

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Riverview Nursing and Rehab Center, LLC/CON #10718

P.O. Box 3376
Ridgeland, Mississippi 39158

Authorized Representative: Donald E. Eicher, III, JD
In-house Counsel
(601) 853-2667

2. Service District/Subdistrict

District 6, Subdistrict 6-1 (Hillsborough County)

B. PUBLIC HEARING

No public hearing was held or requested regarding the proposed project.

C. PROJECT SUMMARY

Riverview Nursing and Rehab Center, LLC (CON application #10718), also referenced as Riverview or the applicant, a newly formed Florida entity, is seeking the transfer of CON #10641 (Sabal Palm Health and Rehab Center, LLC) to Riverview Nursing and Rehab Center, LLC. The project was originally CON #10552 (Hillsborough County Nursing and Rehab Center, LLC) which was transferred to Sabal Palm Health and Rehab Center, LLC (CON #10641). The proposal is to establish a new 67-bed community nursing home in District 6-1 (Hillsborough County). Riverview indicates that the new 67-bed community nursing home will have all-private/single-occupancy rooms with bathrooms and showers in each room.

The applicant and Sabal Palm Health and Rehab Center, LLC (CON #10641) are affiliates of Briar Hill Management, LLC (or Briar Hill), a Mississippi-based health care services management company that manages six Mississippi skilled nursing facilities (SNFs), previously managed/operated SNFs in Arkansas and Louisiana, and will manage

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the proposed facility. CON application #10718, Tab 16, includes a signed and notarized Schedule 12-Trn Affidavit by the Transferor, dated May 3, 2022, to transfer CON #10641 to another entity, who will be an applicant for approval of that transfer. The applicant for approval of that transfer is Riverview Nursing and Rehab Center, LLC.

The total project cost is \$18,525,822. The project involves 61,084 gross square feet (GSF) of new construction. The project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant does not propose any conditions to project approval and the original CON #10552 has no Schedule C conditions. Riverview expects issuance of license in April 2024 and initiation of service in May 2024.

Project Cost of CON application #10718				
Applicant	#Beds	GSF	Costs \$	Cost Per Bed
Riverview Nursing and Rehab Center, LLC	67	61,084	\$18,525,822	\$276,505*

Source: CON application #10718, Schedule 1-Trn and Schedule 9

Note: * The applicant rounded up to the nearest whole number.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes. 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 assessing the responses 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 meet the review criteria.

Section 59C-1.010(3)(b), Florida Administrative Code, allows no application amendment information subsequent to the application being deemed complete. The burden of proof to entitlement of a certificate rests with the applicant. As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the Certification of the Applicant.

As part of the fact-finding, the consultant Steve Love analyzed the application in its entirety with consultation from the financial analyst Derron Hillman, Bureau of Central Services, who evaluated the financial data and Scott Waltz of the Office of Plans and Construction, 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 sections 408.035, and 408.037, Florida Statutes, and applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code.

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 application to transfer CON #10614 (which was originally transferred from CON #10552) for expedited review is not in response to the fixed need pool. The fixed need pool published on September 28, 2018 forecasted need for 73 additional community nursing home beds in Subdistrict 6-1 for the July 2021 Planning Horizon was addressed in the initial CON #10552 application. Expedited reviews may be submitted at any time.

As of the publication date of the fixed need pool (September 28, 2018) for the July 2021 Planning Horizon, there have been the following exemptions approved and other approved projects in Subdistrict 6-1 (Hillsborough County):

- #E190003/Palm Garden of Sun City to add 12 community nursing home beds
- E190010/PruittHealth-Hillsborough County, LLC to combine CON #10509P (84 beds) and CON #10553 (six beds) to establish a 90-bed community nursing home
- CON #10585/PruittHealth – 6-1, LLC to establish a 119-bed community nursing home

The number of approved nursing home beds in Nursing Home Subdistrict 6-1 will remain unchanged as a result of the proposed transfer. The reviewer notes that per the Agency's Florida Nursing Home Bed Need Projections by District and Subdistrict publication, issued April 1, 2022, for the January 2025 Planning Horizon, Subdistrict 6-1

(Hillsborough County), as of February 11, 2022, had 29 community nursing homes with 3,803 licensed beds and 276 CON approved beds.

1. 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.

CON application #10718 contends that in summary, this new 67-bed community nursing home project is justified for Hillsborough County and Riverview because:

- Riverview currently has no nursing home, and this project will provide an access to nursing home needs for those elderly residents that presently number over 15,000 and projected to be over 18,000 by 2027 of the Riverview area
- The elderly population in Riverview is growing by a rate of over 25 percent, this more than Hillsborough County elder population growth rate of 19 percent
- After the addition of the 67-beds in Riverview, the area will still have a much lower bed rate per thousand population 65+ than Hillsborough County and District 6, the predicted rate of 3.5 per thousand is less than one-fourth the rate of Hillsborough County and District 6

The applicant states that the proposed project is planned to be located within the Riverview area, within the following four ZIP Codes: 33534, 33569, 33578 and 33579 and this area encompasses the south-central portion of Hillsborough County. Riverview also asserts that this four ZIP-Code area has no nursing homes presently but that skilled nursing is needed in the area. The reviewer confirmed there are no nursing homes located in the four ZIP Code area, which include the cities of Gibsonton and Riverview.

CON application #10718 provides maps to reflect pictorial representations of the proposed project location in Hillsborough County:

- Page 3/Map 1 – Hillsborough County, Google Maps
- Page 4/Map 2 – Riverview ZIP Codes within Hillsborough County

Based on its maps, CON application #10718 explains that the Riverview area is south of Brandon and north of Sun City in Hillsborough County.

Claritas Population Estimates by County and ZIP Code, 2022 Update, are provided to show a comparison of the population totals (and growth percentages) among each age group (0-64, 65+ and 85+), over each subdistrict in District 6 and for the Riverview Area ZIP Codes (33534, 33569, 33578 and 33579) for the current year (2022) and for the five-year projected period (2027).

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Based on the applicant’s estimates for the targeted four ZIP Code area’s five-year (2022-2027) population growth rate for the age 65+ and age 85+ residents:

- The age 65+ population is expected to increase by 25.3 percent compared to 19.2 percent in Hillsborough County (Subdistrict 6-1) for this same age cohort (age 65+)
- The age 85+ population is expected to increase by 24.2 percent compared to 13.1 percent in Hillsborough County (Subdistrict 6-1) for this same age cohort (age 85+)

The reviewer partially reproduces the applicant’s stated Claritas estimates (2022-2027) for each of the ZIP Codes in the target area and the corresponding target area total estimates and percentage population cohort increases in the table below:

Current (2022) and Projected (2027) Population Estimates by Age Cohort for Target ZIP Codes

2022 Population Estimates		
Target ZIP Codes	Age 65+	Age 85+
33534	1,678	113
33569	4,198	334
33578	5,689	395
33579	3,496	199
Target ZIP Codes Total	15,061	1,041
2027 Population Estimates		
Target ZIP Codes	Age 65+	Age 85+
33534	2,037	139
33569	5,215	399
33578	7,169	488
33579	4,456	267
Target ZIP Codes Total	18,887	1,293
Five-Year Change		
Target ZIP Codes	Age 65+	Age 85+
33534	359	26
33569	1,017	65
33578	1,480	93
33579	960	68
Target ZIP Codes Total	3,816	252
Five-Year Growth Rate		
Target ZIP Codes	Age 65+	Age 85+
33534	21.4%	23.0%
33569	24.2%	19.5%
33578	26.0%	23.5%
33579	27.5%	34.2%
Target ZIP Codes Total	25.3%	24.2%

Source: CON application #10718, page 6, Table 1 (partially reproduced)

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Riverview addresses elderly residents (age 65+), as well as beds per 1,000 residents (ages 65+ and 75+), statewide and specific to Hillsborough County, from 2022, to 2023, to 2027, through the following tables:

- Population Projections of Elderly (Table 2)
- Beds per Thousand Population 65+ and 75+ (Table 3)

The applicant uses Claritas Population Estimates by County and ZIP Code, 2022 Update and the Agency’s Florida Nursing Home Bed Need Projections by District and Subdistrict, issued April 1, 2022 (for the January 2025 Planning Horizon), to indicate the number of beds per thousand elderly ages 65+ in Hillsborough County, District 6 and the four Riverview area targeted ZIP Codes. Riverview explains that “The addition of the 67-beds in Riverview will result in a much lower rate per thousand population 65 and over versus Hillsborough County and District 6, the rate of 3.5 per thousand is less than one-fourth the rate of Hillsborough County and District 6.” The reviewer notes that:

- Per the applicant’s estimates, if the proposal is approved, the four ZIP Code target area will go from 0.00 beds per thousand (in 2022) to 3.5 beds per thousand (in 2027)

See the table below.

Bed per Thousand Population 65+ for Years 2022 and 2027 for Hillsborough County (Subdistrict 6-1), District 6 and Riverview ZIP Codes

Area	2/2022 Lic. Comm. NH Beds	CON Approved Comm. NH Beds	Total Lic'd & Apv'd Beds	2022 Pop 65+	2027 Pop 65+	2022 Bed Rate/1000	2027 Bed Rate/1000
Hillsborough	3,803	276	4,079	235,415	280,712	16.2	14.5
District 6	9,155	276	9,431	563,026	653,953	16.3	14.4
Riverview Target ZIPs	0	67	67	15,061	18,877	0	3.5

Source: CON application #10718, page 8, Table 4

Riverview contends that based on the Agency’s biannual Florida Nursing Home Bed Need Projections by District and Subdistrict publications, it is evident of the impact that the COVID-19 pandemic had on community nursing home bed occupancy in Hillsborough County, but there is indication of the start of bed utilization recovery in Hillsborough County.

The applicant provides the following tables in support of this:

- July 2023 Nursing Home Projections (occupancy rates of 86.05 percent for six months ending June 2020), page 10, Table 6
- January 2024 Nursing Home Projections (occupancy rates of 75.85 percent for six month ending December 2020), page 10, Table 7
- July 2024 Nursing Home Projections (occupancy rates of 79.57 percent for six months ending June 2021), page 11, Table 8
- January 2025 Nursing Home Projections (occupancy rates of 82.35 percent for six months ending December 2021), page 11, Table 9

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Riverview utilizes the Agency’s Hospital Discharge Data for CYs 2019 and 2020 in the following four tables, to account for the volume and percentage of admissions (for age 65+ residents in Hillsborough County overall and the Riverview area ZIP Codes) discharged relative to each of 13 different payer sources for each of the four tables. The reviewer collapses each of the 13 different payer sources for each of the four tables into the respective grand total, Medicare and Medicaid. See the partially reproduced tables below:

**Payer Source for Persons Aged 65+ Discharged to a Nursing Home
from Hillsborough County Hospitals in 2019**

Payer	Volume	Percent
Grand Total	13,102	100.00%
Total Medicare	12,505	94.86%
Total Medicaid	79	0.60%

Source: CON application #10718, page 12, Table 10 (partially reproduced)

**Payer Source for Persons Aged 65+ Discharged to a Nursing Home
from Hillsborough County Hospitals in 2020**

Payer	Volume	Percent
Grand Total	10,119	100.00%
Total Medicare	9,537	94.25%
Total Medicaid	98	0.97%

Source: CON application #10718, page 13, Table 11 (partially reproduced)

**Payer Source for Riverview ZIP Code Residents Aged 65+
Discharged to a Nursing Home
from Hillsborough County Hospitals in 2019**

Payer	Volume	Percent
Grand Total	604	100.0%
Total Medicare	567	93.87%
Total Medicaid	3	0.50%

Source: CON application #10718, pages 13 and 14, Table 12 (partially reproduced)

**Payer Source for Riverview ZIP Code Residents Aged 65+
Discharged to a Nursing Home
from Hillsborough County Hospitals in 2020**

Payer	Volume	Percent
Grand Total	452	100.00%
Total Medicare	428	94.69%
Total Medicaid	4	0.88%

Source: CON application #10718, pages 14, Table 13 (partially reproduced)

Based on the four tables above, the applicant emphasizes that Medicare and Medicare Managed Care (combined) for residents of Riverview ZIP Codes residents aged 65+ hospital discharges to a nursing home nearly match the percentages of all Hillsborough County patient discharges. Medicare is predictably going to be most of the admissions of the nursing home project even within Riverview ZIP Codes.

The reviewer notes that for year one, the applicant estimates Medicare total annual patient days at 56.76 percent and for year two, 50.00 percent. For a full review of the applicant's total admissions and patient days for year one and year two, see item E.3.g. of this report. The projected Medicare days to be little high as the majority (68.78 percent in CY 2021) of Hillsborough County nursing home patient days are paid by Medicaid/Medicaid managed care.

The reviewer notes that while CON application #10718 rests much of its need argument on locating the proposed new 67-bed community nursing home with its all-private/single-occupancy/own bathroom with shower in each room arrangement, in the Riverview area of Hillsborough County specific to ZIP Codes 33534, 33569, 33578 and 33579 - none of these features or characteristics are conditioned in the applicant's Schedule C. The original CON #10552 issued to Hillsborough County Nursing and Rehab Center, LLC did not have conditions and it is not required of the applicant to propose any conditions.

b. Does the applicant have a history of providing quality care? Has the applicant demonstrated the ability to provide quality care? ss. 408.035(3), Florida Statutes.

Riverview, as a newly-formed Florida entity, does not have a quality record to discuss for this proposal. As previously stated, both the transferor (Sabal Palm Health and Rehab Center, LLC) and the proposed transferee (Riverview Health and Rehab Center, LLC) are Briar Hill affiliates, a Mississippi-based healthcare services management company, which manages six SNFs in Mississippi and will manage/operate the proposed facility. Briar Hill's two principals, David Rotolo and Robert Rotolo, are indicated to have a combined total of more than 70 years' experience in the nursing home business, both being licensed nursing home administrators.

The applicant indicates that all Briar Hill's affiliated nursing homes, use electronic medical records, a nurse emergency call system, WanderGuard protection systems, bed occupancy sensors, and kiosks for staff for immediate charting of resident treatment and other activities. According to Riverview, Briar Hill's affiliate SNFs have historically been ranked ahead of its peers in metrics used by LTC TreadTracker. The reviewer notes that documentation of Briar Hill's stated LTC TreadTracker ratings is not included in the application and the reviewer was unable to confirm this information.

The applicant states that Briar Hill strives to recognize and meet the needs of the people and families that it serves and those who work with its organization in order to achieve its mission, in an atmosphere of kindness, compassion and understanding. Briar Hill's affiliate six SNFs

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have averaged a 4- or 5-star rating over the past several years under the star rating of the Centers for Medicare and Medicaid Services (CMS). The reviewer notes that the applicant only names two of the six affiliates SNFs:

- River Place Nursing & Rehabilitation Center (or River Place)
1126 Early Frye Blvd.
Amory, MS 38821
- Carrington, LLC d/b/a The Carrington
307 Reed Road
Starkville, MS 39759

On May 18, 2022, the reviewer perused the CMS Nursing Home Compare website to verify the CMS quality star ratings for River Place and The Carrington. Below are the results:

CMS Star Ratings	
SNF	CMS Star Ratings
River Place	4-of-5 Stars (Above Average)
The Carrington	3-of-5 Stars (Average)

Source: [Find Healthcare Providers: Compare Care Near You | Medicare](#)

Riverview maintains that its affiliates operate a Quality Assurance Program (QAP) and an example of QAP materials is included (CON application #10718, Tab 17/Model QAP Policy). The applicant bullets 20 quality features/characteristics and materials that apply to these are included (CON application #10718, Tab 18/Composition-Brochures, Calendars, Policies, and Forms).

c. What is the availability of resources, including health personnel, management personnel, and funds for capital and operating expenditures, for projection accomplishment and operation? ss. 408.035(4), 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 applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by a third-party source.

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$18,525,822, which includes this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$50,000) and non-related company financing. The applicant submitted developmental stage audited financial statements

showing \$50,000 in cash. The applicant submitted a letter from Trustmark Bank expressing interest in providing financing for the cost of the project. A letter of interest is not considered a firm commitment to lend.

Given that the funding is supported by a letter of interest, we have no basis to conclude that funding will be available for this project.

Conclusion

Funding for this project is in question.

d. What is the immediate and long-term financial feasibility of the proposal? ss.408.035(6), Florida Statutes.

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 (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). 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 4th Quarter 2021, 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 GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	9,665,097	414	1,860	420	217
Total Expenses	9,349,625	400	2,012	456	288
Operating Income	315,472	14	70	-27	-285
Operating Margin	3.26%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	23,360	95.52%	96.52%	87.59%	50.65%
Medicaid	7,665	32.81%	42.70%	31.82%	22.79%
Medicare	11,680	50.00%	55.92%	23.69%	0.65%

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 this requirement.

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.

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(7), Florida Statutes.

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. 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.

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035(8), 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 required before the commencement of any construction.

- g. Does the applicant have a history of providing health services to Medicaid patients and the medically indigent? Does the applicant propose to provide health services to Medicaid patients and the medically indigent? ss. 408.035(9), Florida Statutes.**

As Riverview is not an existing provider, there is no historical record of providing health services to Medicaid patients and the medically indigent available to discuss within the application. The applicant states that its affiliated facilities have a long history of participation in Medicaid and providing skilled nursing services to the Medicaid population previously in Arkansas and Louisiana and currently its six facilities in Mississippi.

Riverview states an understanding that Florida operates a Statewide Medicaid Managed Care (SMMC) long-term care program and expects to contract with SMMC providers in District 6 including Aetna Better Health, Florida Community Care, Humana Medical Plan, Simply Healthcare, Staywell, Sunshine Health and United Healthcare.

The reviewer generates the table below to account for CON application #10718's total admissions and total patient days in year one (393 and 16,750, respectively) and total admissions and total patient days in year two (589 and 23,360, respectively). Year one is indicated to end in 2024 and year two is indicated to end in 2025. The reviewer notes that with

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CON application #10718’s Schedule 10 indicating initiation of service beginning in May 2024, the applicant’s Schedule 7 year one and year two ending dates (2024 and 2025, respectively) are not consistent with CON application #10718’s Schedule 10 initiation of service date (May 2024). See the reviewer-generated table below.

**Riverview Nursing and Rehab LLC (67 beds)
Admissions, Days and Percent of Days
Year One (ending 2024) and Year Two (ending 2025)**

Payor	Admissions		Patient Days		Percent of Days	
	Year One	Year Two	Year One	Year Two	Year One	Year Two**
Self-Pay	30	26	3,372	4,015	20.13%	17.19%
Medicaid	32	30	3,870	7,665	23.10%	32.81%
Medicare	331	533	9,508	11,680	56.76%	50.00%
Total	393	589	16,750	23,360	100%*	100%
Avg Occupancy			68.49%	95.52%		

Source: CON application #10718, Schedule 7

Note: * Arithmetically, this total is 99.99 percent. However, the applicant carries each of the three percentages to the fourth decimal place, which result in a total of 100 percent.

** The applicant did not provide these percentages. The reviewer calculated the percentage for each payer category and the total.

The reviewer notes that under CON application #10718, Tab 5, Summary-CON Transfer Application Summary, under the heading of Medicaid and Charity Care, as well as on page 26 of the application, the applicant states that Riverview has forecasted both Medicaid and charity care in its application. However, the reviewer notes also that CON application #10718’s Schedule 7 does not provide a charity care column and hence, does not indicate any admissions or patient days attributable to charity care.

F. SUMMARY

Riverview Nursing and Rehab Center, LLC (CON application #10718), seeks the transfer of CON #10641 to establish a new 67-bed community nursing home (all-private/single-occupancy rooms with bathroom with shower in each room) in District 6, Subdistrict 6-1 (Hillsborough County). The transferor and the transferee are affiliates of Briar Hill Management, which will manage the proposed facility.

The application includes a signed and notarized Schedule 12-Trn Affidavit by the Transferor, dated May 3, 2022 to transfer CON #10641 from Sabal Palm Nursing and Rehab Center, LLC to another entity, who will be an applicant for approval of that transfer. The proposed transfer will not change the number of approved beds within the subdistrict.

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The total project cost is \$18,525,822. The project involves 61,084 GSF of new construction.

Riverview expects issuance of license in April 2024 and initiation of service in May 2024.

The applicant does not propose any conditions to project approval and the original CON #10552 has no Schedule C conditions.

Need

The applicant submitted the application to transfer CON #10641 for expedited review and not in response to the fixed need pool. The fixed need pool published on September 28, 2018 forecasted need for 73 additional community nursing home beds in Subdistrict 6-1 for the July 2021 Planning Horizon.

As of February 11, 2022, District 6-1 (Hillsborough County) had 29 community nursing homes with 3,803 licensed beds and 276 CON approved beds.

Need for 67 additional community nursing home beds was addressed in CON application #10552 (Hillsborough County Nursing and Rehab Center, LLC) which was transferred to Sabal Palm Health and Rehab Center, LLC (CON #10641).

The applicant contends that, in summary, the proposed project is justified because:

- Riverview currently has no nursing home, and the project will provide an access to nursing home needs for the area's elderly residents who presently number over 15,000 and projected to be over 18,000 by 2027.
- The elderly population in Riverview is growing by a rate of over 25 percent, this more than Hillsborough County elder population growth rate of 19 percent.
- After the addition of the 67beds in Riverview, it will still have a much lower rate per thousand population 65+ versus Hillsborough County and District 6, the predicted rate of 3.5 per thousand is less than a fourth the rate of Hillsborough County and District 6.
- The project location is planned within the Riverview area, within the following four ZIP Codes: 33534, 33569, 33578 and 33579.
- There are no licensed SNFs within any of the four referenced ZIP Codes.

Quality of Care

- The applicant is an affiliate of Briar Hill Management – a Mississippi-based health care services management company that operates six SNFs in Mississippi.
- Briar Hill will manage/operate the project and its quality of care was addressed in the application.
- The applicant includes Briar Hill’s QAP Policy, Composition-Brochures, Calendars, Policies, and Forms.

Cost/Financial Analysis

- Funding for the project is in question.
- Based on the information provided in Schedule 6, the applicant’s projected staffing meets the licensed nursing staffing requirements of ss 400.23(3)(a)1, Florida Statutes.
- The project appears to be financially feasible based on the projections provided by the applicant.
- The project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Architectural Analysis

- 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 a significant impact on either construction costs or the proposed completion schedule.

Medicaid/Indigent Care Commitment

- The applicant’s Schedule 7 indicates the 67-bed facility will provide 23.10 percent of year one (ending 2024) and 32.81 percent of year two (ending 2025) total annual patient days to Medicaid patients. However, Schedule 10 Trn indicates the facility will be licensed effective April 2024.

G. RECOMMENDATION

Approve CON #10718 to transfer CON #10641 from Sabal Palm Health and Rehab Center, LLC to Riverview Nursing and Rehab Center, LLC to establish a new 67-bed community nursing home in Hillsborough County, District 6, Subdistrict 1.

The total project cost is \$18,525,822. The project involves 61,084 GSF of new construction.

AUTHORIZATION FOR AGENCY ACTION

The authorized representative of the Agency for Health Care Administration adopted the recommendation contained herein and released the State Agency Action Report.

DATE: June 21, 2022

James B. McLemore

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