

STATE AGENCY ACTION REPORT
ON APPLICATIONS FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center/CON #10637

400 Rella Blvd., Suite 200
Montebello, New York 10901

Authorized Representative: Ms. Rachel Schuster
VP of Operations
(754) 243-1867

Health Resort Network, LLC/CON #10638

899 N.W. 4th Street
Miami, Florida 33128

Authorized Representative: Mr. Richard E. Stacey
Managing Member
(305) 926-0960

2. Service District/Subdistrict

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

B. PUBLIC HEARING

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

Letters of Support

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) includes two unduplicated letters of support for this proposal. The Agency did not independently receive any letters that support the project. These letters are from the senior executive at

an area hospice (Seasons Hospice & Palliative Care of Southern Florida, Inc.) and a cardiovascular disease and internal medicine physician (Aventura Cardiovascular Center). The writers indicate that Aventura Rehab and Nursing Center - a Citadel Care Center – is renowned in its continuous quality improvement in patient outcomes, compliance management, education and training, physician and community engagement and is a world-class care provider with a consistently high level of dignity, respect and skill to all patients.

Health Resort Network, LLC (CON application #10638) includes 16 unduplicated letters of support for its proposal. The Agency did not independently receive any letters that support the project. These letters are primarily from senior executives of area hospitals, area physicians and physician groups, health care providers and residents and family members of affiliate facilities of the applicant. Common themes in these indicate successful, ongoing, collaborative working relationships with the applicant and its affiliate facilities and express confidence that the project will provide compassionate and impeccable quality and continuity of care, with excellent patient outcomes.

C. PROJECT SUMMARY

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637), also referenced as Aventura or the applicant, proposes to add 40 community nursing home beds through the transfer of 40 community nursing home beds from the 230-bed Sands at South Beach Care Center, The, (also referenced as The Sands). Both facilities are located in District 11, Subdistrict 11-1 (Miami-Dade County).

Aventura provides a notarized letter, dated May 18, 2020 from the authorized signatory, Leopold Friedman, for 42 Collins Avenue Care, Inc., licensee of The Sands, which agrees to voluntarily submit a licensure application to reduce by 40 the number of community nursing home beds at The Sands, no later than the date that Aventura SNF, LLC submits its licensure application to license the proposed 40-bed addition (CON application #10637, page 1-13, Exhibit 1-1).

The applicant is parented by Citadel Care Centers-Florida Division (Citadel Care). The parent operates the following SNFs in Florida:

- Aventura Rehab and Nursing Center
- Fouraker Hills Rehab and Nursing Center
- Kensington Gardens Rehab and Nursing Center
- Oak Haven Rehab and Nursing Center
- Sandgate Gardens Rehab and Nursing Center

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- Sands at South Beach Care Center, The
- Sea Breeze Rehab and Nursing Center

According to Schedule 10 of the application, the applicant anticipates issuance of license for the proposed 40-bed addition in December 2022 and initiation of services in January 2023.

The project involves 66,939 gross square feet (GSF) of new construction and 33,540 GSF of renovation with a total construction cost of \$19,588,470. Total project cost is \$24,348,543. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes the following Schedule C conditions: Aventura SNF, LLC operates an existing 86-bed nursing home in Miami-Dade County. As an older facility, only one private room exists and the nursing home operates three three-bed rooms. The 40-bed addition, with beds coming from an affiliated facility, The Sands at South Beach Care Center, will add 39 private rooms, for a total of 40 private rooms, and create 43 semi-private rooms through both new construction and renovation.

- Upon completion of the project, operate only private and semi-private rooms, for a total of 126 beds;
- Upon completion of the project, no longer operate three-bed rooms within the facility;
- Provide 55 percent Medicaid Managed Care resident days in year two of the project.

Health Resort Network, LLC (CON application #10638), also referenced as HRN or the applicant, a newly formed/development stage for-profit entity, proposes to construct a new 123-bed community SNF in District 11, Subdistrict 11-1 (Miami-Dade County). The proposal is slated for development in the Hialeah area ZIP Code 33013¹, within close proximity of acute care hospitals, improving access to residents requiring rehabilitation following an acute care episode or surgery. The proposal is under the controlling interest of Richard E. Stacey, who is also the registered agent of Florida Medical Systems, LLC.

¹ The reviewer notes that a project location within ZIP Code 33013 is not conditioned in CON application #10638, Schedule C.

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Health Resort Network, LLC states it is affiliated with the following SNFs in Miami-Dade County:

- Riverside Care Center
- Riviera Health Resort
- Victoria Nursing and Rehabilitation Center

According to Schedule 10 of the application, HRN anticipates issuance of license in December 2022 and initiation of services in January 2023.

The project involves 94,253 GSF of new construction with a construction cost of \$23,563,250. Total project cost is \$30,985,819. Project cost includes land, building, equipment, project development, financing and start-up costs.

Health Resort Network, LLC proposes the following Schedule C conditions:

1. Establish a 10-Bed Respiratory Ventilator Care Unit.

Monitoring of the condition for the ventilator unit will include identifying the location of the unit on a floor plan and providing the number of patient days associated with ventilator patients on an annual basis.

2. Provide 16 Negative Pressure Rooms for Infection Control.

Monitoring of the condition for the negative pressure rooms will include identifying the location of the rooms on a floor plan and providing the number of patient days for residents utilizing the rooms on an annual basis.

Co-Batched CON Application #s 10637 and 10638: Total GSF and Project Cost					
Applicant	CON App. #	Project	GSF	Cost (\$)	Cost Per Bed (\$)
Aventura SNF, LLC	10637	Add 40 Community Nursing Home Beds Through Delicensure of 40 Beds in the Same Subdistrict	100,479	\$24,348,543	\$608,714
Health Resort Network, LLC	10638	Establish a New 123-Bed Community Nursing Home	94,253	\$30,985,819	\$251,917

Source: Schedules 1 and 9, CON application #s 10637 and 10638

Note: Should any project(s) be approved, the applicant's proposed 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.

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 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, Steve Love, analyzed the application with consultation from the financial analysts, Everett (Butch) Broussard (for CON application #10637) and Kimberly Noble (for CON application #10638), 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 criteria and application content requirements found in Florida Statutes, sections 408.035 and 408.037; 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? Or does the project proposed seek beds or services in excess of the fixed need pool? Rule 59C-1.008 (2), Florida Administrative Code.**

In Volume 46, Number 66 of the Florida Administrative Register dated April 3, 2020, a fixed need pool (FNP) of 123 community nursing home beds was published for Subdistrict 11-1 for the January 2023 planning horizon. No Subdistrict 11-1 facilities filed exemption requests or expedited CON applications subsequent to the FNP publication.

As of February 21, 2020, Subdistrict 11-1 had 53 facilities with 8,281 licensed community beds and 557 CON approved community nursing home beds. Subdistrict 11-1 had 54 nursing homes with 3,040,145 bed days and 2,734,024 patient days or 89.93 percent utilization in 8,351 beds during CY 2019. La Mer NH II, LLC delicensed the last 70 beds on its license effective December 20, 2019.

The current and projected population change comparisons of Miami-Dade County/Subdistrict 11-1, District 11 and for Florida, for ages 65-74, 75+ and 65+, for the planning horizon are provided in the following table.

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**Subdistrict 11-1/Miami-Dade County, District 11 and Florida
Population Change Comparisons by Age Cohorts
January 2020 and January 2023**

County/Area	January 1, 2020 Population			January 1, 2023 Population		
	65-74	75+	Pop. 65+	65-74	75+	Pop. 65+
Subdistrict 11-1	253,529	219,879	473,408	279,148	243,737	522,885
District 11	264,597	226,439	491,036	290,654	251,480	542,134
Florida	2,393,043	1,972,195	4,365,238	2,604,366	2,221,619	4,825,985
County/Area	2020-2023 Increase			2020-2023 Growth Rate		
	65-74	75+	Pop. 65+	65-74	75+	Pop. 65+
Subdistrict 11-1	25,619	23,858	49,477	10.10%	10.85%	10.45%
District 11	26,057	25,041	51,098	9.85%	11.06%	10.41%
Florida	211,323	249,424	460,747	8.83%	12.65%	10.55%

Source: Florida Agency for Health Care Administration Population Estimates, March 2020

The community nursing home beds per 1,000 residents for the age 65+ cohort in Miami-Dade County/Subdistrict 11-1, the district and the state are shown below.

**Beds per 1,000 Residents Age 65+
Population Ratio**

County/Area	Licensed and Approved Community Beds	2020 Population Age 65+	2020 Beds per 1,000	2023 Population Age 65+	2023 Beds per 1,000
Subdistrict 11-1	8,908	473,408	19	522,885	17
District 11	9,078	491,036	18	542,134	17
Florida	85,304	4,365,238	20	4,825,985	18

Source: Florida Agency for Health Care Administration Population Estimates, March 2020 and Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2020 Batching Cycle

As the Agency's fixed need formula takes emphasizes the estimated bed rate for community nursing home beds utilized by the population ages 75+ in a district, the reviewer provides the following beds per 1,000 residents ages 75+. See the table below.

**Beds per 1,000 Age 75+
Population Ratio**

County/Area	Licensed and Approved Community Beds	2020 Population Age 75+	2020 Beds per 1,000	2023 Population Age 75+	2023 Beds per 1,000
Subdistrict 11-1	8,908	219,879	41	243,737	37
District 11	9,078	226,439	40	251,480	36
Florida	85,304	1,972,195	43	2,221,619	38

Source: Florida Agency for Health Care Administration Population Estimates, March 2020 and Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2020 Batching Cycle

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The reviewer notes that **CON application #10637** does not change the net number of community nursing home beds and **CON application #10638** seeks to meet the published need of 123 community nursing home beds in the subdistrict.

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637), is located at 1800 NE 168th Street, North Miami Beach, Florida 33162. The facility has the one private room, 38 two-bed rooms and three three-bed rooms.

Aventura proposes to condition project approval to:

- Add 39 private rooms, for a total of 40 private rooms
- Create 43 semi-private rooms through both new construction and renovation
- No longer operate three-bed rooms, upon completion of the project

Aventura states that its original building was constructed in 1964, received additional square footage in 1983 and has been operating at its current capacity for over 35 years. Aventura also states that the 40-bed delicensure at The Sands will allow The Sands to realize a reduction in 16 four-bed rooms it presently has. Both facilities will reduce the number of multi-bed rooms at their facilities, should the project be approved.

Aventura's map on page 1-4 of the application depicts the 17 SNF's within a five-mile radius of its facility. The reviewer confirms that 16 are community nursing homes and one is a sheltered nursing home.

The applicant's Table 1-1 (on page 1-5 of CON application #10637) contains the Agency's nursing home utilization data which indicate that during CYs 2016 - 2019 (with the exception of CY 2018), Aventura had higher total occupancy rates than Miami-Dade County (Subdistrict 11-1), District 11 and the state.

Aventura uses Claritas, LLC ZIP Code data to provide the following age 65+ and total population estimates in CYs 2020 and 2025 within the five-mile radius of the proposed project. In the table below "CAGR" refers to the compound annual growth rate.

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**Population by ZIP Code for the Five-Mile Radius Contour for
Aventura Rehab and Nursing Center**

ZIP Code	2020 Pop Age 65+	2020 Total Pop	2025 Pop Age 65+	2025 Total Pop	CAGR 65+	CAGR Total Pop
33154	4,430	17,022	5,081	18,258	2.8%	1.4%
33160	12,562	48,415	14,954	52,458	3.5%	1.6%
33161	7,918	56,486	9,625	59,274	4.0%	1.0%
33162	6,497	45,077	8,012	47,106	4.3%	0.9%
33168	4,167	26,652	5,069	27,826	4.0%	0.9%
33169	5,784	42,905	6,982	45,424	3.8%	1.1%
33179	8,372	47,533	10,255	50,796	4.1%	1.3%
33180	10,442	38,196	11,998	41,279	2.8%	1.6%
33181	3,317	21,702	4,161	23,109	4.6%	1.3%
Total	63,492	343,988	76,137	365,530	3.7%	1.2%

Source: CON application #10637, page 1-6, Table 1-2

Aventura comments that the ZIP Code it is in (33162) has an estimated 6,500 age 65+ residents (in 2020) that is projected to increase to slightly over 8,000 age 65+ residents by 2025 or by 4.3 percent. This is the second highest age 65+ population growth rate of the nine Zip Codes.

Aventura addresses hospital discharges to nursing homes for elderly residents living within the five-mile contour (nine ZIP code area) comparing the discharge rate per 1,000 population to Miami-Dade as a whole. Using the hospital discharge data from July 1, 2018 through June 30, 2019 and Claritas 2019 population estimates, these elderly residents experienced a higher rate of hospital discharge to nursing homes (45 per 1,000 population) than Miami-Dade County as a whole (40 per 1,000 population). Aventura asserts that adding bed capacity to the facility is supported by the elderly population growth within the area as well as hospital discharges to nursing homes.

Aventura stresses that when nursing homes operate at a high occupancy rate, a bed may not be available when an elderly resident requires admission to a SNF and that nine of the 16 community nursing homes within the five-mile radius service area operate three-bed rooms or four-bed rooms; four facilities operate both types of rooms. Aventura maintains that depending on the type of discharge, such as wound care, pneumonia, sepsis, or another infectious disease, the three and four-bed rooms would not be a clinically-advised placement for a resident. CON application #10637 determines that availability of nursing home beds within a five-mile radius may be an issue for placement of residents periodically.

Aventura uses the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict publication, issued April 3, 2020, for CY 2019, to reflect licensed bed counts, bed days, patient days, total occupancy, Medicaid days and Medicaid occupancy for Aventura as well as the remaining 15 SNFs within a five-mile radius of Aventura. The reviewer partially reproduces the applicant’s table but does not reproduce each of

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the additional 15 SNFs individually collapsing the other 15 SNFs into an “All Other” row. See the table below.

**Community Nursing Home Utilization
Within a Five-Mile Radius Contour for Aventura
CY 2019**

Facility/Area	Beds	Bed Days	Patient Days	Total Occupancy	Medicaid Days	Medicaid Occupancy
Aventura	86	31,390	29,090	92.67%	22,290	76.62%
All Other	2,205	804,825	740,822	92.05%	581,385	78.48%
Five-Mile Radius	2,291	836,215	769,912	92.07%	603,675	78.41%
Subdistrict 1 Total	8,351	3,040,145	2,734,024	89.93%	1,972,460	72.14%
District 11 Total	8,591	3,127,025	2,795,903	89.41%	2,017,843	72.17%

Source: CON application #10637, page 1-8, Table 1-3 and page 3-3, Table 3-1 (partially reproduced)

The reviewer notes that based on CON application #10637, page 1-8, Table 1-3 Aventura’s total occupancy (92.67 percent) exceeded that of:

- The average of the 15 SNFs within the five-mile radius – (92.05 percent)
- Subdistrict 11-1 (89.93 percent)
- District 11 in total (89.41 percent)

Regarding quality of services, the applicant uses the Agency’s FloridaHealthFinder.gov website to assess the Agency’s Nursing Home Guide Inspection Ratings for each of the 16 SNFs). The inspection ratings are for the time period October 2017 - March 2020 and were last updated May 2020. Aventura had an overall inspection rating of three stars (five stars being the highest rating achievable). Below is an explanation of the performance measures (stars) from the same website:

- ★★★★★ Means that for this measure this facility ranked better than 81% to 100% of the facilities in its region. That is, five stars means that the facility ranked in the top 20% of facilities in its region.
- ★★★★ Means that for this measure this facility ranked better than 61% to 80% of the facilities in its region.
- ★★★ Means that for this measure this facility ranked better than 41% to 60% of the facilities in its region.
- ★★ Means that for this measure this facility ranked better than 21% to 40% of the facilities in its region.
- ★ Means that for this measure this facility ranked better than 0% to 20% of the facilities in its region. That is, a single star means that the facility ranked in the bottom 20% of facilities in its region.

Aventura provides a table (CON application #10637, page 1-9, Table 1-4) that shows the 16 referenced facilities star rating in each of the four inspection categories and the five inspection components. According to Aventura (page 1-8 of the application), “...facilities are equally mixed, with half demonstrating good quality ratings (three to five stars) and half operating as poor quality facilities (one or two stars)”. Aventura contends

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that the addition of a newer structure as well as additional private rooms will improve quality of care at Aventura. For further review of the applicant’s response to quality of care, see item E.3.b. of this report.

Regarding medical treatment trends, Aventura explains that increasingly, nursing home residents and their families seek a private room upon admission and that private rooms allow a facility to better control infection rates, including COVID-19, as well as minimize other infection spread. Aventura points to other recent Florida SNF proposals that have higher numbers of private rooms or fully private room facilities. CON application #10637 contends that the proposed project is in keeping with nursing home treatment trends.

Aventura states that market conditions influenced its decision to apply for the project, indicating that the its facility is old and that three-bed rooms no longer meet existing nursing home building codes. The applicant asserts that the project will make the facility more efficient and that the addition of a bariatric resident room also supports current nursing home design, to better serve individuals who, because of their size, require a room with specialized lifts. The reviewer notes CON application #10637, Schedule C, does not condition to the addition of a bariatric resident room.

Below is the forecasted utilization for the proposed total 126-bed facility, with admits and average daily census (ADC), as well as the forecast for the 40 beds to be added pursuant to this proposal.

**Aventura Rehab and Nursing Center
Total Facility - 126 Beds
Years 2023 and 2024**

Payer	126 Beds			
	Year One Days	Year Two Days	Year One Percent of Days	Year Two Percent of Days
Medicare	5,443	7,188	14.1%	16.4%
Medicare HMO	5,372	7,225	13.9%	16.4%
Medicaid Managed Care	22,654	24,326	58.7%	55.4%
Self-Pay	1,767	1,784	4.6%	4.1%
Other	3,372	3,405	8.7%	7.8%
Total	38,608	43,928	100.0%	100.0%

Source: CON application #10637, page vii, PS-3, page 1-11, Table 1-5 and page 9-3, Table 9-2

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**Aventura Rehab and Nursing Center
Total Facility
Years 2023 and 2024**

Payer	126 Beds			
	Year One Admits	Year Two Admits	Year One ADC	Year Two ADC
Medicare	273	360	15	20
Medicare HMO	299	402	15	20
Medicaid Managed Care	63	67	62	66
Self-Pay	30	30	5	5
Other	57	57	9	9
Total	722	916	106	120

Source: CON application #10637, page 9-3, Table 9-2

The applicant projects 722 year one admissions with 38,608 patient days and 916 admissions with 43,928 patient days for an average length of stay (ALOS) of 53.47 days in year one and 47.96 days in year two.

**Forecast by Payer for Aventura Rehab and Nursing Center
CON application #10637 – 40-Bed Addition
Years 2023 and 2024**

Payer	40 Beds Only			
	Year One Days	Year Two Days	Year One Percent of Days	Year Two Percent of Days
Medicare	3,149	4,871	35.0%	35.0%
Medicare HMO	3,149	4,870	35.0%	35.0%
Medicaid Managed Care	2,699	4,175	30.0%	30.0%
Self-Pay	0	0	0.0%	0.0%
Other	0	0	0.0%	0.0%
Total	8,997	13,916	100.0%	100.0%

Source: CON application #10637, page 1-12, Table 1-6

Health Resort Network, LLC (CON application #10638) states several benefits of the proposed project, as outlined below (pages i and ii and page 1-5 of the application):

- Hands-on owner/manager local to the area enables the facility to:
 - quickly address issues that arise for continuous quality improvement
 - maintain relationships with physicians, discharge planners and other health service providers
 - have knowledge of the service area to adapt to changing needs
- Proven quality – affiliate facilities all have high ratings
- Existing relationships with discharge planners and area providers
- Will provide high intensity services such as respiratory ventilator care, tracheotomy care, and rehabilitation services
- Improve access to skilled nursing care for residents of the district and subdistrict

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- Creates jobs
 - The facility will be a training site to area colleges and universities for physicians, nurses and therapists

Other stated benefits are indicated to include:

- 10-bed ventilator care unit
- 16-bed negative pressure wing
- 2,000 square feet of physical therapy space
- All private resident rooms
- Tracheotomy
- Dialysis
- Physical, occupational and speech therapies

The applicant emphasizes that nursing homes within a five-mile radius of the proposed ZIP Code 33013 project location report a combined average occupancy rate of 93.30 percent, indicating strong demand.

HRN provides a map to depict acute care hospitals and nursing homes, relative to ZIP Code 33013, in the subdistrict and also names and identifies the location of the applicant’s three existing SNFs in the area (CON application #10638, page 1-4, Figure 1-1).

The applicant not only points out that its three affiliate SNFs are highly utilized, HRN also states the use of the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict publication, issued April 3, 2020, for CY 2019, to indicate that Miami-Dade County nursing homes that accept ventilator dependent patients are highly utilized. See the table below.

**Miami-Dade Nursing Homes with Ventilator Units
CY 2019 Utilization**

Facility	Beds	Bed Days	Patient Days	Occupancy
Claridge House Nursing & Rehab. Ctr.	240	87,600	84,108	96.0%
Franco Nursing & Rehabilitation Ctr.	120	43,800	41,066	93.8%
Hampton Court Nursing & Rehab. Ctr.	120	43,800	41,383	94.5%
Jackson Memorial Long Term Care Ctr.	180	65,700	63,697	97.0%
University Plaza Rehab & Nursing Ctr.	148	54,020	51,568	95.5%
Victoria Nursing & Rehabilitation Ctr.	264	96,360	93,546	97.1%
Total Facilities with Ventilator Units	1,072	391,280	375,368	95.9%
Subdistrict 11-1 Total, All Facilities	8,351	3,040,145	2,734,024	89.9%

Source: CON application #10638, page 1-8, Table 1-3

The applicant stresses that the above table shows that all facilities with ventilator units are in high demand, with occupancy rates exceeding 93 percent in CY 2019. HRN also stresses that Victoria Nursing & Rehabilitation Center (an affiliate) is the largest among the group, with 264 total beds and the highest CY 2019 occupancy rate at 97.1 percent.

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The reviewer confirmed the data in the above table and that these facilities ventilator units.² Occupancy data is all licensed beds - occupancy for both ventilator-equipped beds and non-ventilator-equipped beds. HRN also discusses and provides a table to explain how the proposal would have no negative impact on area nursing homes (CON application #10638, pages 1-10 and 1-11).

Below (and in item E.3.g. of this report, for convenience) is the forecasted utilization for the proposed 123-bed community nursing home, as proposed:

**Projected Utilization by Payer at HRN’s Proposed 123-Bed Facility
Admissions, Resident Days and Percentage
Years One and Two of Operations/CYs 2023 and 2024**

Payer	Admissions		Resident Days		Resident Day Percentage	
	Year One	Year Two	Year One	Year Two	Year One	Year Two
Medicare	305	523	6,088	10,451	25.0%	25.0%
Medicare HMO	406	697	7,305	12,541	30.0%	30.0%
Medicaid Managed Care	24	41	8,523	14,631	35.0%	35.0%
Private Pay	41	70	2,435	4,180	10.0%	10.0%
Total	776	1,331	24,351	41,803	100.0%	100.0%

Source: CON application #10638, page vii, PS-2 and page 9-2, Table 9-1

Below (and in item E.2.b of this report, for convenience) is the forecasted utilization (admissions, resident days, average length of stay or ALOS, average daily census or ADC and occupancy) for the entire 123-bed project, as proposed.

**HRN Projected Utilization
Years One and Two of Operations**

	Year One	Year Two
Admissions	776	1,331
Resident Days	24,351	41,803
ALOS (days)	31	31
ADC	67	114
Occupancy	54.2%	92.9%

Source: CON application #10638, page iii, page 1-10, Table 1-4 and page 2-12, Table 2-3

HRN’s two tables above show the 123-bed facility’s ALOS in years one and two as 31 days. The reviewer computes the ALOS as 31.38 in year one and 31.41 in year two.

² Sources: Florida Nursing Home Bed Need Projections by District and Subdistrict published April 3, 2020 and the Agency’s FloridaHealthFinder.gov website at <https://www.floridahealthfinder.gov/facilitylocator/ListFacilities.aspx>,

2. Agency Rule Preferences

Please indicate how each applicable preference for the type of service proposed is met. Chapter 59C-1.036, Florida Administrative Code.

Chapter 59C-1.036 of the Florida Administrative Code does not contain preferences relative to community nursing home beds nor does the Agency publish specific preferences for these facilities. However, the rule does contain standards the Agency utilizes in assessing an applicant's ability to provide quality care to the residents.

- a. Geographically Underserved Areas. In a competitive certificate of need review within the nursing home subdistrict as defined in 59C-2.200, Florida Administrative Code, the Agency shall award a certificate of need if the applicant meets all applicable criteria for a geographically underserved area as specified in subsection 408.032(18), Florida Statutes, and if the applicant meets the applicable statutory certificate of need review criteria specified in section 408.035, Florida Statutes, including bed need according to the relevant bed need formula contained in this rule. If the applicant is awarded a certificate of need based on the provisions of this paragraph, the applicant shall agree that the nursing facility will be located in a county without a nursing facility, or in the center of an area within the subdistrict of a radius of at least 20 miles which meets the definition of a geographically underserved area. The center of the geographically underserved area shall be the proposed nursing home location in the application.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) does not propose to remedy a geographically underserved area, as defined above.

Health Resort Network, LLC (CON application #10638) does not propose to remedy a geographically underserved area, as defined above.

- b. Proposed Services. Applicants proposing the establishment of Medicare-certified nursing facility beds to be licensed under Chapter 400, Florida Statutes, shall provide a detailed description of the services to be provided, staffing pattern, patient characteristics, expected average length of stay, ancillary services, patient assessment tools, admission policies and discharge policies.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) explains that the existing facility participates in the Medicare and Medicaid programs and will continue to participate in these programs.

Aventura states it provides a range of services, including the following:

- Rapid Recovery Unit, with specialized orthopedic, cardiac, and stroke rehabilitation programs
- Advanced respiratory care
- Physical therapy, occupational therapy, and speech and language therapy
- Bedside diagnostics and laboratory services
- IV therapy
- Tracheotomy care
- Total parenteral nutrition (TPN)
- Peritoneal dialysis, with a dialysis suite available
- Certified wound care program
- Pain management
- Fall reduction program
- Dental, podiatry and eye care services, provided bed side

Aventura further indicates offering nursing care 24 hours a day recreational activities seven days a week, registered dietician services, and patient transportation.

The applicant provides a copy of Aventura's certification as a Center of Excellence for Wound Management, by VOHRA Wound Physicians (CON application #10637, page 2-9, Exhibit 2-1).

Regarding patient characteristics, the applicant indicates that as an existing facility, Aventura serves residents who meet the criteria for admission, whether they receive a physician referral or self-referral. Further, the facility does not discriminate with regard to race, sex, national origin, age, religion, handicap, marital status, or ability to pay. Aventura comments that residents present with a

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variety of conditions and diagnoses, thus the facility offers orthopedic, cardiac, stroke, respiratory, wound care, and dialysis services and programs to its residents.

Aventura uses the Agency’s Hospital Inpatient Discharge Data, for the 12 months ending June 30, 2019, to reflect the type of Major Diagnostic Categories (MDCs) and the number of cases and percentage of cases of MDCs, for elderly Miami-Dade County and residents of the nine zip code area discharged from a hospital to a SNF. Aventura emphasizes how well the MDC case percentages correlate (from higher to lower) between Miami-Dade County and residents within the five-mile radius for the seven MDCs listed. See the table below.

MDCs for Elderly Residents Discharged from a Hospital to a SNF

MDC	Miami-Dade		5-Mile Radius	
	Cases	Percent	Cases	Percent
08 Disease & Disorders of the Musculoskeletal System Conn Tissue	4,269	23.5%	526	18.6%
<i>05 Diseases & Disorders of the Circulatory System</i>	2,659	14.6%	427	15.1%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	2,007	11.0%	422	14.9%
04 Diseases & Disorders of the Respiratory System	1,891	10.4%	276	9.8%
01 Diseases & Disorders of the Nervous System	1,716	9.4%	272	9.6%
11 Diseases & Disorders of the Kidney & Urinary Tract	1,680	9.2%	255	9.0%
06 Diseases & Disorders of the Digestive System	1,350	7.4%	232	8.2%
Subtotal	15,572	85.7%	2,410	85.3%
Balance of MDCs	2,603	14.3%	415	14.7%
Total	18,175	100.0%	2,825	100.0%

Source: CON application #10637, page 2-3, Table 2-1

Aventura notes that differences occur when the Diagnostic Related Groups (DRGs) for residents of the nine Zip Codes located within a five-mile radius of Aventura are compared to Miami-Dade residents. The applicant cites data that shows residents within a five-mile radius of Aventura have higher percentages of hospital discharges to SNFs with septicemia or severe sepsis as well as renal failure. Aventura concludes that the project’s addition of 39 private rooms and elimination of the three-bed rooms support elderly residents’ needs.

Regarding admission and care planning, Aventura indicates the admission process includes a review of physician orders, hospital discharge summary, medication review, and an assessment of the patient to determine suitability for placement in the facility. Aventura state that a potential nursing home resident must receive Level I Preadmission Screening and Resident Review Process (PASRR), a federally-required resident screening to determine intellectual disabilities or serious mental illness.

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Aventura states that all residents receive a packet of information upon admission. CON application #10637, Exhibit 2-2 includes an overview of the information included in the resident admission packet.

The applicant states that once admitted, staff begin to create the care plan for the resident based on the comprehensive Minimum Data Set (MDS), a thorough assessment of resident conditions, functional status, and preferences occurs. Per Aventura, the MDS forms the basis for the care plan, which is stated to detail the ways in which a nursing home resident may achieve the highest obtainable level of independence. Aventura lists nine bulleted staff/individuals who compose the interdisciplinary teams and states that other individuals, as applicable, may serve on these teams (page 2-5 of the application). Exhibit 2-3 of the application includes two sample policies—Care Planning/Interdisciplinary Team and Goals and Objectives, Care Plans.

Aventura indicates that the discharge process begins once the resident is admitted, with the future needs of the resident to return home determined. Further, an assessment of caregiver needs along with whether the resident has access to a caregiver or support capable of providing the type of care needed. The post discharge plan of care indicates where the resident will reside, the arrangements made for follow-up care, and medical and non-medical services needed. All community discharges require documentation of referrals to outside agencies or appropriate entities vital in ensuring a resident's well-being and preventing future admissions, as the resident may require - additional adaptive equipment, home health agency services, a private duty nurse, home meal delivery, transportation, outpatient therapy, or laboratory services.

Aventura states that the interdisciplinary team updates the discharge plan, based on re-evaluation of the resident, changes in caregiver support and other factors. Further, upon discharge facility staff provide a copy of the plan to the resident, their responsible party and the attending physician. Aventura provides a seven-page check-sheet sample discharge summary in CON application #10637, page 2-11, Exhibit 2-3.

CON application #10637, Schedule 6A shows Aventura projects the total facility's year one (CY 2023) total FTEs at 136.5 (an incremental increase of 29.9 FTEs) and year two (CY 2024) at

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151.1 (an incremental increase of 44.5 FTEs). The table below accounts for the incremental FTE increase pursuant to the proposed 40-bed addition.

**Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center
CON application #10637 – 40-bed addition
Projected Year One and Year Two Staffing**

Position	Year One FTEs	Year Two FTEs
Administration		
Secretary	1.0	1.0
Other: MDS Coordinator	2.0	2.0
Nursing		
RNs	2.9	4.5
LPNs	3.6	5.7
Nurses' Aides	13.2	20.9
Ancillary		
Physical Therapist	0.2	0.4
Speech Therapist	0.2	0.4
Occupational Therapist	0.5	0.7
Dietary		
Cooks	0.7	1.1
Dietary Aides (includes Servers)	1.1	1.4
Social Services		
Activity Assistant	0.7	1.1
Housekeeping		
Housekeepers	2.1	3.2
Laundry		
Laundry Aides	0.7	1.1
Plant Maintenance		
Maintenance Assistant	1.0	1.0
Total	29.9	44.5

Source: CON application #10637, Schedule 6A

The reviewer notes that the applicant's year one and year two dates in the above table are consistent with CON application #10637, Schedule 10.

Health Resort Network, LLC (CON application #10638) again emphasizes the need for a ventilator care unit (as conditioned for in CON application #10638, Schedule C). HRN uses AHCA Hospital Patient Discharge Data for the 12-month period ending June 30, 2019 to determine acute care hospital to nursing homes by MDC for patients aged 65+. While the applicant cites total cases for Miami-Dade County and the state, the reviewer reproduces only the discharges of Miami-Dade County residents aged 65+. HRN points out that the first four of the 23 MDCs make up 54 percent of Miami-Dade hospital discharges to area SNFs and

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the remaining MDCs individually account for fewer than 10 percent of all cases. HRN stresses that the second largest group of discharges occur in MDC 4 – Diseases and Disorders of the Respiratory System (including end stage lung and respiratory diseases). HRN maintains that while this MDC 4 discharge percentage is 12.6 in Miami-Dade County, it is 11.6 percent for Florida overall. The applicant uses these case totals as well as letters of support, to indicate a high demand in the subdistrict for SNFs that provide ventilator dependent care. See the table below.

**Acute Care Hospital Discharges to SNFs by MDC
Miami-Dade County Residents Age 65+
12 Months Ending June 30, 2019**

MDC	Cases	Percent
05-Diseases and Disorders of the Circulatory System	24,737	21.0%
04-Diseases and Disorders of the Respiratory System	14,780	12.6%
06-Diseases and Disorders of the Digestive System	12,107	10.3%
08-Diseases and Disorders of the Musculoskeletal System and Conn Tissue	11,855	10.1%
18-Infectious and Parasitic Diseases, Systemic or Unspecified Sites	10,566	9.0%
01-Diseases and Disorders of the Nervous System	9,948	8.4%
11-Diseases and Disorders of the Kidney and Urinary Tract	9,388	8.0%
07-Diseases and Disorders of the Hepatobiliary System and Pancreas	3,618	3.1%
10-Endocrine, Nutritional and Metabolic Diseases and Disorders	3,592	3.1%
19 Mental Diseases and Disorders	3,802	2.6%
23-Factors Influencing Hlth Stat and Other Contracts with Hlth Services	2,822	2.4%
09-Diseases and Disorders of the Skin, Subcutaneous Tissue and Breast	2,665	2.3%
16-Diseases and Disorders of Blood, Blood Forming Organs, Immunolog Disord	1,711	1.5%
21-Injuries, Poisonings and Toxic Effects of Drugs	1,181	1.0%
17-Myeloproliferative Diseases and Disorders, Poorly Differentiated Neoplasm	1,110	0.9%
12-Diseases and Disorders of the Male Reproductive System	992	0.8%
03-Diseases and Disorders of the Ear, Nose, Mouth and Throat	809	0.7%
13-Diseases and Disorders of the Female Reproductive System	558	0.5%
20 Alcohol/Drug Use and Alcohol/Drug Induced Organic Mental Disorders	264	0.2%
24-Multiple Significant Trauma	215	0.2%
02-Diseases and Disorders of the Eye	139	0.1%
25-Human Immunodeficiency Virus Infections	136	0.1%
22 Burns	46	0.0%
00-Pre MDC	1,442	1.2%
Grand Total	117,763	100.0%

Source: CON application #10638, page 2-3, Table 2-1

HRN next provides the top 25 Diagnostic Related Groups (DRGs) for the same population (Miami-Dade County acute care hospital discharges of age 65+ patients). HRN notes that of all age 65+ patient discharges to SNFs in the area, the most frequently occurring DRG pertains to septicemia or sever sepsis without mechanical ventilation greater than 96 hours:

- with major complications or comorbidities (DRG 871), representing 6,356 cases or 5.4 percent
- without major complications or comorbidities (DRG 872), representing 1,645 cases or 1.4 percent

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HRN explains that having all private rooms at the proposed facility and negative pressure rooms ensures safe isolation for residents suffering from infectious diseases. However, HRN does not condition in CON application #10638 for all private rooms. HRN discusses other top 25 discharges by DRG, including DRGS that relate to:

- Cardiovascular diagnoses
- Major hip and knee joint replacement
- Respiratory diagnoses
- Renal failure

HRN indicates plans to have services to accommodate the leading DRG discharge categories and lists the top 25 DRGs of acute care hospitals to for Miami-Dade County residents aged 65+ (CON application #10638, page 2-4, Table 2-2). The applicant states that combined, the top 25 DRGs represent 39.4 percent of all discharges to nursing homes. The applicant contends that its architectural plans confirm an environment of care reflective of the community's needs. Architectural plan review is addressed in item. E.3.f. of this report.

HRN indicates that the proposed ventilator unit will be modeled after the respiratory therapy program at the affiliate Victoria Nursing and Rehabilitation Center. HRN states that the clinical professionals in charge of the successful ventilator care unit at the Victoria Nursing and Rehabilitation Center will assist in ensuring that the proposed project's ventilator program is developed and operated at the highest standards.

The applicant indicates that the proposed SNF will seek Medicare and Medicaid certification and discusses both short and long-term protocols, as well as therapeutic services. HRN bullets:

- 29 post-acute care and rehabilitation services – including ventilator and tracheostomy care (page 2-7 of the application)
- 22 outpatient services (page 2-8 of the application)

HRN comments that the proposal's Wound Care Program will be modeled after that at the affiliate Victoria Nursing and Rehabilitation Center. Further, HRN comments that in addition to health and medical services, the proposed project will follow the lead of affiliate Riviera Health Resort in providing personalized skilled care within a boutique-hotel environment.

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HRN indicates that residents gain admission to a nursing home based upon the recommendation of a physician and a physician, physician assistant, nurse practitioner or clinical nurse specialist provides the orders for the resident's care needs. HRN maintains that each resident receives an Admission Packet which details the agreement between the facility and the resident/resident's legal representative, or other responsible party. Residents also receive other materials, such as the HIPAA form, inventory of personal effects, initial care plan and attending physician list.

The applicant notes that a comprehensive resident assessment incorporates the Minimum Data Set elements, as well as those elements specific to Florida. Per HRN, the assessment includes a review of the resident's status as it pertains to 15 bulleted factors (page 2-9 of the application) and the resident must participate in the assessment and staff must document the resident's participation. HRN comments that staff ensure completion of a Pre-Admission Screen and Resident Review. The PASRR is stated to identify serious mental illness and intellectual disabilities that may preclude a specific type of skilled nursing placement. HRN maintains that residents are reassessed as their condition changes and if there is no demonstrable change, this is documented quarterly with a full assessment annually.

HRN states that the proposed facility will adopt admissions policies, care plans, patient assessment tools, care plans, and discharge policies and procedures similar to those in place at affiliates Victoria Nursing and Rehabilitation Center and Riviera Health Resort.

Regarding a care plan, when (a person) is admitted, the facility develops a baseline care plan within 48 hours of admission. The baseline care plan assures the resident's immediate needs are met, incorporating the initial goals based on admission, physician and dietary orders, therapy and social services and the PASRR recommendation, if required. Further, resident-centered comprehensive care plans require completion within seven days and that further, an individualized care plan must include measurable objectives and timetables that meet the resident's medical, nursing, mental, and psychosocial needs.

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HRN states that discharge planning begins when the resident is admitted and encompasses needs associated with reducing preventable readmissions – including an assessment of caregiver needs along with whether the resident has access to a caregiver or support capable of providing the type of care needed. HRN comments that the post-discharge plan of care indicates where the resident will reside, the arrangements already made for follow-up care, and medical and non-medical services needed. Further, the resident's interdisciplinary team develops the discharge plan with the resident's consent, working with both the resident and his/her representative. HRN states the interdisciplinary team updates the discharge plan, based on re-evaluation of the resident, changes in caregiver support and other factors.

HRN's proposed 123-bed SNF is projected to account for 24,351 and 41,803 resident days, respectively, for CYs 2023 and 2024, the first two years of operation (see the chart below).

**HRN Projected Utilization
Years One and Two of Operations**

	Year One	Year Two
Admissions	776	1,331
Resident Days	24,351	41,803
ALOS (days)	31	31
ADC	67	114
Occupancy	54.2%	92.9%

Source: CON application #10638, page iii, page 1-10, Table 1-4 and page 2-12, Table 2-3

The applicant's Schedule 6 shows HRN's proposed staffing for CY 2023 (year one) has 120.5 total FTEs and CY 2024 (year two) has 188.4 total FTEs for the 123-bed project.

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Health Resort Network, LLC (CON application #10638) Proposed 123-Bed Community SNF Projected Year One and Year Two Staffing		
Position	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions	3.1	4.0
Bookkeeper	1.0	1.0
Secretary	2.0	2.0
Medical Records Clerk	1.8	2.2
Other: Nursing Adm-MDS, Sched, CSR & wa	4.3	7.4
Physicians		
Medical Director	1.0	1.0
Nursing		
RNs	18.4	31.6
LPNs	6.6	11.4
Nurses' Aides	40.3	69.2
Ancillary		
Physical Therapist	2.7	3.9
Speech Therapist	1.5	1.5
Occupational Therapist	3.0	3.0
Respiratory Therapist	3.7	4.9
Dietary		
Dietary Supervisor	1.0	1.0
Cooks	5.8	9.8
Dietary Aides (including Servers)	2.4	3.9
Social Services		
Social Service Director	2.1	3.0
Activity Director	1.0	1.0
Activity Assistant	1.7	2.9
Housekeeping		
Housekeeping Supervision	1.0	1.0
Housekeepers	6.3	10.8
Laundry		
Laundry Aides	5.1	6.0
Plant Maintenance		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	1.7	2.9
Total	120.5	188.4

Source: CON application #10638, Schedule 6

The reviewer notes that the applicant's year one and year two dates in the above table are consistent with CON application #10638, Schedule 10.

c. **Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to s. 408.035 (1) (c), Florida Statutes, the Agency shall evaluate the following facts and circumstances:**

- 1. Whether the applicant has had a Chapter 400, Florida Statutes, nursing facility license denied, revoked or suspended within the 36 months prior to the current application.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) states that this provision does not apply. The applicant became the operating entity of the facility effective July 1, 2019.

Health Resort Network, LLC (CON application #10638) states that the applicant does not operate any facilities and that thus, this item does not apply.

- 2. Whether the applicant has had a nursing facility placed into receivership at any time during the period of ownership, management or leasing of a nursing facility in the 36 months prior to the current application?**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) states that this provision does not apply.

Health Resort Network, LLC (CON application #10638) states that this item does not apply.

- 3. The extent to which the conditions identified within subparagraphs 1 and 2 threatened or resulted in direct significant harm to the health, safety or welfare of the nursing facility residents.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) states that this provision does not apply.

Health Resort Network, LLC (CON application #10638) states that this item does not apply.

4. **The extent to which the conditions identified within subparagraph 3 were corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory to the Agency.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) states that this provision does not apply.

Health Resort Network, LLC (CON application #10638) states that this item does not apply.

5. **Rule 59C-1.036 (4) (f) Harmful Conditions. The Agency shall question the ability of the applicant to provide quality of care within any nursing facility when the conditions identified in the subparagraph (e) 1 and (e) 2 result in the direct, significant harm to the health, safety or welfare of a nursing facility resident, and were not corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory with the Agency.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) states that this provision does not apply.

Health Resort Network, LLC (CON application #10638) states that this item does not apply.

- d. **Rule 59C-1.036 (5) Utilization Reports. Within 45 days after the end of each calendar quarter, facilities with nursing facility beds licensed under Chapter 400, Florida Statutes shall report to the Agency, or its designee, the total number of patient days, which occurred in each month of the quarter, and the number of such days that were Medicaid patient days.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) states it currently reports to the Health Council of South Florida and will incorporate the required information into the quarterly reports once the additional 40 beds begin operations. Aventura also states that it complies with the Agency's licensure and financial requirements for nursing homes.

Health Resort Network, LLC (CON application #10638) states that it will provide the required data to the Health Council of South Florida and to the Agency. HRN also states that these data include the above-cited utilization reports as well as required licensure and financial requirements attendant to operating a licensed nursing facility.

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 applicants' service area? ss. 408.035 (1)(b) and (e), Florida Statutes.**

There are 55 licensed community nursing homes with a total of 8,521 community nursing home beds in District 11. Subdistrict 11-1 (Miami-Dade County) and has 53 licensed community nursing homes with a total of 8,281 community nursing home beds. The subdistrict averaged 89.93 percent total occupancy in CY 2019.

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) maintains that availability is defined as how much of a resource exists and restates the number of nursing homes and their room configurations that operate within a five-mile radial contour of its facility - citing that it and many of these nursing homes have few private rooms and operate three-bed and four-bed rooms. Aventura contends that for residents who require a private room because of a diagnosis, few options exist in the five-mile contour area. Aventura restates that it only has one private room and that the proposal to add 39 private rooms makes available private rooms that currently are in limited supply within the area.

For the applicant's response to quality of care, see item E.3.b. of this report.

Regarding accessibility, Aventura indicates that access covers several components such as geographic access, eligibility for the service, payers for the service, and use of the service. Aventura further indicates that utilization also impacts access and again points out the high nursing home occupancy within the five-mile radial contour stating this reflects ongoing demand for care. Aventura restates that it accepts residents with a variety of payer sources, including Medicaid. Aventura's Medicaid statistics for CYs 2015-2019 are discussed in item E.3.g. of this report.

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Concerning extent of utilization, Aventura reiterates Miami-Dade County CY 2019 nursing home occupancy rates and the overall higher occupancy rates of the ‘five-mile radius’ nursing homes. CON application #10637, Tables 1-3 and 3-1 are again presented and these are partially reproduced below.

**Community Nursing Home Utilization within a Five-Mile Radius Contour for Aventura
CY 2019**

Facility	Beds	Bed Days	Patient Days	Total Occupancy	Medicaid Days	Medicaid Occupancy
Aventura	86	31,390	29,090	92.67%	22,290	76.62%
All Other	2,205	804,825	740,822	92.05%	581,385	78.48%
Five-Mile Radius	2,291	836,215	769,912	92.07%	603,675	78.41%
Subdistrict 1 Total	8,351	3,040,145	2,734,024	89.93%	1,972,460	72.14%
District 11 Total	8,591	3,127,025	2,795,903	89.41%	2,017,843	72.17%

Source: CON application #10637, page 1-8, Table 1-3 and page 3-3, Table 3-1 (partially reproduced)

Aventura restates that high utilization suggests a bed may not be available when a resident requires a skilled nursing admission and that the addition of 40 beds (with 39 private rooms) to the area will enhance access and availability of resources. The applicant also responds to the Health Care Access Criteria (pages 3-4 through 3-6 of the application).

Health Resort Network, LLC (CON application #10638) maintains that availability is defined as how much of a resource exists. HRN reiterates the area’s bed inventory and utilization during CY 2019. The applicant uses Claritas 2020-2025 Population Estimates, the Agency’s FloridaHealthFinder.gov website and Microsoft MapPoint to determine the 5-mile and 10-mile radii of ZIP Code 33013, in calculating the population age 65+ (2020 and 2025), the number of acute care hospitals, nursing homes and nursing home beds, to reach a nursing homes beds per 1,000 age 65+ in the area. The reviewer reproduces only the applicant’s estimated nursing homes beds per 1,000 age 65+ currently and then in 2025 (after the proposed project has become operational). See the partial table below.

**Nursing Home Bed Availability Before and After the Project
Five-Mile and 10-Mile Radii of the Target ZIP Code 33013 and Subdistrict 11-1**

Current Conditions	Five-Mile Radii	10-Mile Radii	Miami-Dade County
NH Beds per 1,000 65+	17	19	17
After the Project			
NH Beds per 1,000 65+	16	17	16

Source: CON application #10638, page 3-2, Tale 3-1 (partially reproduced)

HRN’s estimates show that even after the project is operational, there will be fewer nursing home beds per 1,000 age 65+ population, due to age 65+ population growth within five miles and within 10 miles of ZIP Code 33013, as well as fewer within Miami-Dade County overall. HRN contends that these estimates hold provided that 680 approved

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community nursing home beds are operational by 2025 (the proposed 123-bed project being within ZIP Code 33013, 442 already approved community beds within a 10-mile radius and 115 beds at an undefined/unspecified site in Subdistrict 11-1). HRN asserts that all these factors support the selection of Hialeah (in ZIP Code 33013) as a “...good” location to improve availability to skilled nursing services for the elderly.

Regarding quality of care, HRN cites its managing member - Mr. Richard Stacey, who is an experienced nursing home owner and operator with knowledge, tools and expertise to continuously maintain quality facilities – including the proposal’s three affiliated SNFs in Miami-Dade County. Quality of care is further addressed in item E.3.b. of this report.

HRN maintains that accessibility refers to how readily the population to be served can get to a proposed facility. CON application #10638 provides maps on:

- Page 3-5, Figure 3-1/5 and 10-Mile Radii of ZIP Code 33013 Population Centroid (residents age 65+)
- Page 3-6, Figure 3-2/ZIP Code 33013 30-Minute Drive Time Contour

The applicant states that the above referenced figures/maps indicate that the proposed project would be within an approximate five-mile radius of the following four acute care hospitals (with their licensed bed count indicated):

- Hialeah Hospital (378)
- North Shore Medical Center (357)
- Palm Springs General Hospital (247)
- Palmetto General Hospital (360)

The reviewer notes that as of June 30, 2020 the Agency’s FloridaHealthFinder.gov website indicates these hospital’s licensed bed counts and acute care bed counts:

- Hialeah Hospital (total = 366 / acute care = 356)
- North Shore Medical Center (total = 337 / acute care = 279)
- Larkin Community Hospital Palm Springs Campus (formerly Palm Springs General Hospital) total = 247 / acute care = 247)
- Palmetto General Hospital (total = 368 / acute care = 305)

Regarding accessibility/service access, the applicant reiterates in narrative form the following tables and the applicant’s previous comments addressing each (in CON application #10638):

- Page 2-3, Table 2-1 (previously addressed in item E.2.b. of this report)
- Page 1-8, Table 1-3 (previously addressed in item E.1.a. of this report)

HRN emphasizes that the proposed project will ensure that the proposed ventilator program has the protocols in place and respiratory therapists on staff (as well as other needed SNF services) to work with patients to rehabilitate them in order to return home, rather than simply providing custodial care. The applicant maintains that by filling this gap in service, access and quality of life is improved.

Regarding extent of utilization, HRN cites the higher nursing home occupancy rates within a five-mile (93.30 percent) and 10-mile radius (91.88 percent) – when compared to the overall Subdistrict 11-1 occupancy rate of 90.46 percent. The reviewer reproduces the applicant’s five-mile, 10-mile and Subdistrict 11 bed count, bed days, patient days and occupancy rate totals, but does not list and reproduce that of each of the remaining individual facilities. See the partially reproduced table below.

**CY 2019 Community Nursing Home Bed Utilization
Within a Five-Mile and 10-Mile Radius of Zip Code 33013 Population Centroid,
Total Miami-Dade County, Subdistrict 11-1**

All Facilities in the Area	Beds	Bed Days	Patient Days	Occupancy
Five-Mile Radius Subtotal	1,515	552,975	515,932	93.30%
10-Mile Radius Total	6,001	2,190,365	2,012,465	91.88%
Subdistrict 11-1 Total	8,351	3,020,195	2,731,967	90.46%

Source: CON application #10638, page 3-9, Table 3-2 (partially reproduced)

However, the reviewer notes that in item E.1.a. of this report, the Agency previously noted that as of February 21, 2020, Subdistrict 11-1 had a total of 8,281 licensed community beds, a total of 3,040,145 bed days and a total of 2,734,024 patient days or 89.93 percent. Therefore, the applicant’s stated Subdistrict 11-1 total beds, bed days, patient days and occupancy rate are inconsistent with the Agency’s records. However, even with a corrected (and lower) occupancy rate of 89.93 percent, the reviewer notes that the applicant’s stated occupancy rates are still higher for facilities within the five-mile and the 10-mile radii of the ZIP Code 33013 centroid, than the occupancy rate for Subdistrict 11-1 overall, in CY 2019.

HRN mentions that in comparing annualized occupancy rates among its three affiliate SNFs for the five-year period ending December 31, 2019, against occupancy rates for Subdistrict 11-1 overall for the same five-year period, HRN's three affiliate SNFs operated at an average occupancy of 97 percent, while in the same five-year period, Subdistrict 11-1's overall highest occupancy rate was 90.2, in CY 2015 (CON application #10638, page 3-9, Table 3-3).

HRN explains that extent of utilization drives the project, with the proposed location and services responding to specific need within the community.

The applicant offers narrative concerning the Health Care Access Criteria (pages 3-10 through 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 of care? Is the applicant a Gold Seal Program nursing facility that is proposing to add beds to an existing nursing home? ss.408.035 (1) (c) and (j), Florida Statutes.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) again points out being an affiliate of Citadel Care and states that Citadel Care facilities provide residents with a sanctuary of recovery, offering luxurious accommodations, state-of-the-art equipment, and top-tier care, all in a warm, welcoming environment. According to Aventura, the organization holds the following values (page 1-2 of the application):

- ✓ To support employee growth and development through continuing education, and to foster accountability and responsibility for professional judgment
- ✓ To encourage and facilitate an interdisciplinary team approach to resident care, and encourage residents and their families to be active members of the team
- ✓ To educate residents and their families about health care options so that they can make informed decisions
- ✓ To respect a resident's rights when determining the extent of care
- ✓ To ensure the comfort and dignity of every resident throughout his/her life, and at the end of a resident's life encounter

Per the applicant, Citadel Care, through Aventura SNF, LLC, acquired Aventura Rehab and Nursing Center in mid-2019. The reviewer notes that Aventura's current Agency-issued license is effective July 1, 2019 — September 28, 2021.

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Aventura previously indicated that for the most recent Nursing Home Guide Inspection Ratings, it had an overall inspection rating of three stars (five stars being the highest rating achievable). The applicant discusses Aventura's CMS quality rating (pages 4-3 and 4-4 of the application). As of July 9, 2020, Aventura has an overall quality rating of four-of-five stars (Above Average), with five-of-five being the highest rating achievable. Aventura includes (CON application #10637-Additional Information) a 2020 Best of Senior Living Award issued to Aventura, by SeniorAdvisor.com which states "This exclusive designation is awarded to the top one percent of providers nationwide."

Aventura indicates that it maintains a Quality Assurance/Risk Management/Performance Improvement Committee that meets monthly. Further, that the quality assurance performance improvement (QAPI) process is ongoing, systematic, and integrated within all departments facility-wide. Aventura states that the committee uses performance improvement plans and projects (PIPs) to review and improve care along with financial and regulatory issues, further stating that the committee develops, implements, evaluates, and revises PIPs as necessary. A sample Continuous Quality Improvement (CQI) Monitoring Report is included in CON application #10637, page 4-7, Exhibit 4-1. The applicant maintains that these monitoring reports are used by the committee to determine progress on PIPs and other initiatives. Aventura provides the five elements of the QAPI process in CON application #10637, page 4-2, Figure 4-1.

Regarding resident rights, Aventura bullets 22 separate resident rights and briefly describes that there is a resident council, which maintains minutes of meetings (pages 4-5 and 4-6 of the application).

The applicant states it offers activities on a daily basis to residents these activities provide socialization, education, stimulation and physical and mental activity, as well as support the restoration of function and spiritual enrichment. Aventura itemizes 16 separate activities (page 4-6 of the application) and provides May 2020's resident activity calendar (see CON application #10637, page 4-8, Exhibit 2-2).

For the three-year period ended on June 24, 2020, the parent's (Citadel Care's) affiliated Florida SNFs (with a cumulative count of 923 licensed SNF beds statewide) had a total of 36 substantiated complaints which are summarized by complaint category in the table below. A single complaint can encompass multiple complaint categories.

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Citadel Care’s Affiliated Florida SNFs Substantiated Complaint History June 24, 2017 – June 24, 2020	
Complaint Category	Number Substantiated
Quality of Care/Treatment	21
Physical Environment	6
Resident/Patient/Client Rights	4
Elopement	3
Administration/Personnel	2
Admission/Transfer & Discharge Rights	2
Falsification of Records/Reports	2
Infection Control	2
Dietary Services	1
Misappropriation of Property	1
Physician Services	1
State Licensure	1

Source: Agency Complaint Records

For the three-year period ended on June 24, 2020, Aventura (86 licensed SNF beds) had a total of one substantiated complaint. A single complaint can encompass multiple complaint categories. The one complaint resulted in two categories cited—falsification of records/reports and quality of care/treatment.

Health Resort Network, LLC (CON application #10638) states that HRN’s principal, Richard Stacy, has a reputation for providing a high level of quality care in his SNFs and is a market leader among his peers. HRN references its three affiliate area SNFs (previously stated in this report):

- Riverside Care Center
- Riviera Health Resort
- Victoria Nursing & Rehabilitation Center, Inc.

Regarding each of the affiliate facilities, the applicant The Joint Commission accreditation (CON application #10638-Additional Information). HRN provides narrative (page 4-1 of the application), as well as documentation in CON application #10638-Additional Information, that the three affiliate SNFs have the following quality ratings issued by the Agency and by the Centers for Medicare and Medicaid Services (CMS):

- Riverside Care Center
 - Agency Nursing Home Guide Inspection Ratings (time period October 2017 – March 2020) last updated May 2020, with an overall inspection rating of four-of-five stars (the next to highest rating achievable)

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- CMS Medicare Nursing Home Profile (as of 5/29/2020), with an overall rating of four-of-five stars (Above Average – the next to highest rating achievable)
- Riviera Health Resort
 - Agency Nursing Home Guide Inspection Ratings (time period October 2017 – March 2020) last updated May 2020, with an overall inspection rating of four-of-five stars (the next to highest rating achievable)
 - CMS Medicare Nursing Home Profile (as of 5/29/2020), with an overall rating of five-of-five stars (Much Above Average – the highest rating achievable)
- Victoria Nursing & Rehabilitation Center, Inc.
 - Agency Nursing Home Guide Inspection Ratings (time period October 2017 – March 2020) last updated May 2020, with an overall inspection rating of four-of-five stars (the next to highest rating achievable)
 - CMS Medicare Nursing Home Profile (as of 5/29/2020), with an overall rating of five-of-five stars (Much Above Average – the highest rating achievable)

HRN also states that Victoria Nursing & Rehabilitation Center is a 2019 recipient of the American Health Care Association National Bronze Quality Award.

The applicant also provides CMS’s 12-step Quality Assurance Performance Improvement (QAPI) At-A-Glance guide and indicates that the proposed project will employ an on-line system that promotes conformity with the CMS quality of care guidelines and provides the same quality metrics and tools used by CMS surveyors – Abaqis by Healthstream (or Abaqis). Within Abaqis, the applicant discusses topics such as (pages 4-3 through 4-5 of the application):

- Readmission
- Consumer satisfaction
- Electronic medical records
- Trazer (an automated, computer controlled program that evaluates the client’s capacity for real-world movement and aides in decreasing the falls incidence in the facilities and ultimately decreasing the use of psychotropic medications)

The applicant discusses a quality assurance program regarding Continuous Quality Improvement (CQI) and how it works (pages 4-5 and 4-6 of the application), as well as a listing of “The Ten Commandments of Quality” (page 4-6 of the application). HRN further states that in addition to the quality improvement systems built into Abaqis, it uses various tools to support quality improvement activities and discusses

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seven specific CQI planning stages, with corresponding activities and tools applied for each of the seven planning stages (CON application #10638, page 4-7, Table 4-1). The applicant provides a list of seven stated key elements of success and further states five leadership characteristics that HRN states must occur at all levels and throughout all departments (page 4-8 of the application).

Regarding resident rights, HRN bullets 22 separate resident rights and briefly describes resident council meetings and quarterly family councils -the latter stated to take place in the form of quarterly family night dinners (pages 4-9 and 4-10 of the application).

Activities are stated to augment treatments that occur pursuant to residents' care plans. HRN maintains that activities accomplish the following objectives:

- Provide a planned range of meaningful, purposeful activities that reflect the residents' interests, skills, and enjoyments
- Promote adaptation and restoration of functions
- Continue the fostering of individual interests and pursuits for enjoyment, for creativity, for mastery, and for purpose
- Maximize the expression of individualism through groups and family involvement, spiritual development, and independence

For the three-year period ended on June 24, 2020 the applicant's three affiliated Florida SNFs (with 607 licensed SNF beds) had a total of four substantiated complaints which are summarized by complaint category in the table below. A single complaint can encompass multiple complaint categories.

HRN's Three Affiliate SNF Substantiated Complaint History June 24, 2017 – June 24, 2020	
Complaint Category	Number Substantiated
State Licensure	2
Admission, Transfer & Discharge Rights	1
Infection Control	1

Source: Agency 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.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637): 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

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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 applicant provided audited financial statements, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON-10637	
Aventura SNF, LLC dba Aventura Rehab and Nursing Center	
	Mar-20
Current Assets	\$ 4,148,974
Total Assets	\$ 4,254,272
Current Liabilities	\$ 3,906,874
Total Liabilities	\$ 3,906,874
Net Assets	\$ 347,398
Total Revenues	\$ 6,826,469
Excess of Revenues Over Expenses	\$ 97,398
Cash Flow from Operations	\$ (1,881,563)
Short-Term Analysis	
Current Ratio (CA/CL)	1.1
Cash Flow to Current Liabilities (CFO/CL)	-48.16%
Long-Term Analysis	
Long-Term Debt to Net Assets (TL-CL/NA)	0.0%
Total Margin (ER/TR)	1.43%
Measure of Available Funding	
Working Capital	\$242,100

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%

United Health Services, Inc. & Subs
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	Jun-18	Jun-17
Total Assets	\$690,363,000	\$656,583,000
Current Liabilities	\$222,241,000	\$178,198,000
Total Liabilities	\$579,032,000	\$519,062,000
Net Assets	\$111,331,000	\$137,521,000
Total Revenues	\$1,008,461,000	\$967,358,000
Excess of Revenues Over Expenses	(\$20,103,000)	\$2,792,000
Cash Flow from Operations	\$20,233,000	\$28,414,000
Short-Term Analysis		
Current Ratio (CA/CL)	0.7	0.7
Cash Flow to Current Liabilities (CFO/CL)	9.10%	15.95%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	320.5%	247.9%
Total Margin (ER/TR)	-1.99%	0.29%
Measure of Available Funding		
Working Capital	(\$75,510,000)	(\$47,941,000)

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 capital projects totaling \$24,348,543, which consists of this project (CON application #10637).

The applicant states on Schedule 3 that funding for this project will come from non-related company financing. As such, the applicant provided a letter from Greystone Funding Corporation stating “strong interest” in funding the project indicating \$25,000,000 for the required construction and operating funds. Staff notes that an expression of interest is not a firm commitment to lend.

Conclusion:

Funding for this project is dependent on obtaining the referenced non-related debt financing.

Health Resort Network, LLC (CON application #10638): 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. The applicant provided a development stage audit with \$1,000,484 in cash and no liabilities.

Schedule 2 indicates capital projects totaling \$30,985,819. This amount consists of this CON only.

The applicant indicated on Schedule 3 that the project will be funded through cash on hand (\$1,000,484) and non-related company financing (\$29,985,335), totaling \$30,985,819. The applicant provided a letter of interest from Regions Healthcare Banking Group, supporting their interest in a loan not to exceed \$33,000,000.

Conclusion:

Funding for this project and the entire capital budget is dependent upon loan approval by Regions Healthcare Banking Group to finance up to \$33,000,000.

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

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637): The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability.

We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2017 and 2018 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 2nd Quarter 2019, Health Care Cost Review).

NRPD, CPD, and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

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	Projections Per Applicant		Comparative Facilities		
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$ 17,096,900	\$ 389.20	\$ 480.71	\$ 364.38	\$ 246.10
Total Expenses	\$ 15,466,900	\$ 352.10	\$ 914.35	\$ 368.41	\$ 230.65
Operating Income	\$ 1,630,000	\$ 37.11	\$ 55.13	\$ 4.35	\$ -436.04
Margin	9.53%				
Total Occupancy	95%		0.98	0.90	0.21
Medicaid Occ.	55%		0.65	0.59	0.45
Medicare Occ.	33%		0.46	0.16	0.01

The projected NRPD, CPD, and profit fall within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant’s projected staffing meets the licensed nursing staffing requirement.

Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant.

Health Resort Network, LLC (CON application #10638): The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2017, 2018, and 2019 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD).

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Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 2nd Quarter 2019, Health Care Cost Review).

NRPD, CPD, and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	Projections Per Applicant		Comparative Facilities		
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$ 20,667,656	\$ 494.64	\$ 538.40	\$ 407.88	\$ 311.55
Total Expenses	\$ 18,756,600	\$ 448.91	\$ 580.61	\$ 385.36	\$ 314.05
Operating Income	\$ 1,911,056	\$ 45.74	\$ 22.81	\$ 9.67	\$ (41.94)
Margin	9%				
Occupancy	93%		94%	91%	67%
Medicaid	35%		44%	39%	27%
Medicare	55%		58%	45%	13%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant meets this requirement in both years.

Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant.

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

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637): 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.

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Since Medicare and Medicaid are the primary payers in the nursing home industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited.

In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The publication of need in this area suggests that there is an unmet and untapped customer base for a new entrant to absorb. Since nursing home services are limited to available beds and the need formula suggest excess capacity in the market to fill those beds, the impact on market share would be limited. The combination of the existing health care system's barrier to price based competition via fixed price payers and the existence of unmet need in the district 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.

Health Resort Network, LLC (CON application #10638): 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. Since Medicare and Medicaid are the primary payers in the nursing home industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited.

Conclusion:

This project is not likely to have a material impact on priced-based 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-4, Florida Administrative Code.**

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) 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 required before the commencement of any construction.

Health Resort Network, LLC (CON application #10638) 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 required before the commencement of any construction.

- g. Does the applicant have a history of and propose the provision of 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.**

A five-year history of Medicaid patient days and occupancy for Subdistrict 11-1, District 11 and Florida is provided in the table below, as well as for each of the following facilities for the same five-year period:

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- Aventura Rehab and Nursing Center or Aventura (CON application #10637)
- Riverside Care Center or Riverside (affiliate of CON application #10638)
- Riviera Health Resort or Riviera (affiliate of CON application #10638)
- Victoria Nursing and Rehabilitation Center or Victoria (affiliate of CON application #10638)

Medicaid Patient Days and Medicaid Occupancy Aventura, Riverside, Riviera and Victoria Subdistrict 11-1 (Miami-Dade County), District 11 and Florida CY 2015 - 2019					
Medicaid Patient Days					
Facility/Area	2015	2016	2017	2018	2019
Aventura	24,462	26,205	23,648	14,926	22,290
Riverside	36,678	36,090	36,568	36,494	36,336
Riviera	35,764	39,422	39,202	42,155	43,098
Victoria	61,869	61,013	61,934	61,429	58,879
Subdistrict 11-1	1,889,724	1,951,540	1,917,672	1,921,090	1,972,460
District 11	1,924,454	1,987,959	1,955,713	1,964,103	2,017,843
Florida	15,959,939	16,144,618	15,990,448	15,937,814	16,680,575
Medicaid Occupancy					
Facility/Area	2015	2016	2017	2018	2019
Aventura	82.90%	86.20%	79.22%	74.60%	76.62%
Riverside	85.03%	83.21%	85.01%	85.27%	85.33%
Riviera	46.43%	49.70%	50.07%	53.51%	55.03%
Victoria	66.10%	64.65%	65.75%	65.47%	62.94%
Subdistrict 11-1	67.90%	69.63%	70.38%	71.02%	72.14%
District 11	67.78%	69.49%	70.18%	70.99%	72.17%
Florida	62.18%	63.13%	63.18%	63.92%	65.43%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, April 2016 - April 2020
Batching Cycles

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center

(CON application #10637) is the owner/licensee of the existing 86-bed community SNF in Subdistrict 11-1. A five-year history (CY 2015 through CY 2019) of Medicaid patient days and Medicaid occupancy for the facility is provided above. As shown above, Aventura Rehab and Nursing Center reported higher Medicaid occupancy percentages than Subdistrict 11-1, District 11 and Florida overall in every CY, CYs 2015 through CY 2019.

Below is the forecasted utilization for the proposed total 126-bed facility (the current 86 licensed beds with the addition of 40 beds), along with admits and average daily census (ADC), as well as the forecast for the 40 beds to be added pursuant to this proposal.

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**Forecast by Payer for Aventura Rehab and Nursing Center
126 Beds
Years 2023 and 2024**

Payer	126-Beds			
	Year One Days	Year Two Days	Year One Percent of Days	Year Two Percent of Days
Medicare	5,443	7,188	14.1%	16.4%
Medicare HMO	5,372	7,225	13.9%	16.4%
Medicaid Managed Care	22,654	24,326	58.7%	55.4%
Self-Pay	1,767	1,784	4.6%	4.1%
Other	3,372	3,405	8.7%	7.8%
Total	38,608	43,928	100.0%	100.0%

Source: CON application #10637, page vii, PS-3, page 1-11, Table 1-5 and page 9-3, Table 9-2

**Forecast of Resident Days by Payer and Corresponding ADC for
the Proposed 126-bed Aventura Rehab and Nursing Center
Years 2023 and 2024**

Payer	126-Beds			
	Year One Admits	Year Two Admits	Year One ADC	Year Two ADC
Medicare	273	360	15	20
Medicare HMO	299	402	15	20
Medicaid Managed Care	63	67	62	66
Self-Pay	30	30	5	5
Other	57	57	9	9
Total	722	916	106	120

Source: CON application #10637, page 9-3, Table 9-2

**Forecast by Payer for Aventura Rehab and Nursing Center
CON application #10637 - 40 Bed Addition
Years 2023 and 2024**

Payer	40-Beds Only			
	Year One Days	Year Two Days	Year One Percent of Days	Year Two Percent of Days
Medicare	3,149	4,871	35.0%	35.0%
Medicare HMO	3,149	4,870	35.0%	35.0%
Medicaid Managed Care	2,699	4,175	30.0%	30.0%
Self-Pay	0	0	0.0%	0.0%
Other	0	0	0.0%	0.0%
Total	8,997	13,916	100.0%	100.0%

Source: CON application #10637, page 1-12, Table 1-6

Schedule 7 indicates that for the 126-bed facility, Medicaid/Medicaid Managed Care will be 58.7 percent of CY 2023 (year one) and self-pay 4.6 percent and Medicaid/Medicaid Managed Care in year two (CY 2024) is projected to be 55.4 percent and self-pay 4.1 percent. Medicaid/Medicaid Managed Care admissions are forecasted at 63 in year one and 67 in year two, while 30 annual self-pay admissions are projected in both years one and two.

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The applicant’s Schedule 7 specific to the 40-bed project projects that Medicaid/Medicaid Managed Care (eight and 12 admissions in CY 2023 and 2024) presents 30.0 percent of the 40 beds total annual patient days. Self-pay is zero for both years.

The applicant’s Schedule C conditions to provide 55 percent Medicaid Managed Care resident days in year two of the project

Health Resort Network, LLC (CON application #10638) is a newly formed/development stage entity and therefore does not have a historical Medicaid record to discuss for this application. However, the Agency has previously noted HRN’s three affiliate area SNFs, with each having their own respective Medicaid histories:

- Riverside Care Center
- Riviera Health Resort
- Victoria Nursing and Rehabilitation Center

HRN states that the proposed project commits to both Medicare and Medicaid certification.

HRN states the use of the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict publications, for the five-year period of CYs 2015 through 2019, to indicate, for each of HRN’s three affiliated SNFs (referenced by the applicant as “Stacey Facilities”), for Subdistrict 11-1 and for Florida overall, total patient days, total Medicaid days and Medicaid occupancy rates, by percentage. The reviewer reproduces only the Medicaid percentages, for each of the five years, for Stacey Facilities (in aggregate), for Subdistrict 11-1 and for Florida overall. See the partially reproduced table below.

**Historical Medicaid Utilization for
Riverside Care Center, Riviera Health Resort, Victoria Health and Rehabilitation,
Miami-Dade County and Florida**

	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Stacey Facilities	62.8%	62.9%	63.9%	65.0%	64.5%
Miami-Dade	67.9%	69.6%	70.4%	71.0%	72.1%
Florida	62.2%	63.1%	63.2%	63.9%	65.4%

Source: CON application #10638, page 9-1, Table 9-1 (partially reproduced)

The reviewer confirms that the percentages for Miami-Dade County (Subdistrict 11-1) and for Florida overall, as shown in the applicant’s partially reproduced table above, are consistent with Agency records, as shown in the first table in this section of this report (item E.3.g.).

HRN provides a brief narrative description of Stacey Facilities Medicaid percentages over the reference five-year period (page 9-2 of the application).

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The reviewer notes that HRN’s total 123-bed facility patient days for year one are forecasted at 24,351 and for year two, 41,803. See the table below.

**Projected Utilization by Payer at HRN’s Proposed 123-Bed Facility
Admissions, Resident Days and Percentage
Years One and Two of Operations / CYs 2023 and 2024**

Payer	Admissions		Resident Days		Resident Day Percentage	
	Year One	Year Two	Year One	Year Two	Year One	Year Two
Medicare	305	523	6,088	10,451	25.0%	25.0%
Medicare HMO	406	697	7,305	12,541	30.0%	30.0%
Medicaid Managed Care	24	41	8,523	14,631	35.0%	35.0%
Private Pay	41	70	2,435	4,180	10.0%	10.0%
Total	776	1,331	24,351	41,803	100.0%	100.0%

Source: CON application #10638, page vii, PS-2 and page 9-2, Table 9-1

The applicant’s Schedule 7 forecasts that for the proposed 123-bed facility, Medicaid/Medicaid Managed Care represents 35.0 percent and self-pay/private-pay represents 10.0 percent, in both years one (CY 2023) and two (CY 2024) total annual patient days. Medicaid/Medicaid Managed Care admits are forecasted at 24 in year one and 41 in year two. Further, the applicant’s self-pay/private-pay admits are forecasted at 41 in year one and 70 in year two. The reviewer verifies the applicant’s Schedule 7 is consistent with the applicant’s table above.

F. SUMMARY

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) proposes to add 40 community nursing home beds through the delicensure of 40 community nursing home beds at the existing 230-bed affiliated community SNF-The Sands at South Beach Care Center. Both SNFs are located in District 11, Subdistrict 11-1 (Miami-Dade County).

If approved, Aventura would increase to a 126-bed community SNF and The Sands at South Beach Care Center would decrease to a 190-bed community SNF.

The applicant is parented by Citadel Care Centers-Florida Division which has a total of seven SNFs in Florida.

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The project involves 66,939 GSF of new construction and 33,540 GSF of renovation (a total of 100,479 GSF of combined new construction and renovation). The new construction cost is estimated at \$15,395,970 and the renovation cost is estimated at \$4,192,500 (a total of \$19,588,470 in construction costs). Total project cost is \$24,348,543. Project cost includes land, building, equipment, project development and financing costs.

The applicant proposes three conditions to project approval in its Schedule C.

Health Resort Network, LLC (CON application #10638), a newly formed/development stage for-profit entity, proposes to construct a new 123-bed community SNF in District 11, Subdistrict 11-1 (Miami-Dade County). The proposal is slated for development in the Hialeah area, within ZIP Code 33013. The proposal is under the controlling interest of Richard E. Stacey. Mr. Stacey is also the registered agent of Florida Medical Systems, LLC.

The applicant/controlling interest identifies an affiliation with three SNFs in Florida (all located in Miami-Dade County).

The project involves 94,253 GSF of new construction with a construction cost of \$23,563,250. Total project cost is \$30,985,819. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes two conditions in its Schedule C.

Need

In Volume 46, Number 66 of the Florida Administrative Register dated April 3, 2020, a fixed need pool of 123 community nursing home beds was published for Subdistrict 11-1 for the January 2023 planning horizon. Aventura proposes to use existing beds. HRN's project is in response to the fixed need pool.

Subdistrict 11-1 has 8,281 licensed and 557 approved community nursing home beds. During CY 2019, Subdistrict 11-1 experienced 89.93 percent utilization in 8,351 community nursing home beds.

Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center (CON application #10637) states the following factors supporting the proposed project:

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- Aventura's original building was constructed in 1964, received additional square footage in 1983 and has been operating in this capacity for over 35 years
- The project deploys beds from a larger facility (The Sands at South Beach Care Center) to a smaller facility (Aventura), while reducing multi-bed rooms at both facilities
- Aventura is highly utilized - for each CY, from CY 2016 through CY 2019 (with the single exception of CY 2018), Aventura had higher total occupancy rates than:
 - Miami-Dade County (Subdistrict 11-1)
 - District 11 overall
 - Florida overall
- Within a five-mile radius of the proposed project (encompassing nine ZIP Codes), Aventura's ZIP Code (33162) is estimated to grow to over 8,000 age 65+ residents, by 2025, with an estimated total of 76,137 age 65+ residents, again by 2025
 - By 2025, of the nine referenced ZIP Codes, ZIP Code 33162 is expected to have the second highest age 65+ population growth rate (4.3 percent), with an average growth rate of 3.7 percent, for the entire nine ZIP Code area
- Adding bed capacity is supported by the elderly population growth within the area as well as hospital discharges to nursing homes
 - Currently, of the 16 SNFs in the five-mile radius including Aventura:
 - Nine SNFs operate either three- or four-bed rooms
 - Four SNFs operate both types of rooms
 - These types of bed room configurations are not clinically advised placements for a resident with a diagnosis such as pneumonia, sepsis and/or other infectious diseases and this may be an issue in the area periodically
- Increasingly, nursing home residents and their families seek a private room upon admission, with private rooms allowing a facility to better control infection rates - including COVID-19 – and minimize other infection spread.
- Overall, the proposal is in keeping with nursing home treatment trends
- The addition of a bariatric resident room supports current nursing home design, to better serve individuals who, because of their size, require a room with specialized lifts

The applicant forecasts the 126-bed facility's admissions in year one and year two to be 772 and 916, with an ADC of 106 in year one and 120 in year two.

CON Action Numbers: 10637 and 10638

Health Resort Network, LLC (CON application #10638) indicates the following stated benefits pursuant to approval of the proposed project:

- Hands-on owner/manager local to the area enables the facility to:
 - quickly address issues that arise for continuous quality improvement
 - maintain relationships with physicians, discharge planners and other health service providers
 - have knowledge of the service area to adapt to changing needs
- Proven quality – affiliate facilities all have high ratings
- Existing relationships with discharge planners and area providers
- Will provide high intensity services such as respiratory ventilator care, tracheotomy care, and rehabilitation services
- Improve access to skilled nursing care for residents of the district and subdistrict
- Creates jobs
 - The facility will be a training site to area colleges and universities for physicians, nurses and therapists

Other stated benefits are indicated to include:

- 10-bed ventilator care unit
- 16-bed negative pressure wing
- 2,000 square feet of physical therapy space
- All private resident rooms
- Tracheotomy
- Dialysis
- Physical, occupational and speech therapies

The applicant emphasizes that nursing homes within a five-mile radius of the proposed ZIP Code 33013 project location report a combined average occupancy rate of 93.30 percent, indicating strong demand.

The applicant forecasts the 123-bed facility's admissions in year one and year two to be 776 and 1,331, with an ADC of 67 in year one and 114 in year two.

Quality of Care

Both applicants demonstrated the ability to provide quality care.

**Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center
(CON application #10637):**

- For the three-year period ending June 24, 2020, Citadel Care Centers' seven Florida SNFs had a total of 36 substantiated complaints - Aventura Rehab and Nursing Center had one substantiated complaint

Health Resort Network, LLC (CON application #10638):

- For the three-year period ending June 24, 2020, the applicant's three affiliate Florida SNFs had a total of four substantiated complaints

Financial Feasibility/Availability of Funds

**Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center
(CON application #10637):**

- Funding for this project is dependent on obtaining the referenced non-related debt financing

Health Resort Network, LLC (CON application #10638):

- Funding for this project and the entire capital budget is dependent upon loan approval by Regions Healthcare Banking Group to finance up to \$33,000,000

Both applicants

- This project appears to be financially feasible based on the projections provided by the applicant
- Based on the information in Schedules 6/6A, the applicant's projected staffing meets the licensed nursing staffing requirement
- This project is not likely to have a material impact on competition to promote quality and cost-effectiveness

Medicaid/Charity Care

**Aventura SNF, LLC d/b/a Aventura Rehab and Nursing Center
(CON application #10637)** During the five-year period CY 2015 through CY 2019, Aventura Rehab and Nursing Center reported Medicaid occupancy percentages higher than Subdistrict 11-1, District 11 and Florida overall.

- Medicaid is projected to be 58.7 percent and Self-Pay 4.6 percent of the total facility's year one (CY 2023) and 55.4 percent and 4.1 percent of year two's (CY 2024) total annual patient days.

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- Medicaid will account for 30.0 percent of the 40-bed project's total annual patient days in years one and two. No self-pay patients are projected to be served in these beds.
- The reviewer verifies the applicant's Schedule 7's are consistent with the projections above.

Health Resort Network, LLC (CON application #10638): During the five-year period CY 2015 through CY 2019, HRN's three affiliated facilities provided Medicaid as a percentage of the total annual patient days ranging from a low of 46.43 percent to a high of 85.33 percent, demonstrating a history of provide care to these patients.

- Medicaid is projected to be 58.7 percent and self-pay 4.6 percent of the total facility's year one (CY 2023) and 55.4 percent and 4.1 percent of year two's (CY 2024) total annual patient days
- Medicaid and self-pay/private-pay will account for 35.0 percent and 10.0 percent, respectively, total annual patient days in year one (CY 2023) and in year two (CY 2024)
- The reviewer verifies the applicant's Schedule 7 is consistent with the projections above.

Architectural Review

Both applicants

- The applicant 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

G. RECOMMENDATION

Approve CON #10637 to add 40 community nursing home beds in District 11, Subdistrict 1, Miami-Dade County through the transfer of 40 community nursing home beds from The Sands at South Beach Care Center. The total project cost is \$24,348,543. The project involves 66,939 GSF of new construction and 33,540 GSF of renovation and a total construction cost of \$19,588,470.

CONDITIONS:

- Upon completion of the project, operate only private and semi-private rooms, for a total of 126 beds.
- Upon completion of the project, no longer operate three-bed rooms within the facility.
- Provide 55 percent Medicaid Managed Care resident days in year two of the project.

Approve CON #10638 to construct a new 123-bed community nursing home in District 11, Subdistrict 1, Miami-Dade County. The total project cost is \$30,985,819. The project involves 94,253 GSF of new construction and a construction cost of \$23,563,250.

CONDITIONS:

1. Establish a 10-Bed Respiratory Ventilator Care Unit.

Monitoring of the condition for the ventilator unit will include identifying the location of the unit on a floor plan and providing the number of patient days associated with ventilator patients on an annual basis.

2. Provide 16 Negative Pressure Rooms for Infection Control.

Monitoring of the condition for the negative pressure rooms will include identifying the location of the rooms on a floor plan and providing the number of patient days for residents utilizing the rooms on an annual basis.

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