

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Seasons Hospice & Palliative Care of Southern Florida, Inc./CON #10612

6400 Shafer Court, Suite 700
Rosemont, Illinois 60018

Authorized Representative: Mr. Todd A. Stern, C.E.O.
(847) 692-1127

2. Service District/Subdistrict

Hospice Service Area (SA) 11 - Miami-Dade and Monroe Counties

B. PUBLIC HEARING

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

Letters of Support

Seasons Hospice & Palliative Care of Southern Florida, Inc., provides several letters of support in CON application #10612 and the Agency independently received one letter of support, all endorsing the proposed project. The reviewer notes that the majority of the support letters indicate origin within SA 11, were dated in October or November 2019 and were signed. The reviewer also notes that the letters of support are from an elected official, health care providers and ancillary health care providers.

C. PROJECT SUMMARY

Seasons Hospice & Palliative Care of Southern Florida, Inc. (CON application #10612), a Florida for-profit corporation, referenced as Seasons, SHSF, or the applicant, proposes to establish a 15-bed freestanding inpatient hospice facility in SA 11 (Miami-Dade County). SHSF is an affiliate of Seasons Hospice and Palliative Care, Inc.,

(Seasons or SHPC), an existing provider of hospice services in the following SAs: 5B, 6A, 10 and 11. Currently, Seasons has no licensed and no CON approved freestanding inpatient hospice facilities in Florida.

Seasons Hospice and Palliative Care of Pasco County, LLC, has CON #10537 approved to provide hospice services in SA 5A. As of November 20, 2019 Seasons had not yet acquired licensure to begin hospice operations in SA 5A.

The applicant estimates the issuance of license on June 1, 2022 and initiation of service on July 1, 2022.

Total project cost is \$7,939,130. Costs covered are for land, building, equipment, project development, financing and start-up costs. The project involves 14,942 gross square feet (GSF) of new construction.

On Schedule C of the application, SHSF indicates that it does not wish to accept any conditions on the proposed project.

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, rules of the State of Florida, and Chapter 59C-1, 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 provided in the application and independent information gathered by the reviewer.

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

Section 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, Steve Love, analyzed the application in its entirety with consultation from financial analyst Kimberly Noble of the Bureau of Central Services, who evaluated the financial data and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

1. Fixed Need Pool

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

The Agency does not publish need for inpatient hospice beds. Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108) and no more than 20 percent of a hospice's total patient days may be inpatient days per Section 400.609(4), Florida Statutes. Inpatient care may be provided through contractual arrangements in hospitals and skilled nursing facilities (SNFs), and is generally provided on a short-term basis within the total hospice stay. As previously stated, the applicant is not CON approved and is not currently licensed to operate a freestanding inpatient hospice facility anywhere in Florida.

The existing/licensed freestanding inpatient hospice facility in SA 11 is:

- Catholic Hospice, Inc. (12 beds in Hialeah)

The CON approved freestanding inpatient hospice facilities in SA 11 are:

- Comprehensive Home Health Care, Inc., d/b/a Opus Care of South Florida (CON #10470), 13 beds
- VITAS Healthcare Corporation of Florida (CON #10565), 16 beds

b. If no Agency policy exists, the applicant will be responsible for demonstrating need through a needs assessment methodology, which must include, at a minimum, consideration of the following topics, except where they are inconsistent with the applicable statutory or rule criteria:

- **Population demographics and dynamics;**
- **Availability, utilization and quality of like services in the district, subdistrict or both;**
- **Medical treatment trends; and**
- **Market conditions.**

Population demographics and dynamics

As of January 2020, SA 11’s total age 65+ population was 465,295 persons and is expected to grow to 525,185 by January 2025. This is an increase of 59,890 age 65+ residents (an increase of 12.87 percent), as shown below:

**Hospice Service Area 11/Miami-Dade and Monroe Counties
Population from January 1, 2020 – January 1, 2025**

Age Group by Area	January 2018	January 2023	Population Increase/ (Decrease)	Percent Change
Miami-Dade Co.				
Under 65	2,332,483	2,419,663	87,180	3.74%
65+	447,866	505,923	58,057	12.96%
Monroe Co.				
Under 65	55,342	52,959	(2,383)	(4.31%)
65+	17,429	19,262	1,833	10.52%
SA 11 Total				
Under 65	2,387,825	2,472,622	84,797	3.55%
SA 11 Total				
65+	465,295	525,185	59,890	12.87%

Source: Florida Agency for Health Care Administration *Population Estimates 2010 to 2030*, published February, 2015

As shown above, SA 11’s age 65+ population is expected to increase at a much faster rate (12.87 percent) when compared to the under age 65 population (3.55 percent), for the January 2020 to the January 2025 time frame.

The applicant uses Claritas 2019 update to indicate population estimates, including the 2019 current population estimates by age cohort (age 0-64, age 65+ and age 85+), projected 2024 population, the

corresponding increase, and growth rates (for 28 ZIP Codes within a 10-mile radius of the proposed project), and population estimates and growth rates for Miami-Dade County and Florida. The proposed project location is at 11605 S.W. 95th Street, Miami, Florida 33176. According to the applicant, ZIP Code 33176 currently has 53,718 residents, increasing to 56,834 within five years (by 2024). The indicated population and growth estimates are shown on CON application #10612, page 1-7, Table 1-1 and page 1-8, Table 1-2. SHSF points out that 1,015,943 or 36 percent of all Miami-Dade residents live within a 10-mile radius of the proposed site. Further, elderly residents age 65 and over account for 182,297 or 38.7 percent of the elderly population of Miami-Dade, while those age 85 and over represent 39.2 percent. SHSF comments that there is a higher distribution of elderly residents within the 10-mile radius. Using Claritas 2019 data, the applicant provides an age cohort distribution for the five-year period 2019 to 2024 to show higher age 65+ and age 85+ population distributions within the 10-mile radius of the proposed project location compared to Miami-Dade overall for the same time frame (CON application #10612, page 1-9, Table 1-3).

SHSF provides additional maps (CON application #10612, page 1-10, Figure 1-4 and page 1-11, Figure 1-5) to provide visual depictions of the age 65+ population growth by 2024 and the 2019 to 2024 population growth rate in the area, respectively. SHSF emphasizes that the concentration of seniors near the proposed location demonstrate demand into the future for health services and end-of-life care.

Availability, utilization and quality of like services

The applicant uses the Florida Department of Elder Affairs (DOEA) *Hospice Demographic and Outcome Measures Report* and the Agency's *Florida Need Projections for Hospice Programs* (issued March 29, 2019), to indicate that in 2018, the existing hospice providers in SA 11 had, collectively, 90.0 percent of their admissions from the age 65+ cohort (CON application #10612, page 1-12, Table 1-4). SHSF asserts that the continued growth in the number of elderly in southern portions of Miami-Dade County and their needs during a terminal illness form the basis for this proposal. SHSF next provides a map (page 1-13, Figure 1-6 of the application) to show the addresses/locations of the existing freestanding inpatient hospice facility, the two CON approved freestanding inpatient hospice facilities and the proposed Seasons project.

SHSF contends that availability of contracted nursing home beds in southern Miami-Dade is problematic due to high occupancy rates. SHSF uses the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict*, issued October 4, 2019, for the 12-month period ending

June 30, 2019, to indicate that nursing homes, collectively, within a 10-mile radius of the proposed project, had an occupancy rate of 92.33 percent and that without Nspire Healthcare Kendall, the occupancy rate was 94.44 percent (page 1-16, Table 1-6 of the application).

SHSF states that with respect to quality enhancement, licensing and accreditation standards assure quality and Seasons is Joint Commission Accredited. SHSF contends that the project improves quality for patients and their families compared to contracted scatter beds within a more institutional setting such as a hospital or nursing home.

Medical treatment trends

SHSF indicates that, per the *National Hospice Palliative Care Organization Facts and Figures, 2018 Edition* (Revision 7-2-2019), for 2017:

- 27.8 percent of all Medicare hospice patients are enrolled only one to seven days
- 54 percent are enrolled 30 days or less (overall)
- 46 percent are enrolled more than 30 days

SHSF emphasizes that patients enrolled at a late stage, increase the probability that inpatient care is needed to control pain and symptoms. SHSF contends that the proposed project offers a soothing, home-like environment with comfortable surroundings and more space for families to gather than in a hospital or nursing home setting and therefore, the project benefits residents requiring inpatient hospice care.

Market conditions

The applicant contends there are few hospital and/or nursing home inpatient unit options in the Miami-Dade County area. The applicant points out that besides the new service options available to hospitals following deregulation of specialty and tertiary services, hospitals also consider hospice and palliative care impact on mortality rates and quality scores. Seasons provides an excerpt from a source to corroborate hospital considerations when hospitals contract with hospices for general inpatient service¹.

In estimating projected utilization, SHSF uses the Agency's *Florida Population Estimates and Projections by AHCA District 2010 to 2013*, published February 2015, the Agency's *Florida Need Projections for*

¹ *Hospital Mortality Rates: How Is Palliative Care Taken into Account?*, J. Brian Cassel, PhD, Amber B. Jones, MD, Diane E. Meier, MD, Thomas J. Smith, MD, Lynn Hill Spragens, MBA, and David Weissman, MD, Virginia Commonwealth University, Richmond, VA; and Center to Advance Palliative Care, New York, NY; *Journal of Pain and Symptom Management*, Vol. 40 No 6, December 2010.

Hospice Programs, along with Seasons own total admissions and inpatient admissions. SHSF states application of the following six steps:

1. Project District 11 hospice admissions based on current use rate per 1,000 total population
2. Project Seasons Hospice admissions based on current market share of 14 percent
3. Project Seasons patient days based on current average length (ALOS) of 129 days
4. Project Seasons inpatient days based on current ratio of inpatient to total patient days (4.0 percent)
5. Assume a shift of inpatient days to the new facility, resulting in average daily census (ADC) of 11 and 13 for years one and two
6. Holding Seasons' inpatient ALOS constant, project inpatient admissions

The above steps are applied in generating the applicant's Table 1-7: Projected Hospice Utilization for District 11 and Inpatient Utilization for Seasons (page 1-20 of the application). Seasons provides the following year one and year two estimates:

**15-Bed Freestanding Inpatient Hospice Facility
Projected Utilization**

	Year 1	Year 2
Kendall Inpatient Days *	4,088	4,644
Kendall Occupancy, 15 Beds	74.7%	84.6%
Kendall Inpatient Admissions	737	838
Seasons Inpatient ALOS	5.5	5.5

Source: CON application #10612, page 1-20, Table 1-8

2. Agency Rule Criteria and Preferences

- a. Rule 59C-1.0355 (7) Florida Administrative Code states that the Agency will not normally approve a proposal for construction of a freestanding inpatient hospice facility unless the applicant demonstrates that the freestanding facility will be more cost-efficient than contractual arrangements with existing hospitals or nursing homes in the service area. The application shall include the following:**

- (1) A description of any advantages that the hospice program will achieve by constructing and operating its own inpatient beds.**

The applicant states that Seasons currently operates two inpatient units within the service area, one at each of the following locations (page 1-2 of the application):

- Jewish Health Systems
- North Shore Medical Center

SHSF indicates that the proposed project extends its mission to the patients and their families living in the southern portion of Miami-Dade, with a project location at of 11605 S.W. 95th Street, Miami, Florida 33176 (as previously described in item E.1.b. of this report). The project location is in the Kendall area.

SHSF explains that the proposed project is more cost efficient than contracting for general inpatient care. The applicant provides a map (CON application #10612, page 1-4, Figure 1-2), showing that this location is generally in the Kendall area, to the southwest of both Miami Jewish Health Systems and North Shore Medical Center.

Using Medicare General Inpatient (GIP) reimbursement per diem rates and CON application #10612 schedules, SHSF contends that an analysis of project benefit indicates that the proposed project reveals a cost savings of \$22.78 per patient day, contributing \$105,809 to net income in year two using the most recent (2018) per diem inpatient cost. SHSF further contends that a more reasonable assumption inflates the costs by 1.5 percent per annum, resulting in a cost savings of \$83.22 per patient day, contributing \$386,497 to net income in year two. Below, the reviewer partially reproduces the applicant’s analysis of project benefit figures.

Analysis of Project Benefit

Scenario 1: Assuming Contract Rates Remain Fixed 2018-2014	
Net Per Diem Income	
Without the Project	\$363.71
With the Project	\$386.50
Increase (Decrease in Per Diem Net Income Resulting from this Project	\$22.78
Year 2 Patient Days	4,644
Increase (Decrease) in Total Net Income Resulting from this Project	\$105,809
Scenario 2: Assuming Contract Rates Increase by 1.5 Percent Per Annum 2018-2014	
Net Per Diem Income	
Without the Project	\$303.27
With the Project	\$386.50
Increase (Decrease in Per Diem Net Income Resulting from this Project	\$83.22
Year 2 Patient Days	4,644
Increase (Decrease) in Total Net Income Resulting from this Project	\$386,497

Source: CON application #10612, page 2-2, Figure 2-1 (partial)

The applicant asserts that the proposed project will be constructed and operated at costs below those that are experienced, making the project the, "...highest and best use of the applicant's resources" (page 2-3 of the application).

SHSF discusses that hospice inpatient bed availability in the southern portion of Miami-Dade County, will improve access to hospice patients requiring a higher acuity when the patient is too frail to go home and/or lack of caregivers (CON application #10612, page 2-3, Table 2-1).

SHSF indicates that the proposed project will provide five tangible and two intangible advantages:

Five tangible advantages

- **Less need for contract with inpatient facility for inpatient care.** With inpatient beds available at the hospice, a greater portion of inpatient services can be performed without the need to contract. Although contracted hospital beds will continue to be made available, hospice patients will have a choice for the inpatient setting. The more comfortable, homelike atmosphere found in a hospice house is usually preferable to a hospital suite or nursing home bed.
- **Better control of hospice Plan of Care for patient.** The ability to manage and to direct resources results in greater cost control. With inpatient care available from the Hospice, the administrative staff can carefully monitor the consumption of resources, and make adjustments accordingly. Enhanced capability to monitor costs will improve efficiency, extending limited dollars farther.
- **Specific physical symbol of hospice care in community.** For patients to receive hospice care, they must know of its availability. Having a freestanding hospice house in the community serves as a visual icon of the caring individuals and services available to those suffering from a terminal illness.
- **Familiarity with the patients and their conditions allows staff to tailor palliative care in the inpatient setting, avoiding some over or under-utilization of resources.** Oftentimes when patients are transferred to inpatient contracted providers, the provider must review records and become familiar with the patients conditions, symptoms, and individual needs to coordinate care. GIP in nursing homes restricts Hospice nurses from providing care, such as medication administration that must be dispensed by the facility nurse. Sometimes, additional tests are ordered to ensure that the palliative care, medicines, etc. are correct for the presenting symptoms. By providing a direct source of

inpatient care through the Hospice, greater understanding exists about the patients' conditions and responsiveness to medicines and treatments, and as a result, reduces the time spent becoming familiar with the case.

- **Costs associated with accompanying the patient to and from the inpatient provider will be reduced, as will the administrative costs.** The costs include clerical staff time to notify the inpatient provider and coordinate with the receiving facility when to transport the patient. Copies of medical records must be made, and should the receiving inpatient facility require other information, it must be obtained prior to transport.

Two intangible advantages

- Patients can avoid the apprehension that often accompanies their transport to the hospital, and the fear that arises oftentimes because patients face the reality of dying in a hospital rather than in a residential setting. This apprehension may be better dealt with by remaining in a residential-type inpatient hospice facility.
- The hospice provides for a much greater sense of "home" in the appointments, activities, rooms, and support areas than any of the inpatient providers. This homelike setting fosters greater calmness in the patients than do the institutional settings.

SHSF maintains that pursuant to the proposal, patients will have another service from which to choose and the hospice will have the capability to better manage limited resources.

Below is the applicant's excerpted portion of a letter of support.

Clifford J. Bauer, President Florida PACE Centers, Inc., states: *"... We have contracted with Seasons for at-home and inpatient hospice care for more than five years. Seasons' proposed freestanding inpatient unit in southwest Miami-Dade County will provide much needed access to inpatient hospice services for our participants."*

(2) Existing contractual arrangements for inpatient care at hospitals and nursing homes.

SHSF states that it contracts for inpatient care with most area hospitals and maintains contracts with several nursing homes which also provide respite care. The applicant indicates that these contracts will not be reduced nor eliminated with the ability to provide inpatient care at a freestanding hospice facility. According to SHSF, the reasons are that the contracts provide patients, their

physicians, and their families, including payers, with choice and choice is an important element in matching patients' needs with the resources they require. Per the applicant, the establishment of an inpatient hospice facility will increase available beds and allow hospice patients an alternative to the hospital inpatient setting and will allow for some flexibility in providing inpatient residential and respite care as well.

(3) Anticipated sources of funds for the construction.

SHSF explains that the sources of funds for this project come from a \$10,000,000 delayed draw loan commitment as noted on page 11, Note 6 of the December 31, 2018 audited financial statements for Seasons Hospice and Palliative Care of Southern Florida, Inc. Per SHSF, the audited financial statements reveal \$457,347 in net income for 2018 and \$3,246,056 for 2017.

Furthermore, SHSF states that the project contributes \$1,232,049 in net income for the first year of operations. SHSF concludes that funding is available to construct the inpatient facility which is financially feasible, returning a profit in the first year of operations (see item E.3.d. of this report).

b. Rule 59-1.0355(8) Florida Administrative Code: Semi-Annual Utilization Reports. Each hospice program shall report utilization information to the Agency or its designee on or before July 20th of each year and January 20th of the following year.

The applicant indicates that SHSF's record in Florida shows conformity with the requirements for reporting services to the Agency and to the Department of Elder Affairs pursuant to requirements in statute and rule.

The Agency's semi-annual utilization reports do not require a hospice to report inpatient hospice days.

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.

As stated previously, there is one existing, licensed inpatient hospice facility and two CON approved inpatient hospice facilities in SA 11.

Regarding availability, the applicant reiterates having two leased hospice units in in SA 11 – one at Jewish Health Systems and one at North Shore Medical Center and that both of these are located toward the northern part of Miami-Dade County, while the proposed project is located more toward the southwest, to serve residents toward the southern portion of Miami-Dade County.

The applicant restates the current mix of existing and CON approved freestanding inpatient hospice facilities in SA 11. The applicant points out having hospice patients in areas where inpatient bed availability is scarce and that when availability is low and such services are needed, patients and their families must travel outside the area and that such travel is a burden on patients and families. SHSF again points of that while it has contracts with area hospitals and nursing homes (referred to as “scatter beds”) and that it will continue to have such arrangements, the proposed project will provide a place for those who do not have a caregiver, the homeless and those in need of respite care.

The applicant restates cost savings relative to the proposal (see item E.2.a. (1) of this report).

Regarding geographic access, the applicant discusses the elderly population with a 10-mile radius of the proposed project and relatively high nursing home occupancy in the southern part of Miami-Dade County. Seasons discusses financial access (page 3-6 of the application) and the applicant’s history regarding services to patients regardless of their ability to pay.

Regarding extent of utilization, SHSF again notes that as the second largest hospice provider in SA 11 (by admission volume) and that as such, must provide reasonable access to inpatient care for its patients throughout the service area. SHSF previously indicated in item E.1.b. of this report that sufficient demand for inpatient hospice care exists in the area to support the proposed project.

SHSF responds to the Health Care Access Criteria (pages 3-8 to 3-12 of the application).

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.

In December 2018, the DOEA updated its statewide 2018 Report Hospice Demographic and Outcome Measures, which is available in pdf form on the DOEA's website at:

http://elderaffairs.state.fl.us/doea/Evaluation/2018_Hospice_Report.pdf

According to page one of this DOEA report (Executive Summary), the DOEA report contains an analysis of demographic and diagnostic data submitted by all 46 of Florida licensed hospices for 2017 and nationally endorsed quality measures from the Centers for Medicare & Medicaid Services (CMS). The CMS data includes the Hospice Item Set (HIS), endorsed by the National Quality Forum (NQF), and Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey data, developed by the RAND Corporation and which focuses on experiences of care.

For background, as of 2015, hospices no longer used the NHPCO due to the implementation of the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey. In 2015, CMS made some hospice performance data available to states. DOEA then lifted the requirement that hospices submit outcome measure data to DOEA. The three hospice measures that had, previous to 2015, been required are as follows:

- Outcome Measure 1 (OM1): Proportion of patients reporting a reduction of pain (optional beginning in 2016)
- Outcome Measure 2 (OM2): Proportion of patients receiving the right amount of pain medicine (optional beginning in 2015); and
- Outcome Measure 3A (OM 3A): Proportion of patients who would recommend hospice services to others (optional beginning in 2015).

Although hospices are no longer required to submit outcome measure data to DOEA, for calendar year 2017, 26 Florida hospices voluntarily chose to submit data for OM1; 13 hospices voluntarily submitted data for OM2; and 12 hospices voluntarily submitted data for OM3A.

Below, the Agency replicates portions of the DOEA Hospice Demographic and Outcome Measures 2018 Report that address:

- CMS Quality Measures for Hospice Quality Reporting Program and Data Submission Requirements
- Consumer Assessment of Healthcare Providers and Systems (CAHPS) Hospice Survey

CMS Quality Measures for Hospice Quality Reporting Program and Data Submission Requirements

Per pages 19 and 20 of the referenced DOEA Report, the Affordable Care Act (ACA) requires that CMS use nationally endorsed quality measures in the HQRP. Hospices are required to use and submit patient-level data for the following seven measures endorsed by the National Quality Forum (NQF):

- NQF #1617: Percentage of patient stays treated with an opioid that are offered/prescribed a bowel regimen or documentation why this was not needed (Opioid/Bowel);
- NQF #1634: Percentage of patient stays during which the patient was screened for pain during the initial nursing assessment (Pain Screening);
- NQF #1637: Percentage of patient stays during which the patient screened positive for pain and received a comprehensive assessment of pain within one day of the screening (Pain Assessment);
- NQF #1638: Percentage of patient stays during which the patient screened positive for dyspnea and received treatment within one day of the screening (Dyspnea Treatment);
- NQF #1639: Percentage of patient stays during which the patient was screened for dyspnea during the initial nursing assessment (Dyspnea Screening);
- NQF #1641: Percentage of patient stays with chart documentation that the hospice discussed (or attempted to discuss) preferences for life-sustaining treatments (Treatment Preferences); and
- NQF #1647: Percentage of patient stays with documentation of a discussion of spiritual/religious concerns or documentation that the patient and/or caregiver did not want to discuss spiritual/religious concerns (Beliefs and Values Addressed)

Seasons affiliates in Florida that participated in the referenced CMS quality measures were documented in the referenced 2018 DOEA report. The results are listed in the table below, with participating Seasons results shown:

National Quality Forum Measure Results by Hospice, 2017

Facility Name	Treatment Preferences	Beliefs and Values	Pain Screening	Pain Assessment	Dyspnea Screening	Dyspnea Treatment	Opioid/Bowel Regimen	Number of Patients
Seasons Hospice & Palliative Care, Inc.								
Seasons Hospice & Palliative Care of Broward Florida, LLC	100.0	99.6	95.9	53.6	98.4	97.5	97.0	995
Seasons Hospice & Palliative Care of Southern Florida	99.9	99.5	99.0	88.6	99.2	98.2	98.2	1,760
Florida Averages	98.9	92.5	97.0	82.8	99.0	97.8	96.3	
National Averages	99	95	95	82	98	95	94	

Data provided by CMS; collected between 10/01/2016-09/30/2017. Number of hospices, n= 42. Number of respondents, n= 125,310.

Source: DOEA Hospice Demographics and Outcomes Measures 2018 Report, December 2018, pages 21 and 22, Exhibit 18 and pages 4 and 5, Exhibit 3 (number of patients only)

Consumer Assessment of Healthcare Providers and Systems (CAHPS) Hospice Survey

Per page 23 of the referenced DOEA Report, in 2015, hospices began contracting with approved survey vendors to administer the Consumer Assessment of Healthcare Providers and Systems (CAHPS) Hospice Survey. The standardized 47- question CAHPS Hospice Survey includes the following measures: hospice team communication, getting timely care, treating family members with respect, providing emotional support, support for religious and spiritual beliefs, getting help for symptoms, information continuity, understanding the side effects of pain medication, and getting hospice care training.

Seasons affiliates in Florida that participated in the referenced CAHPS measures were documented in the referenced 2018 DOEA report. The results are listed in the table below, with participating Seasons results shown:

CAHPS Measure Results by Hospice

Facility Name	Hospice Team Communication	Getting Timely Care	Treating Patient With Respect	Getting Emotional and Religious Support	Getting Help for Symptoms	Getting Hospice Care Training	Rating of Hospice Care	Willingness To Recommend Hospice	Number of Patients
Seasons Hospice & Palliative Care of Broward Florida, LLC	63	64	74	80	62	57	66	66	995
Seasons Hospice & Palliative Care of Southern Florida	69	68	82	82	70	62	67	71	1,760
Florida Averages	77	76	88	88	73	70	80	84	
National Averages	80	78	91	90	75	75	81	85	

Data provided by CMS; collected between 10/01/2015-09/30/2017. n= 43. Note: In CMS reporting, Vitas Healthcare Corporation of Florida was treated as one entity while in this report the three locations were treated as unique entities. Data unavailable for Compassionate Care Hospice of Miami Dade and the Florida Keys, Inc.

Source: DOEA Hospice Demographics and Outcomes Measures 2018 Report, December 2018, pages 24 thru 27, Exhibit 20 and pages 4 and 5, Exhibit 3 (number of patients only)

Below is a summary of the applicant's stated additional quality features/characteristics, as well as the Agency's substantiated compliant history, over the three-year period ending November 20, 2019.

The applicant indicates that Seasons has accomplished the following achievements in Miami-Dade (page 1-2 of the application):

- ✓ Seasons has grown from 59 patients to 659 in a span of 10 years
- ✓ Opened a second hospice unit in North Shore Hospital and shares the floor with the Vitas Hospice unit
- ✓ Successfully opened the Mt. Sinai Palliative Care Program
- ✓ Is beginning a palliative program in two area nursing homes with hopes to expand within the next six months
- ✓ Is active in many community events and hosts a yearly bereavement camp for children, Camp Kangaroo
- ✓ Actively looking for opportunities to create more units in certain geographic areas to provide the community additional alternatives for their loved ones

SHSF restates having served Miami-Dade County since 2009 and that it is now the second largest hospice in SA 11. Further, Seasons states that its hospice has had no licensure violations and is enrolled in both the Medicare and Medicaid programs. The reviewer confirms Seasons reported the second highest number of admissions for the 12 months ending June 30, 2019.²

Per SHSF, accreditation and certification improve quality through additional education and implementation of best practices. SHSF provides the following notations:

- Seasons holds *The Gold Seal of Approval* accreditation from The Joint Commission
- Seasons belongs to the National Hospice and Palliative Care Organization (NHPCO) and the Florida Hospice and Palliative Care Association (FHPCA)
- Seasons is platinum certified by the Services and Advocacy for Gay Elders (SAGE)
- Seasons adheres to the National Ethics Committee following guidelines for promotions and publications in the exercise of the widest influence for good in daily service provision
- Seasons adheres to the Centers for Medicare and Medicaid Services' (CMS) reporting requirements (including CAHPS and the Hospice Item Set or HIS)

² Source: Florida Need Projections for Hospice Programs published October 4, 2019.

SHSF indicates that SHCM oversees compliance with Federal and state reporting standards, accreditation of the hospices, billing to include Medicare and Medicaid recipients in addition to all other payers, data reporting, and compliance monitoring, staff education and training, and employment.

SHSF explains that the Seasons approach encompasses the ten components of quality in hospice care, as identified by the NHPCO Quality and Standards Committee. The applicant lists and briefly describes these ten stated components (page 4-3 of the application). The applicant provides the Seasons Hospice mission, vision and core values:

- Mission
 - Honoring Life ~ Offering Hope
- Vision
 - Recognize that individuals and families are the true experts in their own care
 - Support our staff so they can put our patients and families first
 - Find creative solutions which add quality to life
 - Strive for excellence beyond accepted standards
 - Increase the community's awareness of hospice as part of the continuum of care
- Core Values
 - **TRUE** = **T**rust, **R**esponsiveness, **U**nderstanding, **E**mpowerment
 - **HOPE** = **H**umility, **O**wnership, **P**assion, **E**xcellence

The applicant comments that from interviewing and hiring throughout the orientation process and continuum of care, "...Seasons uses these values to show expected behaviors of staff and volunteers to ensure the perfect end-of-life experience for every patient and family, every time" (page 4-4 of the application).

SHSF states that Seasons is committed to the fundamental principal on which the program was founded...*to die at home*. SHSF also states that Seasons start-up programs are overseen by company leadership and that all new employees meet at the home office. SHSF comments that employees are the best source of discovering what skills are needed, what training is necessary, and what competencies are desired to excel. SHSF also comments that that educational opportunities are provided to ensure that each employee and volunteer has the tools to succeed in the tasks asked of them to do. SHSF indicates that they invests in e-learning, virtual classrooms, and bedside orientation as a major part of its quality initiative.

The applicant provides a diagram of the Seasons Hospice *Circle of Care* (page 4-6, Figure 4-1 of the application). Seasons discusses its *Circle of Care* approach and philosophy for its hospice program. SHSF

emphasizes that it is the patient and family who form the hub, from which needs emanate and that addressing the needs individually provides the focus, while technology such as the electronic medical record and wireless devices allow for real time communication.

SHSF indicates that Seasons takes a pro-active approach to ensure quality by making *Team Director Welcome Calls* to all patients within seven (7) days of admission to prevent any quality issues, weekly *Circle of Care Calls by Volunteers* to ensure patients have all they need each week, *Quality Leadership Calls*, as well as *Back-to-the-Bedside* supervisory visits. The applicant maintains that these calls allow Seasons to anticipate concerns before they exist and help to "answer the phone before it rings" - one of the primary goals. According to SHSF, the Seasons' focus on the patient and its program strategy, *Circle of Care*, assure that every patient will have dignity throughout the end-of-life process, pain will be controlled, and wishes will be met.

SHSF points out that it has an effective quality assessment and performance improvement (QAPI) program that utilizes data to assess outcomes and further points out that this program reflects the complexity of hospice organization and operations - including services provided under contract. SHSF indicates that it has the required policies and procedures to assure the highest quality of hospice care (CON application #10612, Exhibit 4-1). The reviewer confirms that this exhibit includes:

- QAPI 501
- Sentinel Events 502
- Utilization Review Process 5005

According to SHSF, QAPI data is analyzed at the site, regional, and national level, allowing insight into the quality of care in real time rather than waiting for post-death family satisfaction data. Also according to SHSF, the personal involvement by team directors and senior leadership during the course of care ensures the highest quality care is being delivered rather than solely relying on feedback afterwards.

SHSF offers narrative descriptions of each of the following stated programs to positively impact quality of care (pages 4-8 to 4-13 of the application):

- Electronic Medical Records (EMR)
- Call Center Integration with EMR
- Telemedicine Access
- Specialized Programs
 - Music Therapy
 - Leaving a Legacy
 - Namaste Care dementia program
 - Complementary Therapies

- Volunteer Vigil
- Spiritual Presence
- Loyal Friends Pet Team
- Music Companion
- CareFlash
- Open Access
- No One Dies Alone
- Partners in Care
- We Honor Veterans
- Camp Kangaroo
- Jewish Services
- Friendly Visitor Bereavement

SHSF provides descriptions of a commitment to improving end-of-life care as well as research and development (pages 4-13 to 4-15 of the application).

Agency records indicate that, statewide, as of the three-year period ending November 20, 2019, Seasons hospice affiliates had a total of one substantiated complaint. Each substantiated complaint can encompass multiple complaint categories. Below is a table to depict the substantiated complaint by the applicable complaint category.

**Seasons Hospice & Palliative Care, Inc.
Substantiated Complaint History by Category
Three-Year Period Ending November 20, 2019**

Complaint Category	Number Substantiated
Quality of Care/Treatment	1
Resident/Patient/Client Rights	1

Source: Agency for Health Care Administration Complaint Records

- 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.**

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.

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Historically we have compared all financial ratios regardless of type to benchmarks 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.

Below is an analysis of the audited financial statements, where the short term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

10612 Seasons Hospice & Palliative Care of Southern Florida, Inc.	
	Dec-18
Current Assets	\$11,448,845
Total Assets	\$15,650,646
Current Liabilities	\$8,524,779
Total Liabilities	\$8,634,098
Net Assets	\$7,016,548
Total Revenues	\$44,038,470
Excess of Revenues Over Expenses	\$423,813
Cash Flow from Operations	\$1,732,317
Short-Term Analysis	
Current Ratio (CA/CL)	1.3
Cash Flow to Current Liabilities (CFO/CL)	20.32%
Long-Term Analysis	
Long-Term Debt to Net Assets (TL-CL/NA)	1.6%
Total Margin (ER/TR)	0.96%
Measure of Available Funding	
Working Capital	\$2,924,066

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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:

On Schedule 2, the applicant indicates capital projects totaling \$7,939,130, which includes this project only. The applicant indicates that this total amount will be financed via the company’s current assets of \$11.4 million. Additionally the applicant has access to a \$10,000,000 delayed draw loan to finance the project and any initial operating losses. The delayed draw loan had a \$0 balance as of December 31, 2018. It is unknown what the balance of the delayed drawn loan is currently.

Staffing:

The applicant’s Schedule 6A indicates a current total of 300.1 FTEs. This project adds 27.3 FTEs in year one ending June 30, 2023. There no additional FTEs added in year two ending June 30, 2024. Seasons total would be 327.4 FTEs if no additional projects/staff are added. See the table below.

**Seasons Hospice/CON application #10612
15-Bed Freestanding Inpatient Hospice SA 11
Staffing**

Position	Year One Ending 6/30/2023	Year Two Ending 6/30/2024
Administration		
Director of Nursing	1.0	1.0
Nursing		
RN	8.4	8.4
Hospice Aides	5.6	5.6
Dietary		
Dietary Manager	1.0	1.0
Cooks	2.0	2.0
Social Services		
Social Services: Other	0.5	0.5
Housekeeping		
Housekeeping Supervision	1.0	1.0
Housekeepers	2.0	2.0
Laundry		
Laundry Aides	2.0	2.0
Plant Maintenance		
Maintenance Assistance	1.0	1.0
Security	2.8	2.8
Grand Total	27.3	27.3

Source: CON application #10612, Schedule 6A (partial)

Notes to Schedule 6A indicate that staffing projects reflect the number and mix of patients expected to be served in the proposed hospice inpatient unit and applicable regulatory and professional staffing standards.

The applicant's recruitment and retention regimens are described (pages 5-4 to 5-9 of the application). The applicant provides an overview of Seasons key management personnel on pages 5-1 to 5-3 of the application, as well as the resume of Pedro O. Del Campo, the administrator/chief executive officer of the proposed project (CON application #10612, Exhibit 5-1).

Capital Requirements and Funding:

On Schedule 2, the applicant indicates capital projects totaling \$7,939,130, which includes this project only. The applicant indicates that this total amount will be financed via the company's current assets of \$11.4 million. Additionally, the applicant has access to a \$10,000,000 delayed draw loan to finance the project and any initial operating losses. The delayed draw loan had a \$0 balance as of December 31, 2018. It is unknown what the balance of the delayed drawn loan is currently.

Conclusion:

Funding for this project and the entire capital budget should be available as needed, depending on the available funding from the delayed draw loan.

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

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. Profitability for hospice is driven by two factors, volume of patients and length of stay/condition of the patient. A new hospice program in a service area with published need is more likely than not to be financial feasible since patient volume and mix is presumed to be available in sufficient amounts to sustain a new program. The focus of our review will be on the reasonableness of projections, specifically the revenue.

The vast majority of hospice days are paid by Medicare (Medicaid is the next largest payer with similar reimbursement rates). As such, revenue is predictable by day and service type. Schedule 7 includes revenue by service type. We have divided the applicant's projected revenues by the estimated Medicare reimbursement rates for each level of service in year two to estimate the total patient days that would be generated by that level of revenue. The results were then compared to the applicant's estimated number of patient days. Calculated patient days that

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approximate the applicant’s projected patient days are considered reasonable and support the applicant’s assumptions of feasibility. Calculated patient days that vary widely from the applicant’s projected patient days call into question the applicant’s profitability assumptions and feasibility. The results of the calculations are summarized below.

**HOSPICE REVENUE TABLE
Year Two Ending June 30, 2022**

CON 10612	Seasons Hospice & Palliative Care of Southern Florida, Inc.				
Miami-Dade	Wage Component	Wage Index	Adjusted Wage Amount	Unadjusted Component	Payment Rate
Base Rate Calculation					
Routine Home Care 1-60 days	\$131.04	0.9489	\$124.34	\$59.67	\$184.01
Routine Home Care 61+ days	\$103.56	0.9489	\$98.27	\$47.16	\$145.43
Continuous Home Care	\$940.24	0.9489	\$892.19	\$428.18	\$1,320.37
Inpatient Respite	\$238.89	0.9489	\$226.68	\$202.43	\$429.11
General Inpatient	\$640.96	0.9489	\$608.21	\$360.39	\$968.60
Year Two Comparison					
Year Two Comparison	Inflation Factor Year Two	Inflation Adjusted Payment Rate	Schedule 7 Revenue Year 2	Continuous Service Hours Provided	Calculated Patient Days
Routine Home Care 1-60 days	1.154	\$212.40	\$24,955,060		117,490
Routine Home Care 61+ days	1.154	\$167.86	\$24,955,060		148,663
Continuous Home Care	1.154	\$1,524.07	\$6,111,376	24	4,010
Inpatient Respite	1.154	\$495.31	\$205,322		415
General Inpatient	1.154	\$1,118.02	\$13,161,834		11,772
		Total	\$69,388,652		282,349
			Days from Schedule 7		255,842
			Difference		-26,507
			Percentage Difference		-10.36%

The applicant’s projected patient days are -10.36 percent percent or 26,507 days less than the calculated patient days. The applicant did not separate routine home care by number of days. Routine home care is divided equally among routine 1-60 days, and routine 61+ days. If any revenue is for under 60 days, the percentage difference gets smaller. Operations from this project are expected to have a profit in both years one and two.

Conclusion: This project appears to be financially feasible.

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

Strictly, from a financial perspective, the type of price-based competition that would result in increased efficiencies, service, and quality is limited in health care in general and in hospice specifically. 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. Since Medicare and Medicaid are the primary payers in hospice, price based competition is almost non-existent. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited.

Conclusion: Strictly, from a financial perspective, this project will not have a material impact on price-based competition.

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-4, Florida Administrative Code

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

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

- 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.**

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108). Hospice care also must be provided regardless of ability to pay and regardless of age, race, religion, sexual orientation, diagnosis, payer source or financial status.

Seasons' Schedule 7A indicates that for year one and year two total annual patient days will be attributed as follows:

- 2.3 percent self-pay
- 1.0 percent Medicaid HMO

The applicant offers no Schedule C Medicaid/Medicaid HMO/Medicaid Managed Care and/or self-pay/charity condition.

F. SUMMARY

Seasons Hospice & Palliative Care of Southern Florida, Inc. (CON application #10612), a Florida for-profit corporation proposes to establish a 15-bed, freestanding inpatient hospice facility in SA 11, located at 11605 S.W. 95th Street, Miami, Florida 33176.

Total project cost is \$7,939,130. Costs covered are for land, building, equipment, project development, financing and start-up costs. The project involves 14,942 GSF of new construction.

Seasons does not propose conditions to the proposed project.

Need/Access:

- The Agency does not publish need for inpatient hospice beds. In SA 11, there is one existing licensed freestanding inpatient hospice facility and there are two CON approved but not yet licensed freestanding inpatient hospice facilities, as follows:
 - The existing facility is –
 - Catholic Hospice, Inc. (12 beds in Hialeah)
 - The CON approved freestanding inpatient hospice facilities are:
 - Comprehensive Home Health Care, Inc., d/b/a Opus Care of South Florida (CON #10470), 13 beds
 - VITAS Healthcare Corporation of Florida (CON #10565), 16 beds

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- Seasons comments that existing and CON approved freestanding inpatient hospice facilities in the area are more toward the east and north of the proposed project, its proposed project will be in southwest Miami-Dade County
- Two stated intangible benefits pursuant to project approval:
 - Patients can avoid the apprehension of dying in a hospital rather than in a residential setting
 - The hospice provides for and better manages appointments, activities, rooms, and support areas
- A cost savings of \$22.78 per patient day, contributing \$105,809 to net income in year two (using 2018 per diem inpatient cost)
- A cost savings of \$83.22 per patient day, contributing \$386,497 to net income in year two (with assumptions inflating the costs by 1.5 percent per annum)

The Agency finds that the applicant, on balance, met the statutory and rule requirements to approve a new inpatient hospice facility including information regarding how the proposed project will be more cost-efficient than contractual arrangements with existing facilities in Hospice Service Area 11.

Quality of Care:

- Seasons maintains hospice programs in Florida in SA's 5B, 6A, 10 and 11
- The applicant provided a detailed discussion of its ability to provide quality care
- Agency records indicate that during the three-year period ending November 20, 2019, Seasons hospice affiliates had one substantiated complaint

Financial Feasibility/Availability of Funds:

- Funding for this project and the entire capital budget should be available as needed, depending on the available funding from the delayed draw loan.
- This project appears to be financially feasible.

Medicaid/Indigent/Charity Care:

- Hospice programs are required by law to provide services to all who seek them
- The applicant's Schedule 7A indicates that self-pay will account for 2.3 percent and Medicaid HMO will account for 1.0 percent, total annual patient days, in both year one and year two

- The applicant offers no Schedule C Medicaid/Medicaid HMO/Medicaid Managed Care and/or self-pay/charity condition

Architectural:

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 #10612 to establish a 15-bed freestanding inpatient hospice facility in Hospice Service Area 11 - Miami-Dade County. The total project cost is \$7,929,130. The project involves 14,942 GSF of new construction.

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: _____

James B. McLemore
Operations and Management Consultant Manager
Certificate of Need