

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

**A. PROJECT IDENTIFICATION**

1. Applicant/CON Action Number

**Catholic Hospice, Inc./CON #10656**

14875 NW 77<sup>th</sup> Avenue, Suite 100  
Miami Lakes, Florida 33014

Authorized Representative: Mr. Joseph Catania  
President and CEO  
(305)822-2380

2. Service District/Subdistrict

Service Area (SA) 10 - Broward County

**B. PUBLIC HEARING**

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

**Letters of Support**

Catholic Hospice provides four letters of support hospital executives (present and retired) in SA 10, Broward County. These are from:

Aurelio Fernandez, President and Chief Executive Officer  
South Broward Hospital District d/b/a Memorial Healthcare System

Mark Doyle, Chief Executive Officer - Holy Cross Hospital

Rosemarie Bailey, BHSA, MBA, NHA, Executive Director/Administrator  
St. John's Rehabilitation Hospital and Nursing Center

Patrick Taylor, MD, MBA, Board Member of Catholic Health Services  
Former Regional President and CEO of Holy Cross Hospital

**C. PROJECT SUMMARY**

**Catholic Hospice, Inc. (CON application #10656)**, a Florida, faith-based, non-profit organization, also referenced as the applicant, proposes to establish a 16-bed freestanding inpatient hospice facility in SA 10 (Broward County).

Catholic Hospice, Inc. is an existing provider of hospice services in SAs 10 and 11 and has a 13-bed freestanding inpatient hospice facility in Hialeah, Florida (SA 11). The applicant is also proposing to establish another freestanding inpatient hospice facility in Miami-Dade (SA 11), in this batch.

Catholic Hospice Inc. projects the facility to be licensed on April 1, 2023 and initiate service on May 1, 2023.

Total project cost is \$10,182,242. Projected costs include land, building, equipment, project development, financing, and start-up costs. The 16-bed project involves 15,012 gross square feet (GSF) of new construction.

Catholic Hospice does not propose any conditions to project's approval.

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

**D. REVIEW PROCEDURE**

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

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

Section 59C-1.010(3)(b), Florida Administrative Code, prohibits any amendments once an application has been deemed complete. The burden of proof to entitlement of a certificate rests with the applicant. As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the certification of the applicant.

As part of the fact-finding, the consultant, Sarah Zimmerman, analyzed the application in its entirety with consultation from financial analyst Kimberly Noble of the Bureau of Central Services, who evaluated the financial data and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

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

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

**1. Fixed Need Pool**

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

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

As previously stated, Catholic Hospice, Inc. has a licensed 13-bed freestanding inpatient hospice facility in Hialeah (Miami- Dade County SA 11). The applicant’s freestanding inpatient hospice facility would be the first one in the Broward County service area.

- b. If no Agency policy exists, the applicant will be responsible for demonstrating need through a needs assessment methodology, which must include, at a minimum, consideration of the following topics, except where they are inconsistent with the applicable statutory or rule criteria:**
- **Population demographics and dynamics;**
  - **Availability, utilization and quality of like services in the district, subdistrict or both;**
  - **Medical treatment trends; and**
  - **Market conditions.**

***Population demographics and dynamics***

Catholic Hospice, Inc. provides tables showing 4.1 percent growth in Broward County from CY 2016 to CY 2020. The applicant also provides a table to show how the percentage increase in the elderly population greatly exceeds the total population growth. Additional graphs and charts show visual depictions of the age 65+ and 75+ population growth and death rate increase in SA 10. Catholic Hospice, Inc. emphasizes that the concentration of seniors near the proposed location demonstrates demand into the future for health services and end-of-life care.

**Population Trends By Age Cohort  
Broward County/Hospice Service Area 10  
CY 2016 - CY 2020**

	<b>CY 2016</b>	<b>CY 2017</b>	<b>CY 2018</b>	<b>CY 2019</b>	<b>CY 2020</b>	<b>Percent Change</b>
Population	1,869,371	1,879,391	1,903,392	1,925,036	1,946,104	4.1
65+	297,084	307,219	317,834	327,509	333,577	13.6
75+	127,965	131,959	135,329	142,048	145,638	13.8
Percent Change Year over Year						
Total	-	0.5	1.3	1.1	1.1	-
65+	-	3.4	3.5	3.0	3.1	-
75+	-	3.1	2.6	5.0	2.5	-

Source: CON application #10656, Volume 1, Tab 2, Page 9, from Florida Agency for Health Care Administration Population Estimates 2015 to 2030, published September 2020 and NHA Analysis.

Catholic Hospice indicates there is a projected 5.1 percent increase in SA 10 deaths from CY 2019 to the July 2022 planning horizon.

***Availability, utilization and quality of like services***

Catholic Hospice uses the Florida Department of Elder Affairs (DOEA) *Hospice Demographic and Outcome Measures Report* and the Agency's *Florida Need Projections for Hospice Programs* issued February 5, 2021, to indicate the use and availability of hospice in the SA by each of the existing providers. The applicant contends that the need for a freestanding hospice is reflected in the availability and proximity of the service providers. Catholic Hospice provides this supporting excerpt:

*Mark Doyle, Chief Executive Officer at Holy Cross*

*"...Geographically, it is not possible nor convenient for patients and their families in our western areas to experience hospice care at our facility. Catholic Hospice Inpatient Facility at Holy Cross is the only Broward inpatient center in the county accessible to their patient and families requiring hospice care. I am writing in strong support of Catholic Hospice, Inc.'s proposal to establish a new freestanding inpatient hospice housed to be developed and licensed in Broward County, Service Area 10..."*

Catholic Hospice Inc. contends that it can improve programmatic and geographic access for its hospice patients resulting in improved quality of care.

***Medical treatment trends***

Catholic Hospice Inc. notes the four levels of care for hospice services:

- Routine Home Care is general hospice services provided in the patient's place of residence.
- Inpatient Respite Care which provides temporary relief for the primary care giver typically provided in a facility.
- Continuous Home Care which care is provided for a minimum of eight hours up to 24 hours in a day to manage pain and other acute symptoms in a crisis episode in the patients place of residence.
- General Inpatient Care is care provided in an inpatient setting-hospices facility, hospital or nursing home for pain control and acute symptom management that cannot be provided in the patient's place of residence.

The applicant states that the proposed project offers a soothing, home-like environment with comfortable surroundings and more space for families to gather than in a hospital or nursing home setting and therefore, the project benefits residents requiring inpatient hospice care.

**Market conditions**

Catholic Hospice contends there are generally no alternatives to the establishment of the proposed Freestanding Inpatient Facility. The applicant contends that the Covid-19 pandemic impacted hospice care by limiting the number of beds available. Catholic Hospice, Inc. argues that owning and operating its own inpatient hospice facility provides a positive net margin rather than a loss when it pays for scatter beds.

**Projected Utilization**

Catholic Hospice provides the following table to show its projected annual admissions, patient days and average daily census for the first two years of operation:

<b>Catholic Hospice Service Area 10 Utilization Forecasted Admissions, Patient Days and Average Daily Census May 1, 2023 to April 30, 2025</b>		
	<b>Year One</b>	<b>Year Two</b>
Admissions	1,038	1,107
Patient Days (without New Hospice Facility)	69,821	78,781
New/Proposed St. Andrews Hospice Facility Days	2,378	3,697
Total Patient Days	72,199	82,478
Average Daily Census, New Facility Only	6.5	10.1
Average Daily Census, Total	197.8	226.0

Source: CON application #10656, Volume I, Tab 2, Page 25.

Catholic Hospice Inc. contends that its forecasts are “reasonable and achievable and demonstrate a viable on-going concern”. The applicant states the new facility will be located in northwest Broward County, which enhance both geographic and programmatic access for its patients. Summaries of its letters of support are provided on the application’s pages 26-29.

Catholic Hospice excerpts from four of its support letters, which the reviewer summarizes below.

*Aurelio Fernandez, President and Chief Executive Officer  
South Broward Hospital District d/ b/ a Memorial Healthcare System  
“...the scatter bed contract was also a challenge; this was based on our census and the preference for hospice patients to be treated in home-like environments (as opposed to a hospital room) and in a private setting...I strongly support Catholic Hospice opening a hospice house here in Broward County to continue to meet the County’s hospice patient’s inpatient needs when they are unable to be maintained at home...”*

*Mark Doyle, Chief Executive Officer, Holy Cross Hospital*

*“I am writing strong support of Catholic Hospice, Inc.... we have been working with Catholic Hospice for years to ensure the availability of this important service in Broward County.”*

*Patrick Taylor, MD*

*“I am writing in strong support of Catholic Hospice Inc.’s proposal ...The availability of care and convenience in accessing end of life care is critical to patient and family comfort and support.”*

**2. Agency Rule Criteria and Preferences**

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

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

The applicant states that at “Catholic Hospice at St. Andrews” will provide another location for patients residing in west Broward County. Further, this location is geographically disparate from Holy Cross Hospital and will enable the applicant to geographically enhance accessibility for its patients. The facility will be located in Coral Springs and Catholic Hospice contends that the project will enhance access culturally as more than one half of Catholic Hospice’s admissions are for Roman Catholic persons.

Catholic Hospice states that programmatically, its facility will be “a differentiator from other available resources” – there are no existing freestanding hospice facility in Broward County. Other advantages the project will provide include:

- Large private suites with serene views of nature.
- Homelike environment as a single story building with appropriate finishes.
- Family lounge, kitchen airy, and outdoor gathering spaces.
- Children's playroom.
- L’Chaim Jewish Hospice- supported by Rabbi services, staff trained by NIJH.
  - Music Therapy offerings.

- Room service meal offerings.
- On site automatic dispensing pharmacy (Omnnicell) available for rapid pain control.
- Isolation rooms for infection containment.
- Catholic Rites- Priest visitations.
- Chapel.
- Veteran Salutes.
- In room family accommodations.
- Children's bereavement support- link to Camp Erin twice yearly.
- Support groups on site.
  - Pet loss.
  - Breast Cancer.
  - Spanish Speakers.

Using current Medicare reimbursement per diem rate of \$1,010, compared to the estimated average per diem direct costs of care with the patient in the hospital is \$1,097 to \$1,151 per day results in an average loss of \$87 to \$141. Catholic Hospice concludes that the freestanding facility will cost less to operate than servicing scatter beds, making excellent use of its financial resources. The applicant argues that the inpatient hospice facility per diem equates to \$923 in year two of operations, providing a financial advantage.

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

Catholic Hospice states that it contracts for inpatient care with most area hospitals and maintains contracts with several nursing homes which also provide respite care. The applicant lists 14 hospitals and 26 nursing homes in Broward County that it has inpatient agreements with. The applicant states that 72 percent of its census reside in their private residences including ALFs. Catholic Hospice Inc. asserts that these patients currently have access barriers and will benefit with this more intensive service being provided in its inpatient facility.

The applicant contends that the delivery of services to patients in this new environment will provide:

- Licensed inpatient beds in a dedicated program to meet the needs of patients whose needs cannot be met at home.
- An alternative to scatter beds in the hospitals to enhance quality of service delivery



- Programmatically, an additional access point for inpatient services not currently available in the service area
- Quality enhancement through the provision of dedicated staff, spiritual counseling, enhanced access, and unlimited patient family interaction
- Geographically, an additional access point for patients residing in western portions of Broward County
- Culturally, an additional access point for persons selecting Catholic Hospice due to it being a faith-based organization

**(3) Anticipated sources of funds for the construction.**

Catholic Hospice Inc. explains that the sources of funds for the construction on this project, as the land is already owned by the applicant, come from cash on hand. The applicant refers to the letter of funding commitment from Mr. Catania, noting that the availability of this resources is evidenced by its balance sheet in its financial statements in the application's Tab III.

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

Catholic Hospice indicates that it will comply with all reporting requirements as it does for its licensed hospice program. Catholic Hospice maintains it will submit information related to its inpatient hospice facility to AHCA or its designee by July 20 and January 20 of each year as required. It will also continue to provide data on the number of patients receiving hospice care by location (home, ALF, hospice residence, nursing home or hospital) for the required semi-annual and annual time periods. Catholic Hospice states it is in conformance with this rule criteria.

**3. Statutory Review Criteria**

**a. Is need for the project evidenced by the availability, quality of care, accessibility and extent of utilization of existing health care facilities and health services in the applicant's service area? ss. 408.035(1), (2) and (5), Florida Statutes.**

As stated previously, there is no existing licensed inpatient hospice facility in SA 10 (Broward County). There are only three hospice services areas in Florida with no licensed or approved hospice facility beds and SA 10 is one of them. Catholic Hospice notes that Broward County this is also the most populous area and with the most hospice providers of

the three. Further, approval of this application will increase the statewide average of 0.0 beds per 1,000 hospice admissions to 1.5 beds. The applicant provides a table showing that Broward County's hospice admissions have increased by four percent over the past five years. Catholic Hospice provides the most recent (CY 2019) utilization of hospice units by location and a map of existing and proposed units to support the need for the SA to have a freestanding inpatient facility that is both equipped and geographically accessible.

The applicant notes that Holy Cross Hospital and Catholic Hospice are the only two faith-based organizations providing inpatient care for hospice patients in Broward County. Catholic Hospice reiterates that its freestanding inpatient hospice facility in Northwest Broward County will result in improved programmatic and geographic access for all of its hospice patients resulting in improved quality of care.

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

Catholic Hospice repeats that throughout this application, the implementation of this freestanding inpatient hospice facility in NW Broward County will result in improved programmatic and geographic access for all of its hospice patients resulting in improved quality of care.

Catholic Hospice notes that it has been operational in SA 11 since 1988 and in SA 10 since CY 2008. The applicant notes that its leadership is widely recognized in the industry and achieves the highest HIS scores available from the Medicare program.

Catholic Hospice Inc. has a QAPI program that includes processes for collecting, measuring, analyzing, and tracking relevant data including data related to patient care, adverse patient events, and other aspects of performance. The applicant states performance improvement activities focus on high-risk, high-volume or problem-prone areas that affect palliative care outcomes, patient safety and quality of care with a consideration of incidence, prevalence and severity of problems in those areas. Further, these activities track adverse patient events, analyzes their causes and implement preventative actions and mechanisms.

The QAPI program includes:

- evidence that demonstrates the operation of the hospices QAPI program
- all performance improvements of projects being conducted
- reasons for conducting each project
- measurable progress achieved during poor performance improvement projects and
- outcome of each performance improvement project

The applicant's QAPI committee includes representatives from all disciplines, directs and assets in the management of ongoing quality assessment and performance improvement activities through regularly scheduled meetings. All hospice employees are accountable and responsible for the quality of care and services within their respective departments and are expected to participate in the hospices QAPI program. The Director of Clinical Care ensures that overall implementation of the program and regular reports activities and findings to the Executive Director who reports to the Board of Directors.

Catholic Hospice Inc. offers narrative descriptions of the following related QAPI programs that will positively impact quality of care (pages 46-52 of this application):

- QAPI Patient Health Care Information
- Confidentiality of Health Care Information
- QAPI Complain Resolution
- QAPI Adverse Events
- QAPI Auditing and Monitoring
- QAPI Program Data
- QAPI Activities and Projects

Catholic Hospice Inc. states these policies include but are not limited to interdisciplinary team policies, admission policies, bereavement policies, admission forms in five languages (English, Spanish, Russian, Portuguese and Creole), infection control policies, financial assistance policies, hospice enrollment forms in four languages (English, Spanish, Russian, Portuguese) and organizational chart.

Catholic Hospice provides the following table to compare its assessment in HIS to the national average:

<b>HIS Comprehensive Assessment Measures Catholic Hospice vs National Averages March 2021</b>	<b>Catholic Hospice</b>	<b>National Average</b>
Patients who got an assessment of all seven HIS quality measures at the beginning of hospice care to meet the HIS Comprehensive Assessment Measure requirements.	99.6%	88.7%
Patients or caregivers who or asked about the treatment preferences like hospitalization and resuscitation at the beginning of hospice care.	100.0%	99.3%
Patients or caregivers who were asked about their beliefs and values at the beginning of hospice care. Higher percentages are better.	100.0%	97.6%
Patients who were checked for pain at the beginning of hospice care.	99.7%	97.1%
Patients who got a timely and thorough pain assessment when pain was identified as a problem.	99.7%	92.6%
Patients who were checked for shortness of breath at the beginning of the hospice care.	100.0%	98.6%
Patients who got timely treatment for shortness of breath.	100.0%	96.8%
Patients who took patients taking opioid medications who were offered care for constipation.	100.0%	94.4%

Source: CON application #10656 Volume I, Tab 2, Page 51

The applicant cites its accreditations, awards and educational affiliations noting the recognition and documentation is in the supporting documents of this application.

**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.**

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance on the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved, if necessary, to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to benchmarks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

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

**10656 Catholic Hospice, Inc.**

	<b>Sep-19</b>	<b>Sep-20</b>
Current Assets	\$24,361,784	\$31,071,680
Total Assets	\$25,011,041	\$31,928,383
Current Liabilities	\$5,052,256	\$6,749,861
Total Liabilities	\$5,052,256	\$6,749,861
Net Assets	\$19,958,785	\$25,178,522
Total Revenues	\$45,627,279	\$56,383,367
Excess of Revenues Over Expenses	(\$1,680,432)	\$4,594,650
Cash Flow from Operations	(\$3,113,894)	\$7,008,306
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	4.8	4.6
Cash Flow to Current Liabilities (CFO/CL)	-61.63%	103.83%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	0.0%	0.0%
Total Margin (ER/TR)	-3.68%	8.15%
<b>Measure of Available Funding</b>		
Working Capital	\$19,309,528	\$24,321,819

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

**Capital Requirements and Funding:**

On Schedule 2, the applicant indicates capital projects totaling \$24,346,981, which includes this CON totaling \$10,182,242, CON 10660 totaling \$13,249,739, equipment and renovations. The applicant indicates on Schedule 3 of its application that funding for the project will be by cash on hand of \$9,357,242 and land totaling \$825,000. The applicant has sufficient resources to fund this project.

**Conclusion:**

With cash and cash equivalents totaling \$26,023,573 funding should be available as needed for this project but funding for the entire capital budget is in question.

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

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

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

<b>CON 10656</b>	<b>Catholic Hospice, Inc.</b>				
<b>Broward Base Rate Calculation</b>	<b>Wage Component</b>	<b>Wage Index</b>	<b>Adjusted Wage Amount</b>	<b>Unadjusted Component</b>	<b>Payment Rate</b>
Routine Home Care 1-60 days	\$133.81	0.9568	\$128.03	\$60.94	\$188.97
Routine Home Care 61+ days	\$105.76	0.9568	\$101.19	\$48.16	\$149.35
Continuous Home Care	\$959.31	0.9568	\$917.87	\$436.86	\$1,354.73
Inpatient Respite	\$256.46	0.9568	\$245.38	\$217.33	\$462.71
General Inpatient	\$653.70	0.9568	\$625.46	\$367.55	\$993.01
<b>Year Two Comparison</b>	<b>Inflation Factor Year Two</b>	<b>Inflation Adjusted Payment Rate</b>	<b>Schedule 7 Revenue Year Two</b>	<b>Continuous Service Hours Provided</b>	<b>Calculated Patient Days</b>
Routine Home Care 1-60 days	1.128	\$213.16	\$51,760		243
Routine Home Care 61+ days	1.128	\$168.47	\$0		0
Continuous Home Care	1.128	\$1,528.13	\$0	24	0
Inpatient Respite	1.128	\$521.94	\$17,904		34
General Inpatient	1.128	\$1,120.12	\$3,715,552		3,317
		<b>Total</b>	<b>\$3,785,216</b>		<b>3,594</b>
			Days from Schedule 7		3,697
			<b>Difference</b>		<b>103</b>
			<b>Percentage Difference</b>		<b>2.78%</b>

**Conclusion:**

As such, the applicant's projected patient days are 2.78 percent or 103 days more than the number of patient days calculated by staff.

Operating profits from this project are expected to increase from a net loss of \$24,562 in year one to a net gain of \$448,027 in year two.

This project appears to be financially feasible, however patient days and thus revenues may be overstated.

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

**Analysis:**

Strictly, from a financial perspective, the type of price-based competition that would result in increased efficiencies, service, and quality is limited in health care in general and in hospice specifically. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in hospice, price-based competition is almost non-existent. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited.

**Conclusion:**

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

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035 (1)(h), Florida Statutes; Ch. 59A-4, Florida Administrative Code**

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

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant

owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is not required before the commencement of any construction, but the facility may submit plan for review to insure that the building will comply will all applicable codes and standards.

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

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108). Hospice care also must be provided regardless of ability to pay and regardless of age, race, religion, sexual orientation, diagnosis, payer source or financial status. Therefore, a condition on the volume of Medicaid/charity care participation would not be appropriate.

Catholic Hospice cites its history of providing services to Medicaid and medically indigent patients. Data was provided which indicated the applicant provided an average of 4.6 percent of its total CY 2018-CY 2020 patient days to Medicaid and medically indigent patients.

Catholic Hospice projects 2.8 percent of total patient days in years one (67 days) and two (104 days) will be Medicaid and medically indigent (self-pay in Schedule 7A) to be 1.9 percent (45 and 70 days in years one and two) of the project's annual totals in both years.

**F. SUMMARY**

**Catholic Hospice, Inc. (CON application #10656)**, a Florida, faith-based, non-profit organization located in Miami, Florida, also referenced as the applicant, proposes to establish a 16-bed freestanding inpatient hospice facility in SA 10 (Broward County).

Catholic Hospice, Inc. is an existing provider of hospice services in SAs 10 (Broward County) and 11 and has a 13-bed freestanding inpatient hospice facility in Hialeah, Florida. The applicant is also proposing to establish another freestanding Miami-Dade County hospice facility in this batch.

Total project cost is \$10,182,242. Projected costs include land, building, equipment, project development, financing and start-up costs. The 16-bed project involves 15,012 gross square feet (GSF) of new construction.

Catholic Hospice Inc. projects the facility to be licensed on April 1, 2023 and initiate service on May 1, 2023.



Catholic Hospice does not propose conditions to the proposed project.

**Need/Access:**

The Agency does not publish need for inpatient hospice beds. The facility would be the first licensed freestanding inpatient hospice facility in SA 10 - Broward County.

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

**Quality of Care:**

- Catholic Hospice, Inc. has hospice programs in SA's 10 and 11
- The applicant provided a detailed discussion of its ability to provide quality care
- Agency records indicate that during the three-year period ending April 20, 2021, Catholic Hospice had one substantiated complaint.

**Financial Feasibility/Availability of Funds:**

- With cash and cash equivalents totaling \$26,023,573 funding should be available as needed for this project but funding for the entire capital budget is in question.
- This project appears to be financially feasible, however patient days and thus revenues may be overstated.

**Medicaid/Indigent/Charity Care:**

- Hospice programs are required by law to provide services to all who seek them.
- The applicant indicates that Medicaid for 2.8 percent of total annual patient days in both years one and two. Care to the medically indigent is projected to be 1.9 percent of the project's total annual patient days in both years.

**Architectural:**

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria.

A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The project cost and project completion forecast appear to be reasonable.

**G. RECOMMENDATION**

Approve CON #10656 to establish a 16-bed freestanding inpatient hospice facility in Service Area 10. The total project cost is \$10,182,242. The project involves 15,012 GSF of new construction.

**AUTHORIZATION FOR AGENCY ACTION**

Authorized representatives of the Agency for Health Care Administration adopted the recommendation contained herein and released the State Agency Action Report.

DATE: \_\_\_\_\_

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