north and northeast portion of its acute care service area would have to travel south down I-95 and south via Ronald Reagan Turnpike to access existing District 11 providers. AHMC maintains that traffic on these main throughways is heavily congested and can be more than double the commute time without traffic. The applicant indicates that Baptist Hospital of Miami was approved to relocate its existing CMR site 20 miles south in the Homestead area. AHMC states that Mount Sinai's location in a congested region of Miami Beach (a tourist and vacation destination) makes it difficult for the majority of patients in the applicant's acute care service area to access. The applicant contends that the locations of various area providers and traffic conditions upon commuting to these providers present barriers to access for patients of AHMC's self-identified proposed CMR service area.

The applicant discusses how its proximity to Memorial Regional Hospital South results in referrals that existing CMR program from AHMC. A summary of Memorial Regional South's occupancy from June 2016 to June 2018 is provided below:

Memorial Regional Hospital South CMR Utilization			
	YE 6/2016	**YE 6/2017**	**YE 6/2018**
Occupancy	88.6%	89.6%	80.1%
Licensed Beds	79	79	89

Source: CON application #10574, Page 36

The applicant notes that despite adding 10 beds in the second half of 2018, Memorial Regional Hospital South still had an occupancy that exceeded 80.0 percent (80.1 percent). AHMC indicates that its facility case managers lament the cumbersome assessment process at Memorial Regional Hospital South alleging that this creates delays in timely discharge to CMR. The applicant contends that patients must stay in an acute care setting until it is confirmed whether or not Memorial Regional Hospital South will deny or accept the patient which increases the acute care ALOS while delaying the initiation of needed care.

Financial Barriers to Access CMR Care

The applicant discusses barriers in accessing care for Medicaid/Medicaid HMO and/or self-pay patients. The following tables summarize the payer mix for CMR patients across District 11 facilities and the payer mix of AHMC patients discharged to CMR:

District 11 FY 2018 Payor Mix for CMR Patients						
Facilities	**Commercial Insurance**	**Medicaid***	**Medicare**	**Self - Pay/ No Pay**	**Other ****	**Total**
Baptist Hospital of Miami	22.1%	1.0%	73.9%	2.0%	0.10%	100%
Encompass Rehabilitation Hospital of Miami	12.4%	2.1%	83.1%	0.6%	1.80%	100%
Jackson Memorial Hospital	28.3%	21.4%	41.4%	7.5%	1.40%	100%
Jackson North Medical Center	17.7%	16.1%	65.0%	1.2%	0.0%	100%
Mercy Hospital	32.1%	9.2%	56.4%	1.4%	0.80%	100%
Mount Sinai Medical Center	12.5%	4.3%	78.6%	4.2%	0.50%	100%
St. Catherine's Rehabilitation Hospital	9.2%	5.3%	84.7%	0.8%	0.00%	100%
St. Catherine's West Rehabilitation Hospital	7.1%	4.1%	88.5%	0.0%	0.40%	100%
West Gables Rehabilitation Hospital	10.6%	10.2%	77.8%	0.1%	1.30%	100%
Total	**15.6%**	**8.1%**	**73.1%**	**2.1%**	**1.10%**	**100%**

Source: CON application #10574, page 37

Aventura Hospital and Medical Center: Patients Discharged to CMR Payer Mix		
Payer	**Discharges**	**% of Total**
Commercial Insurance	77	22.32%
Medicaid	6	1.74%
Medicaid Managed Care	18	5.22%
Medicare	188	54.49%
Medicare Managed Care	48	13.91%
Self-Pay/Pay	3	0.87%
Other*	5	1.45%
Total	**345**	**100.00%**

Source: CON application #10574, page 38

From this analysis, the applicant determines that patients within the Medicaid/Medicaid HMO or self-pay categories have barriers accessing care within District 11. As a result, the applicant intends to ensure access to these patients through providing a minimum of 4.0 percent of its annual discharges to Medicaid/Medicaid HMO and self-pay (charity care) patients.

Alongside the analysis of CMR patient discharges by payer mix, outlines of patient discharges by destination and age are also provided.

Aventura Hospital and Medical Center FY 2016 - 2018 Patient Discharges					
Discharged To:	**FY 2016**	**FY 2017**	**FY 2018**	**Patient Change**	**% Change 2016 - 2018**
CMR	424	402	345	-79	-18.6%
Home Health	3,176	3,671	3,365	189	6.0%
SNF	3,008	2,763	2,562	-446	-14.8%

Source: CON application #10574, page 39

Aventura Hospital and Medical Center FY 2016 - 2018 Patients Discharged to CMR by Age					
	0-17	**18-44**	**45-64**	**65+**	**Total**
July 2015 - June 2016		42	85	297	424
July 2016 - June 2017		33	103	266	402
July 2017 - June 2018		36	76	233	345
Change 2016 - 2018		**-6**	**-9**	**-64**	**-79**
Percent Change		**-14.3%**	**-10.6%**	**-21.5%**	**-18.6%**

Source: CON application #10574, page 39

In reviewing discharges by payer and destination, the applicant determines that AHMC's patient discharges to CMR and AHMC's discharges to CMR for 65+ patients has declined, despite 65+ patients experiencing significant population growth and the intensity of CMR use among the 65+ demographic. AHMC determines that the decline in discharges to CMR despite an increase in trauma activations indicates access issues for patients requiring CMR services. The applicant states that the decrease is driven by a number of factors that perpetuate the difficulties case managers face when attempting to place patients with

existing CMR providers. AHMC notes that patients are often discharged to SNFs or home health in order to receive some form of post acute-care. The applicant expects for approval of the proposed project to allow for AHMC to maintain control of its own CMR unit, better manage the cost, quality, continuity of care and increase access to CMR services for patients, especially Medicaid and charity care patients. The reviewer notes that the proposed provision to the Medicaid and charity care population is lower that what is currently experienced within District 11 at present. It is unclear how the applicant's proposed facility will increase financial accessibility to CMR services within District 11.

Inpatient Alternatives to CMR Services

The applicant states that in the absence of sufficient CMR bed capacity, patients are often discharged to SNFs as an alternative. AHMC asserts that SNFs are generally not an acceptable alternative to CMR services which are provided in a hospital setting and require a higher intensity of services. As an example, the applicant notes that CMR patients covered by Medicare are required to receive a minimum of three hours of skilled therapy per day while there is no minimum skilled therapy requirement for SNF units.

AHMC compares the structural differences between CMR services and rehabilitation services received in a SNF by outlining the CMS descriptions and diagnoses for hospital-based rehabilitation facilities and services. The applicant notes that in comparison to the requirements outlined for hospital-based rehabilitation facilities there are no specific diagnoses required for SNF admission as long as the criteria for nursing care is satisfied. AHMC states that SNFs can admit Medicare patients typically within 30 days of an acute care hospital episode of at least three consecutive days. In contrast, CMR facilities can admit a patient from any location at any time provided the patient needs intensive inpatient rehabilitative services.

The applicant details studies documenting differential outcomes for patients who received care in CMR settings in comparison to SNF patients—noting that patients served in CMR settings had better outcomes than patients treated in SNFs, patients treated in CMR settings achieve significantly better outcomes in a shorter amount of time than patients treated in SNFs and rehabilitation in a CMR facility leads to lower mortality, fewer readmissions, fewer ER visits and more days at home. In reference to 2016 American Heart Association/American Stroke Association guidelines on adult stroke rehabilitation, AHMC notes that inpatient rehabilitation settings are preferential to SNFs. The applicant determines that there is increasing evidence that post-acute rehabilitation for stroke patients can have a significant impact on quality of life. The applicant provides copies of relevant studies in Attachment 1 of CON application #10574.

The applicant states that patients who experience complex cardiac, orthopedic or stroke-related trauma often require surgical intervention and subsequent inpatient rehabilitation. AHMC discusses how its comprehensive cardiovascular care center and orthopedic institute cares for many CMR-appropriate patients. Despite caring for many CMR-appropriate patients, the applicant notes a disparity between the volume of cardiac, orthopedic and/or stroke patients discharged to CMR at its facility and other HCA hospitals with CMR units based on "Rehab Impairment Categories". See the table below.

Aventura Discharges to CMR by Selected DRG RIC Categories Compared to HCA CMR Providers		
RIC Category	**Aventura % Discharged to CMR**	**HCA % Discharged To CMR**
Cardiac	1.7%	2.2%
Orthopedic	7.6%	8.2%
Stroke	10.0%	17.1%
Total	**4.1%**	**5.0%**

Source: CON application #10574, page 43

AHMC notes discharging less CMR-appropriate patients to CMR than its affiliate facilities and explains that the percentage of CMR-appropriate patients discharged understates the true need for CMR services. The applicant determines that this suggests that many CMR-appropriate patients are forced to settle for sub-optimal care in SNFs or other settings. AHMC expects for the proposed project to result in more CMR-appropriate discharges and to improve access to care for all patients at its facility.

Trauma Designation Will Support CMR Demand

The applicant describes how traumatic injuries often require CMR services which contrasts with the current experience of AHMC's trauma discharges to CMR. AHMC provides a three-year trend summary of the percentage of trauma patients discharged to CMR for FY 2016, 2017 and 2018 respectively—noting that for FY 2018, it discharged 8.7 percent of its trauma patients to CMR. Among patients discharged to CMR, AHMC observes that 15 of 26 were commercially insured patients, two were Medicaid Advantage patients, six were Medicare patients, two were covered under workers' compensation and one patient was self-pay/no pay. AHMC emphasizes the fact that none of its trauma patients placed with a CMR provider were traditional Medicaid or self-pay patients. The reviewer notes that the Commercial Managed Care Unit at the Agency does not recognize any Medicaid Advantage product lines although it does recognize Medicare Advantage product lines. In addition, the

reviewer is unsure of the difference between the identified self-pay/no pay patient that was discharged to CMR and a "traditional" self-pay patient.

The following charts (consolidated) were provided to compare AHMC's trauma and non-trauma discharges to CMR with HCA-affiliate providers with CMR units for FY 2018:

FY 2018 HCA Florida Level II Trauma and Non-Trauma (%) Discharges to CMR		
Facility	**(%) Trauma Patients Discharged to CMR**	**(%) Non-Trauma Patients Discharged to CMR**
Aventura Hospital and Medical Center	8.7%	1.9%
Blake Medical Center	9.1%	2.9%
Central Florida Regional Hospital	13.3%	2.5%
Lawnwood Regional Medical Center	19.2%	6.1%
Orange Park Medical Center	13.5%	2.1%
Osceola Regional Medical Center*	5.0%	0.9%
Total % of Discharges	**13.0%**	**2.6%**

Source: CON application #10574, page 45
*Opened CMR unit in second half of FY 2018, AHCA Database 2017 Q3 – 2018 Q2

AHMC finds that it discharges fewer trauma and non-trauma patients to CMR than its affiliate hospitals with CMR units. The applicant expects to discharge more of its patients to CMR upon approval of the proposed project and expects to discharge more Medicaid or self-pay patients that existing providers are often unwilling or unable to accommodate. The reviewer notes that the applicant is only proposing to serve six additional patients within this payer source in year one of the proposed project (27 discharged to CMR currently in FY 2018 versus 33 proposed to be served in the proposed project in year one).

The applicant expects for implementation of the proposal to adapt to other similar-sized CMR units at affiliate HCA hospitals. AHMC contextualizes its analysis of discharges to CMR with HCA's experience at Osceola Regional Medical Center (Osceola RMC). The applicant describes how Osceola RMC opened its CMR unit during 2018[7] and was able to increase its discharges to CMR from 32 to 153 as the percent of total patients discharged increased from 0.3 percent before having a CMR program from July – December 2017 to 1.6 percent from January – June 2018 upon implementation of its CMR program. AHMC maintains that the number of patients discharged to CMR from Osceola RMC's trauma center increased by four percentage points. The applicant compares the payer mix of CMR discharges from July – December 2017 and January – June 2018 at Osceola RMC—noting the increase of self-pay/no pay (0.2 percent to 1.0 percent) and Medicaid (0.3 percent to 0.6 percent) discharges.

[7] Osceola Regional Medical Center licensed 28 CMR beds on 12/12/17 per CON #10349

Bundled Payment for Care Improvement Initiative
AHMC discusses voluntarily participating in the CMS' Bundled Payment for Care Improvement Initiative (BPCI), which consists of four models of care that link payments for multiple services beneficiaries receive during an episode of care. The applicant describes how organizations enter into payment arrangements that include financial and performance accountability for episodes of care for the purpose of aligning incentives among participating health care providers by reducing expenditures and improving quality of care for Medicare beneficiaries. The applicant explains that bundled payment services combine payments for physicians, hospitals and other health care providers for the purpose of providing services efficiently, coordinating care and improving quality. AHMC indicates that it participates in BPCI Model 2 (Retroactive Acute and Post-Acute Care Model) as an awardee. The applicant explains that providers can experience a gain or loss depending on how successfully they manage resources and total costs. AHMC discusses how it has selected 15 clinical episodes within the bundled payment system initiative to furnish costs of all post-acute care providers for the episode of care—managing both the cost and the quality of care for BPCI patients beginning from acute care admission to 90 days following discharge. The applicant asserts that hospitals must be cautious in discharging patients to the appropriate lowest level of care without compromising the patient's safety and healing process.

The applicant maintains that it experiences problems with appropriately placing patients requiring CMR which are magnified with patients of the BPCI program. AHMC asserts that patients who are appropriate for CMR but who would otherwise require admission to an acute care hospital experience poorer outcomes. The applicant expects to be able to better coordinate care for BPCI patients through the ability to transition patients from acute to post-acute rehabilitative services due within the same facility. AHMC anticipates an enhancement in continuity of care due to the patient's acute care providers being available for input during the development of the interdisciplinary plan of care for CMR treatment. The applicant states that it will have greater control of ALOS and course of treatment within the CMR treatment—enabling greater cost control and maximization of patient outcomes.

Forecasted Need and Utilization for the Proposed Project
AHMC describes the algorithm used to derive the numerical bed need for its proposed project utilizing adult trauma and non-trauma patient discharges. The percent of non-trauma and trauma patients discharged to CMR at other HCA hospitals designated as Level II trauma centers with hospital-based CMR units was applied to AHMC's current

discharges to CMR to determine the projected number of discharges to CMR for non-trauma and trauma patients. The applicant calculated the following bed need at 75.0 percent occupancy.

Aventura Hospital and Medical Center CMR Projected Bed Need			
	Trauma Patients	**Non-Trauma Patients**	**Total**
Aventura Adult Patients (2018)	298	16,635	16,933
HCA Facilities % Patients Discharged to CMR (2018)	13.0%	2.6%	2.7%
Projected Number of Patients Discharged to CMR	39	425	464
Miami-Dade County CMR Provider ALOS (2018)	12.5	12.5	12.5
Projected Days	485	5,314	5,799
Projected ADC	1.3	14.6	15.9
Bed Need at 75% Occupancy	**1.8**	**19.4**	**21.2**

Source: CON application #10574, page 56

The applicant maintains that CMR patients discharged from AHMC are sufficient to support the proposed 21-bed unit without any consideration for population growth, aging or increased access. AHMC provides a chart mapping out the incremental service demand for the proposed project by age until 2023 which is reproduced below.

Aventura CMR Projected Demand			
	18-64	**65+**	**Total Adult**
CMR Discharges FYE 6/2018	1,189	2,186	3,375
CMR Use Rate FYE 6/2018	13.9	94.2	24.6
Projected CMR Discharges 2021	1,430	2,229	3,659
Projected CMR Discharges 2022	1,440	2,304	3,744
Projected CMR Discharges 2023	1,232	2,562	3,794
Incremental Growth in CMR Patients	43	376	419
Incremental Patient Days (12.6 ALOS)			5,279
Incremental ADC			14.5
Incremental Bed Need at 75%			19.3

Source: CON application #10574, page 57

AHMC indicates that incremental growth from 2018-2023 is based on population growth alone and assumes no change in use rates. A comparison of the patient use rate by age and region for the proposed project in comparison to existing District 11 providers is included below.

Comparison of Patient Use Rates for Aventura's Service Area			
Region	**18-64**	**65+**	**Total Adult**
Aventura	16.36	87.49	25.18
Miami/Dade	11.67	106.53	30.43
District 11	11.76	108.04	30.97

Source: CON application #10574, page 58

The applicant states that projected utilization for the proposed CMR unit is predicated on the assumption that 2018 AHMC self-identified service area utilization rates will hold constant for the projected time period.

The following chart depicting the applicant's projected utilization is provided below.

Aventura Projected Utilization			
	PSA	**SSA**	**Total**
Projected Market Share			
Year 1 (2021)	15.0%	2.0%	7.6%
Year 2 (2022)	17.5%	3.0%	9.3%
Year 3 (2023)	18.5%	4.0%	10.3%
Projected Service Area CMR Patients			
Year 1 (2021)	237	42	278
Year 2 (2022)	283	64	347
Year 3 (2023)	307	85	392
Total CMR Patients with 15% In-Migration			
Year 1 (2021)			328
Year 2 (2022)			408
Year 3 (2023)			462
Projected Patient Days at 12.6 ALOS			
Year 1 (2021)			4,135
Year 2 (2022)			5,154
Year 3 (2023)			5,828
Projected ADC			
Year 1 (2021)			11.33
Year 2 (2022)			14.12
Year 3 (2023)			15.97
Projected Occupancy of 21 Beds			
Year 1 (2021)			53.9%
Year 2 (2022)			67.2%
Year 3 (2023)			76.0%

Source: CON application #10574, page 59

Regarding the projected utilization AHMC notes the following:

- AHMC's current acute care market share of 8.1 percent which was used as a basis for determining projected market shares for the proposed project
- The projected market shares for CMR services are reasonable considering that there are fewer CMR providers than acute care providers in the market
- The growth in market share and 15.0 percent in-migration factors are reasonable and conservative over the first three years

Lack of Adverse Impact on Existing District 11 Providers

The applicant discusses the existing inventory of CMR providers—noting that five of nine providers have occupancies exceeding or approaching 85.0 percent, there are travel constraints that impede access to area providers and a majority of area providers likely use internal transfers for their hospital-based CMR units.

AHMC states that population growth alone justifies the need for the proposed project. Based on its own need methodology, the applicant determines that its proposal can be sustained from discharges originating from its own campus. AHMC asserts that the projected utilization for the proposed project does not consider any increase in use rates or increased access for certain payor types—determining that no significant impacts are anticipated for existing providers. The applicant provides a chart depicting the market shares of existing providers across its self-identified service area and identifies St. Catherine's West and Jackson Memorial as providers with significant market share. The applicant summarized the anticipated impact to market shares across existing providers in the event that the proposal was implemented in the second table below.

Aventura Service Area CMR Patient Market Share YE 6/30/2018	
Hospital	**Total CMR Patient Market Share**
Memorial Regional Hospital South	37.2%
St. Catherine's West Rehabilitation Hospital	18.8%
Jackson Memorial Hospital	10.9%
Mount Sinai Medical Center	4.6%
Encompass Sunrise Rehabilitation Hospital	6.4%
West Gables Rehabilitation Hospital	8.4%
Jackson North Medical Center	5.2%
St. Catherine's Rehabilitation Hospital	1.4%
Mercy Hospital	1.5%
St. Anthony's Rehabilitation Hospital	1.2%
Encompass Rehabilitation Hospital of Miami	1.2%
Holy Cross Hospital	0.6%
Baptist Hospital of Miami	0.5%
Broward Health North	0.2%
All Other	2.0%
Total	**100%**

Source: CON application #10574, page 61

Aventura CMR Adverse Impact on Existing Providers				
Hospital	**Change in Case Volume 2018 - 2023**	**% Change in Volume**	**Total # of Cases**	**% Impact**
Aventura Hospital and Medical Center	392			
Memorial Regional Hospital South	7	0.6%	2,159	0.3%
St. Catherine's West Rehabilitation Hospital	26	4.1%	806	3.3%
Jackson Memorial Hospital	-2	-0.4%	1,087	-0.1%
Mount Sinai Medical Center	-2	-1.3%	859	-0.2%
Encompass Sunrise Rehabilitation Hospital	7	3.3%	2,615	0.3%
West Gables Rehabilitation Hospital	-2	-0.8%	1,470	-0.1%
Jackson North Medical Center	-10	-5.7%	254	-3.9%
St. Catherine's Rehabilitation Hospital	-1	-1.1%	262	-0.2%
Mercy Hospital	2	3.7%	358	0.5%
St. Anthony's Rehabilitation Hospital	2	4.1%	477	0.3%
Encompass (Miami)	2	5.7%	1,478	0.1%
Holy Cross Hospital	0	2.2%	731	0.1%
Baptist Hospital of Miami	0	0.2%	506	0.0%
Broward Health North	0	5.4%	544	0.1%
All Other	-5	-7.0%		
Total	**419**			

Source: CON application #10574, page 62

Overall the applicant does not anticipate significant adverse impact to existing providers as a result of implementing the proposed project. The applicant notes that Jackson North is expected to lose 10 discharges, while Memorial Regional and St. Catherine's West are expected to gain discharges due to the projected growth and aging of the population and the resulting growth and demand for CMR services. With regards to adverse impacts, Aventura concludes with the following points:

- Aventura's proposal is unlikely to have significant adverse impact on any existing provider
- The proposed unit can be highly successful based on realistic and conservative assumptions regarding start-up and utilization rates
- Aventura proposes to serve patients historically referred but not admitted to CMR
- Any insignificant negative impact that could be deduced is far outweighed by the improvements in bed availability, accessibility and patient continuity of care that will be gained by approving the proposed project

2. Agency Rule Criteria:

Please indicate how each applicable preference for the type of service proposed is met. Refer to Chapter 59C-1.039, Florida Administrative Code, for applicable preferences.

a. General Provisions:

(1) Service Location. The CMR inpatient services regulated under this rule may be provided in a hospital licensed as a general hospital or licensed as a specialty hospital.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center/CON #10574 is licensed as a general hospital.

(2) Separately Organized Units. CMR inpatient services shall be provided in one or more separately organized unit within a general hospital or specialty hospital.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) states that the proposed unit will be provided in a separately organized unit on the sixth floor of the existing South Tower.

(3) Minimum Number of Beds. A general hospital providing comprehensive medical rehabilitation inpatient services should normally have a minimum of 20 comprehensive rehabilitation inpatient beds. A specialty hospital providing CMR inpatient services shall have a minimum of 60 CMR inpatient beds. Hospitals with licensed or approved comprehensive medical rehabilitation inpatient beds are exempt from meeting the requirements for a minimum number of beds.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) notes that the proposed unit is for 21-beds, satisfying the minimum number of beds outlined for this criterion.

(4) Medicare and Medicaid Participation. An applicant proposing to increase the number of licensed comprehensive medical rehabilitation inpatient beds at its facility shall participate in the Medicare and Medicaid programs. Applicants proposing to establish a new comprehensive medical rehabilitation service shall state in their application that they will participate in the Medicare and Medicaid programs.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) describes currently participating in the Medicare and Medicaid programs in its existing acute care operations and will continue to do so for the proposed unit. The applicant states that the unit will be a

provider-based unit for reimbursement purposes, billing under the hospital's existing provider number. The applicant forecasts 20 Medicaid and 14 self-pay/charity discharges (10.4 percent) in year one and 25 Medicaid and 17 self-pay/charity discharges (10.3 percent) in year two.

b. Required Staffing and Services.

(1) Director of Rehabilitation. CMR inpatient services must be provided under the medical director of rehabilitation who is a board-certified or board-eligible physiatrist and has had at least two years of experience in the medical management of inpatients requiring rehabilitation services.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) states that the CMR program will be operated under the direct medical supervision of a board-certified physical medicine and rehabilitation specialist or physiatrist. The applicant notes that the Medical Director is responsible for directing and coordinating the interdisciplinary team. AHMC indicates that the physiatrist will be responsible for coordinating the services of any and all medical consultants to make certain that the required medical care for each patient is available, provided in a timely manner and coordinated with the implementation of the rehab plan of care. The applicant indicates that that there are currently seven physiatrists on staff with a range of experience in the medical management of inpatient rehabilitation services. The applicant states that any of the physiatrists currently on-staff would be qualified to serve as the medical director of the proposed CMR unit.

The applicant anticipates that one physician will serve as the medical director and manage the rehabilitation needs of the patients who are admitted. AHMC states that arrangements will be made as necessary to ensure that patients can be admitted seven days a week as needed. The applicant outlines the role of the anticipated medical director on page 67 of CON application #10574.

(2) Other Required Services. In addition to the physician services, CMR inpatients services shall include at least the following services provided by qualified personnel:

1. **Rehabilitation nursing**
2. **Physical therapy**
3. **Occupational therapy**

4. **Speech pathology and audiology**
5. **Social services**
6. **Psychological services**
7. **Orthotic and prosthetic services**

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) notes that the identified services are currently available to patients at the facility with the exception of rehabilitation nursing. The applicant references the proposed staffing for the CMR program included in Schedule 6A and provides job descriptions for the medical director, program director, rehabilitation nursing, therapy, social services and other key rehabilitation positions for the proposed unit in Attachment K of CON application #10574. AHMC indicates that psychological services are available at its facility and will likewise be available to CMR patients when needed to fulfill the rehab plan of care. The applicant describes orthotic and prosthetic services as specialized areas of care that will be utilized on a contractual basis as necessary to meet patient needs. Descriptions of services are provided on pages 69 – 72 of CON application #10574.

c. Criteria for Determination of Need:

(1) Bed Need. A favorable need determination for proposed new or expanded comprehensive medical rehabilitation inpatient services shall not normally be made unless a bed need exists according to the numeric need methodology in 59C-1.039(5)(c), Florida Administrative Code.

The proposal is submitted outside of the fixed need pool.

(2) Most Recent Average Annual District Occupancy Rate. Regardless of whether bed need is shown under the need formula in paragraph (5) (c), no additional comprehensive medical rehabilitation inpatient beds shall normally be approved for a district unless the average annual occupancy rate of the licensed comprehensive medical rehabilitation inpatient beds in the district was at least 80 percent for the 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed bed need pool.

For the most recent reporting period, the CMR utilization rate in District 11 was 68.45 percent.

(3) Priority Considerations for Comprehensive Medical Rehabilitation Inpatient Services Applicants. In weighing and balancing statutory and rule review criteria, the Agency will give priority consideration to:

(a) An applicant that is a disproportionate share hospital as determined consistent with the provisions of section 409.911, Florida Statutes.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) attests to being a DSH but the Agency notes that AHMC did not participate in the DSH program in state fiscal year 2018-2019.

(b) An applicant proposing to serve Medicaid-eligible persons.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) proposes to serve Medicaid/Medicaid HMO and indigent patients. The proposed project is conditioned to the approval of four percent of annual CMR discharges to Medicaid/Medicaid managed care and self-pay/no pay (including charity care patients).

(c) An applicant that is a designated trauma center, as defined in Rule 64J-2.011, Florida Administrative Code.

AHMC is listed as a Level II trauma center per Florida Department of Health's Florida Trauma Center listings, last updated August 8, 2018: http://www.floridahealth.gov/licensing-and-regulation/trauma-system/_documents/traumacenterlisting2018.pdf

d. Access Standard. Comprehensive medical rehabilitation inpatient services should be available within a maximum ground travel time of two hours, under average travel conditions, for at least 90 percent of the district's total population.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) maintains that the two-hour travel time reflects the provision of CMR services two decades ago when only a small number of patients received inpatient rehabilitation care and the benefits of CMR services was not fully recognized. The applicant expects for the approval of the proposed CMR unit to result in enhanced geographic access for many patients. AHMC contends that existing

acute care patients are routinely unable to access existing CMR beds in District 11 and the proposed CMR unit will remedy this purported access issue.

e. Quality of Care

(1) Compliance with Agency Standards. Comprehensive medical rehabilitation inpatient series shall comply with the Agency standards for program licensure described in section 59A-3, Florida Administrative Code. Applicants who submit an application that is consistent with the Agency licensure standards are deemed to be in compliance with this provision.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) describes its quality record as a function of its quality and clinical excellence program, clinical outcomes, patient experience, technology and innovation, culture of safety and performance improvement indicators on pages 76-78 of CON application #10574.

The applicant states that AHMC and HCA-affiliated hospitals in Florida currently operate in compliance with licensure standards described in Chapter 59A-3, Florida Administrative Code, as well as with CMS Medicare conditions of participation and will continue to do so following implementation of the proposed inpatient CMR unit. Aventura maintains that the proposal/application is consistent with these standards and the applicant will also apply for CARF accreditation within the first year of operation of the proposed unit.

f. Services Description. An applicant for comprehensive medical rehabilitation inpatient services shall provide a detailed program description in its certificate of need application including:

(1) Age group to be served.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) indicates it will serve adults aged 18+. The applicant expects that approximately 32.0 percent of admissions will be from those aged 18-64 and 68.0 percent will be from those aged 65+ by year three of operation.

(2) Specialty inpatient rehabilitation services to be provided, if any (e.g. spinal cord injury; brain injury)

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) discusses serving over 6,500 trauma patients—a substantial amount of these patients had traumatic brain injuries, traumatic or non-traumatic spinal chord injuries or major multiple trauma. AHMC intends to serve patients with these diagnoses and intends to provide these programs on an inpatient and outpatient basis at the proposed project. The applicant maintains that staff will be trained in providing care to these patients and the necessary equipment and technology will be in place to treat these patients. Descriptions of other specialty services are provided on pages 86-89 of CON application #10574.

(3) Proposed staffing, including qualifications of the medical director, a description of staffing appropriate for any specialty program, and a discussion of the training and experience requirements for all staff who will provide comprehensive medical rehabilitation inpatient services.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) indicates that the proposed staffing levels are consistent with licensure, CMS and CARF standards as well as the training and experience requirements for each staff position providing CMR services. AHMC notes that a number of anticipated staff positions are currently used at its campus, while others will be new.

Proposed Staffing - CON #10574		
Position	**Year 1 FTE**	**Year 2 FTE**
Program Director	1.0	1.0
Nurse Manager	1.0	1.0
Outreach Coordinator	1.0	1.0
PAI/PPS Coordinator	1.0	1.0
Medical Director/Physiatrist	Contracted	Contracted
Charge Nurse/Clinical Coordinator	1.0	1.0
RNs	8.4	12.6
CNAs	4.2	4.2
Inpatient Therapy Manager	1.0	1.0
Physical Therapist	4.2	4.4
Speech Therapist	1.0	1.3
Occupational Therapist	4.2	4.4
Social Worker/Case Manager	1.0	1.0
Total	**29.0**	**33.85**

Source: CON application #10574, Schedule 6A. Years 1 and 2 Correspond with Years Ending December 31, 2021 and December 31, 2022

AHMC states that job descriptions or draft descriptions for the various staff positions and resumes are included in Attachments H, K and M of CON application #10574. The applicant states that

the medical director will be a board-certified physiatrist with at least two years experience in the medical management of inpatients requiring rehabilitation services.

A brief overview of the training and experience requirements for key direct care staff are provided for the following positions: registered nurse, physical therapist, occupational therapist and speech language pathologists. A list of training topics for staff and employees is on page 90 of CON application #10574.

(4) A plan for recruiting staff, showing expected sources of staff.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) states that some of the personnel required for the unit may be reassigned from existing area hospitals and others will be recruited as necessary. AHMC maintains that most of the affected personnel categories are recruited through: promotion/recruitment within HCA, the use of corporate recruitment personnel/resources, professional recruiting agencies and when necessary advertisements in local, state, and national media and professional publications.

(5) Expected sources of patient referrals.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) expects to draw referrals from a number of sources including acute care admissions, physicians on staff, others practitioners in the service area and referrals from area SNFs and acute care hospitals.

(6) Projected number of comprehensive medical rehabilitation inpatient services patient days by payer type, including Medicare, Medicaid, private insurance, self-pay and charity care patient days for the first two years of operation after completion of the proposed project.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) provides the following table to demonstrate the proposed payer mix for CON application #10574.

Aventura Hospital and Medical Center Forecasted Payer Mix: Years 1 and 2								
	Self-Pay/ Charity	**Medicaid**	**Medicaid HMO**	**Medicare**	**Medicare HMO**	**Commercial HMO/PPO**	**Other Payers**	**Total**
Year 1	173	219	128	2,204	642	713	65	4,144
Year 2	208	267	163	2,740	802	888	85	5,153
Year 1 %	4.2%	5.3%	3.1%	53.2%	15.5%	17.2%	1.6%	100.0%
Year 2%	4.0%	5.2%	3.2%	53.2%	15.6%	17.2%	1.6%	100.0%

Source: CON application #10574, Schedules 7B. Years one and two correspond with the years ending 12/31/2021 and 12/31/2022.

(7) Admission policies of the facility with regard to charity care patients.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) intends to extend services to all patients in need of care regardless of their ability to pay. The applicant asserts that Medicaid-sponsored, self-pay and indigent patients are currently served by the applicant and the proposal will ensure accessibility by these patients to needed CMR services. AHMC maintains that the estimates for the proposed CMR utilization are drawn from an assessment of the applicant and other area acute care facility discharges to CMR services, state-and district-wide CMR discharges and the demographic characteristics of Miami-Dade County and the surrounding service area.

(g) Utilization Reports. Facilities providing licensed comprehensive medical rehabilitation inpatient services shall provide utilization reports to the Agency or its designee, as follows:

(1) Within 45 days after the end of each calendar quarter, facilities shall provide a report of the number of comprehensive medical rehabilitation inpatient services discharges and patient days which occurred during the quarter.

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) expresses the intent to comply with this criterion.

3. Statutory Review Criteria

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

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) presents the following need arguments for approval of the proposed CMR unit:

- Existing CMR providers are selective in which patients they will accept, often denying Medicaid and charity care patients as well as medically complex patients
- The distance and travel time deter patients and their families within the service area from seeking care at the CMR providers in south Miami-Dade County, this is especially true for the 65+ population
- Several area providers are at peak capacity and do not have bed availability for AHMC's patients
- The large population residing within the proposed service area
- Forecasted rates of growth within the service area population, especially those 65+ who are frequent users of CMR services
- The need that Aventura has for its own CMR beds due to its status as a Level II trauma center
- Documented difficulties encountered in placing significant numbers of referred patients into existing CMR beds due to capacity constraints as well as unwillingness or inability of existing providers to accept all patients

The following "not normal circumstances" are presented as evidence of need for the proposal:

- AHMC provides a high level of tertiary programs and services including but not limited to Level II trauma, stroke, orthopedic, cardiology, behavioral health, and oncology services. Complex patients served by these programs have a high level of need for CMR services.
- AHMC has faced a variety of difficulties when attempting to discharge its CMR appropriate patients to existing nearby inpatient rehabilitation providers. These issues result from the fact that:
  - Several District 11 CMR providers are at peak capacity, causing them to deny patients based on lack of bed availability
  - Existing providers in the service area often deny patients who they view as less than ideal (e.g. Medicaid and self-pay/no-pay patients, patients with limited family support, medically complex patients)

- Even when AHMC is able to find a CMR provider that will take certain patients, patients are not willing to go. Several CMR providers are located farther south in Miami-Dade County, which requires patients' families to travel the often-congested roadways to participate in the rehabilitative process. During peak travel times, it can take families from 45 minutes to an hour to reach certain CMR providers in Miami-Dade County from AHMC's service area.
- Referral of patients to area providers with religious affiliations different from the patients' own religious affiliations sometimes proves difficult.
- When AHMC cannot find a facility to provide the necessary CMR services for the patient, the patient either remains in the acute care setting, driving up the length of acute care stay and cost of care, or is discharged to a lower level of care such as home health or skilled nursing. Either scenario hinders the patient's ability to reach his or her maximum level of functionality after discharge from the acute care setting.
- Limitations on AHMC's ability to discharge patients to CMR are evidenced by the hospital's low percentage of discharges to CMR generally and for specific diagnostic categories that most often benefit from CMR care as well as certain payor categories.
- Both quantitative analysis and letters of support document the difficulty in discharging AHMC patients to CMR that warrant the finding of a not normal circumstance.
- With its own CMR unit, AHMC will be able to provide comprehensive care to CMR appropriate patients with medical co-morbidities and ensure timely access to CMR services for all patients, including Medicaid/self-pay patients, thereby enhancing continuity of care, quality of care, and patient safety.
- To ensure financial accessibility, AHMC has conditioned its application on providing four percent of CMR discharges to Medicaid/Medicaid managed care and self-pay/no pay patients including charity care.
- As an affiliate of HCA, AHMC has both the resources, leadership, clinical expertise, and quality of care systems in place to develop the proposed project.

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

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) describes providing high quality care to residents of Miami-Dade County and South Broward County since 1993. The applicant provides a summary of its patient care and ancillary services in the inpatient and outpatient setting on page 94 of CON application #10574.

AHMC describes treating more than 12,951 hospital inpatients and 122,283 total inpatients (including 65,708 emergency patients) during FY 2017. The applicant asserts it exceeded $284,881,000 total economic impact to the local community.

The applicant discusses its hospital accreditation through the Joint Commission and provides a listing of awards and recognitions related to its quality care on page 94 of CON application #10574. AHMC indicates that its parent, HCA, identifies as the second largest provider of inpatient rehabilitation services in the nation. The applicant states that HCA oversees the operations of all rehab inpatient programs and assists in program development, regulatory compliance, training, education and physician recruitment. AHMC maintains that HCA has a long-standing experience with developing high quality inpatient rehabilitation programs and details quality initiatives, awards, recognitions and initiatives as evidence of its commitment and capacity to provide quality care including: UDS (Uniform Data Systems), American Medical Rehabilitation Providers Association and equipment.

AHMC asserts that the proposed CMR program will be incorporated into the existing care delivery, performance improvement and utilization review structure including the performance improvement plan (PIP) and policies regarding patient care quality, safety, privacy and satisfaction. The applicant states that the PIP describes the systematic, coordinated and continuous organization-wide approach to the maintenance and improvement of quality care, patient safety and services and services used within the facility. AHMC adapts the Institute of Medicine's definition of quality which defines quality as a function of the following parameters: safe, effective, patient-centered, timely, efficient and equitable.

The applicant states that a performance improvement policy specific to the proposed CMR program will be developed as a component of two larger plans and will be reviewed and updated as necessary. AHMC discusses accumulating an extensive body of experience, resources, ability and reliability in the operation of its existing acute care hospital which will extend to the proposed CMR program.

A sample of AHMC's "Quality Assurance Plan" is provided in Attachment E of CON application #10574 along with a full outline of the quality assessment, PIP and "Patient Safety Plan".

The objectives of AHMC's "Patient Safety Plan" are outlined as follows:

- Recognition and acknowledgement of medical/health accident/errors and risks to patient safety
- The initiation of actions to reduce these risks
- The internal reporting of what has been identified and the actions taken
- A focus on processes and systems
- Minimization of individual blame or retribution for involvement in a medical/health care accident/error
- Organizational learning about medical/health care accident/error
- Support of the sharing of that knowledge to affect behavioral changes in itself and other health care organizations.

The applicant notes that the "Patient Safety Improvement Plan" provides a systematic, coordinated and continuous approach to the maintenance and improvement of patient safety through: establishing mechanisms that support effective responses to actual occurrences, ongoing proactive reduction in medical/health care accidents/errors and integration of patient safety priorities into the new design and redesign of all relevant organization processes, functions and services.

HCA operates 51 acute care hospitals within Florida. Thirty-seven of these facilities experienced 108 substantiated complaints across multiple complaint categories for the three-year period between March 1, 2016 and March 1, 2019. The table below summarizes this complaint history:

HCA, Inc. Substantiated Complaint History (Allegation Descriptions by Count) 36 Months Ending March 1, 2019	
Administration/Personnel	2
Admission, Transfer & Discharge Rights	8
Billing/Refunds	3
Emergency Access	15
EMTALA	1
Falsification of Records/Reports	1
Fraud/False Billing	1
Infection Control	1
Life Safety Code	2
Nursing Services	4
Pharmaceutical Services	1
Physical Environment	1
Physician Services	4
Quality of Care/Treatment	39
Resident/Patient/Client Assessment	1
Resident/Patient/Client Rights	11
Restraints/Seclusion General	1
State Licensure	29
Unqualified Personnel	2
Total	**127**

Source: Florida Agency for Healthcare Administration Complaint Records. A single complaint can encompass multiple complaint categories. The chart reflects the number of times each complaint category appears within the complaint record

AHMC had four substantiated complaints within the three-year period between March 1, 2016 and March 1, 2019—three of the complaints were in the "Admission, Transfer and Discharge Rights" category and one complaint was in the "Emergency Access" category.

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

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574):

Analysis:
The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance on the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could

be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

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

HCA Healthcare, Inc. 10574 (in thousands)		
	Dec-17	**Dec-16**
Current Assets	$9,977,000	$9,086,000
Total Assets	$36,593,000	$33,758,000
Current Liabilities	$6,158,000	$5,834,000
Total Liabilities	$41,588,000	$39,391,000
Net Assets	($4,995,000)	($5,633,000)
Total Revenues	$43,614,000	$41,490,000
Excess of Revenues Over Expenses	$4,381,000	$4,810,000
Cash Flow from Operations	$5,426,000	$5,653,000
Short-Term Analysis		
Current Ratio (CA/CL)	1.6	1.6
Cash Flow to Current Liabilities (CFO/CL)	88.11%	96.90%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-709.3%	-595.7%
Total Margin (ER/TR)	10.04%	11.59%
Measure of Available Funding		
Working Capital	$3,819,000	$3,252,000

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

Capital Requirements and Funding:
The applicant indicates on Schedule 2 a listing of all capital projects totaling $39, 66,837, which includes FY 2019 routine capital expenditures and FY 2020-21 capital expenditures, and the CON currently under review ($17,229,000).

The applicant provided a copy of their Form 10-K for period ending December 31, 2017. These statements were analyzed for the purpose of evaluating the applicant's ability to provide the capital and operational funding necessary to implement the project. The applicant noted on Schedule 3 that the funds will be provided by the parent company, HCA Healthcare, Inc., and that working capital will be provided, if required.

The applicant's parent company, HCA Healthcare, Inc., posted 2017 cash flows from operations of $5,426,000,000 and a total year-end cash and cash equivalent balance of $732,000,000.

Conclusion:
The applicant states on Schedule 3 that funding will be provided by HCA Healthcare, Inc. Given the cash resources of the applicant's parent, funding for the entire capital budget should be available as needed.

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

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574):

Analysis:
The comparison is of the applicant's estimates to its latest FHURs report.

Because the proposed CMR cannot operate without the support of the hospital, we have evaluated the reasonableness of the projections of the entire hospital including the project. Staff compared the applicant its latest AHCA filing, which was December 31, 2017. Inflation adjustments were based on the new CMS Market Basket, 3rd Quarter, 2018.

	PROJECTIONS PER APPLICANT		Actual Data Inflated to
	Total	PPD	2022
Net Revenues	352,431,976	3,019	3,835
Total Expenses	335,776,031	2,876	3,575
Operating Income	16,655,945	143	157
Operating Margin	4.73%		
	Days	Percent	2022
Occupancy	116,732	74.72%	77.59%
* Medicaid/MDCD HMO	430	8.34%	15.38%
* Medicare	3,542	68.74%	60.15%

Projections indicate a $413,733 profit margin at the end of year two. Because the CMR is such a minor part of the hospital's overall operations, the hospital could easily support the project even if extended losses were projected.

* The applicant did not provide patient days by payor class for the acute care hospital. Therefore, the Medicaid and Medicare data is for the CMR unit only.

Conclusion:

Given the very small impact the project will have on the hospital, the project appears financially feasible.

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

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574):

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

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

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

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives

and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

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

Per FHURS, statewide, for FY 2017, the applicant provided 15.38 percent of patient days to Medicaid/Medicaid HMO and 3.04 percent of patient days to charity care. See the table below.

District 11 Medicaid/Medicaid HMO/Charity Care			
Facility/Region	**Medicaid/Medicaid HMO**	**Charity Care**	**Total**
Aventura Hospital and Medical Center	15.38%	3.04%	**18.42%**
District 11 (Acute)	**25.89%**	**4.14%**	**30.03%**
District 11 (Acute and CMR Providers)	**25.53%**	**4.05%**	**29.58%**

Source: Florida Hospital Uniform Reporting System, FY 2017

AHMC did not participate in the DSH program in the state fiscal year (SFY) 2018-2019. As of May 16, 2019, 3:55 p.m., AHMC had a scheduled annual low income pool (LIP) distribution of $82,702 and $41,351 had been requested or paid.

The applicant states that HCA affiliated hospitals in Miami-Dade County have strong records of providing care to patients with little or no private insurance and to Medicaid beneficiaries. AHMC maintains that HCA has developed a corporate policy for its affiliated hospitals to provide discounts to uninsured patients who are not eligible for charity care or Medicaid (CON application #10574, Attachment D). The applicant states that this level of charity care reflects a commitment to ensure accessibility for uninsured patients and those covered by Medicaid.

AHMC expresses a commitment to provide financial access to these patients and to extend services to all patients in need of care regardless of the ability to pay or source of payment—including to patients of the proposed CMR unit. The following table is provided to document AHMC's historical indigent care payer proportions for FY 2016 and 2017:

2016 and 2017 Payer Mix per Patient Days and Revenue				
	FY 2016		FY 2017	
Payor	% Patient Days	% Revenue	% Patient Days	% Revenue
Commercial PPO and HMO	13.3%	20.4%	12.9%	20.1%
Medicaid and Medicaid HMO	15.1%	12.4%	15.4%	11.9%
Medicare and Medicare HMO	60.1%	55.6%	60.1%	56.0%
Self-Pay/Charity*	9.7%	9.0%	9.2%	9.3%
All Other	1.9%	2.5%	2.3%	2.7%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

*Estimated from combined inpatient/outpatient financial data
Source: AHCA Florida Hospital Financial Data FY 2016 and FY 2017

The following chart summarizes the applicant's proposed payer mix for the proposed project:

Aventura Hospital and Medical Center Forecasted Payer Mix: Years 1 and 2								
	Self-Pay/ Charity	Medicaid	Medicaid HMO	Medicare	Medicare HMO	Commercial HMO/PPO	Other Payers	Total
Year 1	173	219	128	2,204	642	713	65	4,144
Year 2	208	267	163	2,740	802	888	85	5,153
Year 1 %	4.2%	5.3%	3.1%	53.2%	15.5%	17.2%	1.6%	100.0%
Year 2%	4.0%	5.2%	3.2%	53.2%	15.6%	17.2%	1.6%	100.0%

Source: CON application #10574, Schedules 7B.

In year one the applicant's forecast shows that self-pay/charity care will account for 4.2 percent of total annual patients days and in year two self-pay/charity care will account for 4.0 percent of total annual patient days. Medicaid/Medicaid HMO will account for 8.4 percent of total annual patient days in year one and two.

Approval of the proposal is conditioned to the provision of a minimum of four percent of annual CMR discharges to patients covered by Medicaid/Medicaid managed care or who meet the criteria for charity care, self-pay/no pay, combined.

F. SUMMARY

Miami Beach Healthcare Group, Ltd. d/b/a Aventura Hospital and Medical Center (CON application #10574) is an existing acute care provider in District 11 proposing to establish a 21-bed CMR unit. The applicant is affiliated with HCA which operates 51 inpatient hospitals within Florida—11 of which offer CMR services (10 hospital-based CMR units and one Class III specialty hospital).

The total project cost is $17,179,000. The project cost includes building, equipment, project development, financing and start-up costs. The project involves 19,450 GSF of renovation construction. The applicant anticipates licensure by December 31, 2020 and initiation of service on January 1, 2021.

AHMC conditions approval of the project to five Schedule C conditions.

Need

In Volume 45, Number 13 of the Florida Administrative Register dated January 18, 2019, need for zero additional CMR beds was published in District 11 for the July 2024 planning horizon. Therefore, the proposed project is submitted outside of the fixed need pool. As of the application deadline March 6, 2019, there are 10 CMR beds approved and pending licensure in District 11.

From July 2017 – June 2018, District 11 had 358 licensed CMR beds and an occupancy rate of 68.45 percent, District 11 had the fifth highest occupancy across all districts.

The following need arguments were presented by the applicant:

- Existing CMR providers are selective in which patients they will accept, often denying Medicaid and charity care patients as well as medically complex patients
- The distance and travel time deter patients and their families within the service area from seeking care at the CMR providers in south Miami-Dade County, this is especially true for the 65+ population
- Several area providers are at peak capacity and do not have bed availability for AHMC's patients
- The large population residing within the proposed service area
- Forecasted rates of growth within the service area population, especially those 65+ who are frequent users of CMR services
- The need that Aventura has for its own CMR beds due to its status as a Level II trauma center

- Documented difficulties encountered in placing significant numbers of referred patients into existing CMR beds due to capacity constraints as well as unwillingness or inability of existing providers to accept all patients

The following "not normal circumstances" are presented as evidence of need for the proposal:

- AHMC provides a high level of tertiary programs and services including but not limited to Level II trauma, stroke, orthopedic, cardiology, behavioral health, and oncology services. Complex patients served by these programs have a high level of need for CMR services.
- AHMC has faced a variety of difficulties when attempting to discharge its CMR appropriate patients to existing nearby inpatient rehabilitation providers. These issues result from the fact that:
  - Several District 11 CMR providers are at peak capacity, causing them to deny patients based on lack of bed availability
  - Existing providers in the service area often deny patients who they view as less than ideal (e.g. Medicaid and self-pay/no-pay patients, patients with limited family support, medically complex patients)
- Even when AHMC is able to find a CMR provider that will take certain patients, patients are not willing to go. Several CMR providers are located farther south in Miami-Dade County, which requires patients' families to travel the often-congested roadways to participate in the rehabilitative process. During peak travel times, it can take families from 45 minutes to an hour to reach certain CMR providers in Miami-Dade County from AHMC's service area.
- Referral of patients to area providers with religious affiliations different from the patients' own religious affiliations sometimes proves difficult.
- When AHMC cannot find a facility to provide the necessary CMR services for the patient, the patient either remains in the acute care setting, driving up the length of acute care stay and cost of care, or is discharged to a lower level of care such as home health or skilled nursing. Either scenario hinders the patient's ability to reach his or her maximum level of functionality after discharge from the acute care setting.
- Limitations on AHMC's ability to discharge patients to CMR are evidenced by the hospital's low percentage of discharges to CMR generally and for specific diagnostic categories that most often benefit from CMR care as well as certain payor categories.
- Both quantitative analysis and letters of support document the difficulty in discharging AHMC patients to CMR that warrant the finding of a not normal circumstance.

- With its own CMR unit, AHMC will be able to provide comprehensive care to CMR appropriate patients with medical co-morbidities and ensure timely access to CMR services for all patients, including Medicaid/self-pay patients, thereby enhancing continuity of care, quality of care, and patient safety.
- To ensure financial accessibility, AHMC has conditioned its application on providing four percent of CMR discharges to Medicaid/Medicaid managed care and self-pay/no pay patients including charity care.
- As an affiliate of HCA, AHMC has both the resources, leadership, clinical expertise, and quality of care systems in place to develop the proposed project.

The Agency notes that a public hearing was held regarding CON applications #10574. In general, opposition (JHS and MHS) noted the lack of need for the proposed project and lack of increased geographic accessibility to CMR beds that will be realized by the proposed projects. Opposition maintained that the circumstances presented by the applicant are significantly similar to generic circumstances presented in innumerable HCA applications making them "normal circumstances" within the context of Florida and health planning as opposed to "not normal circumstances" as required for approval pursuant to 59C-1.039 Florida Administrative Code. AHMC stated that MHS had no standing to oppose CON application #10574.

Quality of Care

The applicant demonstrated its ability to provide quality care.

HCA (parent) operates 51 acute care hospitals within Florida. Thirty-seven of these facilities experienced 108 substantiated complaints across multiple complaint categories for the three-year period between March 1, 2016 and March 1, 2019. AHMC had four substantiated complaints during the same three-year period.

Cost/Financial Analysis

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

Therefore, the applicant's proposed project is not likely to have a material impact on completion to promote quality and cost-effectiveness.

Given the cash resources of HCA, funding for the entire capital budget should be available as needed. Given the very small impact the proposed project will have on the hospital, the project appears financially feasible.

Medicaid/Indigent Care
In year one, the applicant's forecast shows that self-pay/charity care will account for 4.2 percent of total annual patients days and in year two self-pay/charity care will account for 4.0 percent of total annual patient days. Medicaid/Medicaid HMO will account for 8.4 percent of total annual patient days in year one and two.

Approval of the proposal is conditioned to the provision of a minimum of four percent of annual CMR discharges to patients covered by Medicaid/Medicaid managed care or who meet the criteria for charity care, self-pay/no pay, combined.

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

G. RECOMMENDATION

Approve CON #10574 to establish a 21-bed CMR unit in District 11, Miami-Dade County. The total project cost is $17,179,000. The project involves 19,450 GSF of renovation construction.

CONDITIONS:

- **Percent of a particular subgroup to be served:**
  - Aventura will provide a minimum of four percent of its annual CMR discharges to patients covered by Medicaid/Medicaid managed care or who meet the criteria for charity care, self-pay/no pay, combined.
- **Accreditations**
  - Aventura will apply for CARF accreditation for its CMR program in the first 12 months of operations

- **Certifications**
  - CRRN certification will be achieved for a minimum of 20 percent of Aventura's rehabilitative nursing staff by Year Four of operation by the proposed CMR unit
- **Medical Director**
  - The medical director of the CMR program will be a board-certified or board-eligible physiatrist with at least two years of experience in the medical management of inpatients requiring rehabilitation services.
- **Equipment**
  - Aventura's CMR program will provide the following specialized equipment:
    - Unweighting System (Zero G, Vector, LiteGait, etc.)
    - Crosstrainer
    - Total Body Exerciser
    - Integrated Therapy System (Bioness BITS or equivalent)
    - Upper body and lower body functional electrical stimulators (Bioness or equivalent)
    - Bariatric capable electric exercise tables and parallel bars
    - Balance Assessment/Training System
    - Interactive Metronome
    - Neuromuscular Electrical Stimulator and Biofeedback system for Dysphagia (Vital Stim, Synchrony or equivalent)
    - Computerized Speech Lab (VisiPitch or equivalent)
    - Wrist and Upper Extremity System (Saebo Flex, Reo Go or equivalent)
- Available services:
  - Therapy services will be available seven days a week

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