

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Orange County SNF OPCO LLC/CON application #10730

4042 Park Oaks Blvd., Suite 300
Tampa, Florida 33610

Authorized Representative: Rob Yandek
Vice President of Development
(813) 675-2325

2. Service District/Subdistrict

District 7/Subdistrict 7-2 (Orange County, Florida)

B. PUBLIC HEARING

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

B. PROJECT SUMMARY

Orange County SNF OPCO LLC (CON application #10730) also referenced as the applicant or Orange OPCO, is a not-for-profit limited liability company established on January 15, 2021, that proposes the transfer of CON #10661 from Avante at Orange County LLC which was approved to establish a 120-bed community nursing home in District 7, Subdistrict 7-2 (Orange County). The site plan indicates the facility will be located on Central Florida Greenway – S.R. 417.

Orange OPCO states the nursing home will be managed by AbleHearts Consulting Services LLC, which will provide clinical support and consulting services, as well as back-office functions such as accounting, human resources, payroll, and ancillary support. Further, AbleHearts Florida Healthcare LLC has “years of experience” managing health care facilities and providing quality long-term care with 17 skilled nursing facilities in four states (12 in Illinois, one in Missouri, one in New York, and three in Florida).

AbleHearts-affiliated Florida community nursing facilities include:

- Apopka Health and Rehabilitation Center - Orange County, 180 beds, Subdistrict 7-2
- The Club at Lake Gibson – Polk County, 120 beds, Subdistrict 6-5
- The Lakes of Clermont Health and Rehabilitation Center - Lake County, 80 beds, Subdistrict 3-7

The project includes 70,926 gross square feet (GSF) of new construction. Construction cost is \$20,213,900. Total project cost which includes land, building, equipment, project development, financing, and start-up costs is \$31,844,500.

Orange OPCO expects issuance of license in June 2025 and initiation of service in July 2025.

Orange County SNF OPCO LLC proposes the following conditions:

- 1) The applicant will implement systems, policies, and procedures to reduce hospital admissions and readmissions.
- 2) The applicant will maintain a COVID-19 specific infectious disease policy and procedure.
- 3) The applicant will regularly train all employees on how to handle a pandemic situation as it relates to infection control protocols and procedures, and minimizing the risk of transmission.

Total GSF and Project Costs of CON application #10730

Applicant	CON app. #	Project	GSF	Project Costs	Cost Per Bed
Orange County SNF OPCO LLC	10730	120-bed SNF	70,926	\$31,844,500	265,371

Source: CON application #10730, Schedule 9, Tab 6, page 6-5.

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 sections 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, Sarah Zimmerman, analyzed the application in its entirety with consultation from financial analyst Derron Hillman 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 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.**

CON application #10730 is an expedited review, which may be submitted at any time and is not in response to a fixed need pool publication. The number of licensed and approved nursing home beds in Subdistrict 7-2 (Orange County) will remain unchanged.

Orange County SNF OPCO LLC includes a notarized letter from Jacqueline F. Price, Vice President and CEO AbleHearts Southeast Administrative Services LLC, as authorized representative of Avante at Orange County LLC, supporting the transfer of the certificate of need.

As of August 12, 2022, Subdistrict 7-2 had 4,368 licensed and 311 approved community nursing home beds. The subdistrict's nursing homes reported 81.15 percent for the 12-month and 83.69 percent total occupancy during the six-month periods ending June 30, 2022. Subdistrict 7-2 community nursing home occupancy for the 12-months ending June 30, 2022, is shown in the table below.

**Subdistrict 7-2, Orange County
Community Nursing Home Utilization
12 months ending June 30, 2022**

Facility	Beds	Bed Days	Patient Days	Total Occupancy
AdventHealth Care Center – Apopka North	120	43,800	39,351	89.84%
AdventHealth Care Center – Orlando East	120	43,800	41,808	95.45%
AdventHealth Care Center – Orlando North	120	43,800	38,022	86.81%
Apopka Health and Rehabilitation Center	180	65,700	20,743	31.57%
Avante at Orlando, Inc.	118	43,070	34,700	80.57%
Colonial Lakes Health Care	180	65,700	48,823	74.31%
Commons at Orlando Lutheran Towers	93	33,945	33,925	99.94%
Conway Lakes Health & Rehabilitation Center	120	43,800	41,072	93.77%
Courtyards of Orlando Care Center	120	43,800	38,539	87.99%
Delaney Park Health and Rehabilitation Center	89	32,485	29,732	91.53%
Guardian Care Nursing & Rehabilitation Center	99	36,135	30,166	83.48%
Health Central Park	118	43,070	34,063	79.09%
Hunters Creek Nursing and Rehab Center	112	40,880	38,771	94.84%
Lake Bennet Center for Rehabilitation & Healing	120	43,800	40,450	92.35%
Life Care Center of Orlando	132	48,180	42,332	87.86%
Mayflower Healthcare Center	24	8,760	7,620	86.99%
Metro West Nursing and Rehab Center	120	43,800	38,440	87.76%
Orlando Health and Rehabilitation Center	391	142,715	125,200	87.73%
Orlando Health Center For Rehabilitation	110	40,150	22,975	57.22%
Palm Garden of Orlando	132	48,180	41,519	86.17%
Parks Healthcare and Rehabilitation Center	120	43,800	34,011	77.65%
Parkview Rehabilitation Center at Winter Park	138	50,370	34,694	68.88%
Regents Park of Winter Park	120	43,800	37,101	84.71%
Rehabilitation Center of Winter Park	180	65,700	47,507	72.31%
Rio Pinar Health Care	180	65,700	57,261	87.16%
Rosewood Health and Rehabilitation Center	120	43,800	36,885	84.21%
Savannah Cove	39	14,235	6,044	42.46%
Solaris Healthcare Windermere	120	43,800	40,526	92.53%
The Gardens at DePugh Nursing	40	14,600	12,951	88.71%
The Palms Nursing and Rehab at Orlando	115	41,975	35,455	84.47%
West Orange Center for Nursing and Healing	120	43,800	31,929	72.90%
Westminster Baldwin Park	40	14,600	12,207	83.61%
Westminster Towers	115	41,975	30,708	73.16%
Westminster Winter Park	80	29,200	25,315	86.70%
Winter Garden Rehabilitation and Nursing Center	120	43,800	31,849	72.71%
Winter Park Care and Rehabilitation - now Bedrock Rehabilitation and Nursing Center at Winter Park	103	37,595	31,072	82.65%
Total	4,368	1,594,320	1,293,766	81.15%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict published September 2022.

2. 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? Section 408.035 (1)(2) and (5), Florida Statutes.**

As of August 12, 2022, Subdistrict 7-2 (Orange County) had 36 licensed SNFs with 4,368 licensed and 311 approved community nursing home beds. Subdistrict 7-2 community nursing homes reported 83.69 percent total occupancy during the six months ending June 30, 2022, which exceeded the state's 77.59 percent.

Orange County SNF OPCO LLC submits a need assessment within the context of the following characteristics which are briefly described:

- Availability
- Quality of Care
- Access
 - Geographic Access
 - Financial Access
 - Access to Services
- Extent of Utilization

The applicant addresses availability by defining it as how much of a resource exists. Orange OPCO states that the population growth rates for Orange County are higher than the Florida growth rates for all age groups adding that as of January 2022, there were 187,564 Orange County residents aged 65 and older, representing 12.8 percent of the total population of 1,463,347. Further, that by January 2027, the number of those in the age 65 and older group is expected to increase by 45,191 or 24.1 percent reaching 232,755, compared to the Florida senior growth rate at 17.34 percent which leads this cohort representing 14.5 percent of the projected total population of 1,604,643.

Orange OPCO concludes that this increase in senior population and proportion results in an increase in the demand for health and social services, including nursing home care. The applicant's Table 1-1 projected population by age cohort for 2022 and 2027 is shown below.

**Current and Projected Population by Age Cohort,
Orange County and Florida, 2022-2027**

Area	January 2022 Population Estimates			January 2022 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Orange County	1,275,783	187,564	1,463,347	87.18%	12.82%	100%
Florida	17,491,581	4,674,295	22,165,876	78.91%	21.09%	100%
Area	January 2027 Population Estimates			January 2027 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Orange County	1,371,888	232,755	1,604,643	85.49%	14.51%	100%
Florida	18,133,177	5,484,682	23,617,859	76.78%	23.22%	100%
Area	Five Year Increase			Five Year Growth Rate		
	65+	Total	0-64	65+	Total	
Orange County	96,105	45,191	141,296	7.53%	24.09%	9.66%
Florida	641,596	810,387	1,451,983	3.67%	17.34%	6.55%

Source: CON application #10730, page 1-2, Table 1-1, from Florida Population Estimates and Projections by AHCA District 2015 to 2030 published September 2021.

Orange OPCO notes Orange County's community nursing home occupancy rate in the years prior to pandemic averaged 88.15 percent before falling to 78.65 percent during the pandemic (July 1, 2020 to June 30, 2021) but in the most recent 12 months ending June 30, 2022, Orange County occupancy increased to 81.15 percent. The applicant contends that while still lower than the county's rates prior to the pandemic, the increase seen in the recent period demonstrates the potential for occupancy rates to rise once again to levels prior to the pandemic. Orange OPCO contends that comparatively, the statewide community nursing home occupancy for the three years prior to the pandemic averaged 84.96 percent, fell to 73.40 percent in July 1, 2020 – June 30, 2021, and increased to 75.49 percent during the 12 months ending June 30, 2022.

Orange County SNF OPCO LLC shares that regarding Quality of Care, its association with AbleHearts Consulting Services LLC, the anticipated management company, will provide access to an experienced manager, having the knowledge, tools, and expertise to continuously maintain high quality standards. The applicant assures its staff engages in quality improvement initiatives and education and is actively involved and participates in the quality initiatives of the American Health Care Association and National Center for Assisted Living. Orange OPCO asserts that by tailoring care to patients with similar needs, a higher level of service and higher staffing ratios can be implemented efficiently to establish a viable program with excellent results for those it serves.

Further, the proposed facility will be developed with rehabilitation in mind to promote recovery and return to the community, while also providing long term care and that management is dedicated to improving the quality-of-care standards at their facilities and consistently invests in upgrades and renovations.

Orange OPCO in its discussion of geographic access presents Figure 1-2 on page 1-4 showing the distribution of nursing homes, acute care hospitals and senior population age 65 and over for 2022 in Orange County and surrounding areas. Figure 1-2 illustrates the locations of nursing homes, acute care hospitals and the 2022 population aged 65 and older by Zip Code.

The applicant states it will participate in both Medicare and Medicaid programs and will seek contracts with managed care providers and commercial insurance companies. Orange OPCO contends that having a variety of payment options will allow the facility to open its doors to a wider pool of residents, thereby maximizing access. Further, the proposed facility will be sufficiently sized to provide a wide range of services with separate neighborhoods for various patient needs, such as short-term rehabilitation, complex care, and long-term care needs. Every effort will be made to remove any financial barriers that could impede access to nursing home care, working closely with hospital discharge planners and those who may make direct admissions. Orange OPCO states that its affiliates in the area have long-standing relationships with several Medicare and Medicaid managed care providers, which will assure it will be able to contract with a variety of providers and managed care organizations.

The applicant contends that access issues are evident, especially for short-term rehabilitative care and offers the table below which shows 6,258 cases in the top five major diagnostic categories represent 69 percent of all Orange County hospital discharges to nursing homes. Orange OPCO assures that these patients will benefit from its programs which include AbleHearts' Rapid Recovery program for orthopedic rehabilitation, cardiac rehabilitation, and respiratory care and that many of the rooms (68) will be private, allowing residents with infectious diseases and illnesses to remain isolated during recovery.

**Discharges to Nursing Homes for Orange County Residents Aged 65 and Older,
Calendar Year 2021, From All Orange County Hospitals**

Major Diagnostic Category (MDC)	All Orange Hospitals	
	Cases	Percent
08 Diseases & Disorders of the Musculoskeletal System and Conn Tissue	1,745	19.17%
05 Diseases & Disorders of the Circulatory System	1,414	15.53%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	1,255	13.79%
01 Diseases & Disorders of the Nervous System	948	10.41%
04 Diseases & Disorders of the Respiratory System	896	9.84%
11 Diseases & Disorders of the Kidney & Urinary Tract	845	9.28%
06 Diseases & Disorders of the Digestive System	606	6.66%
10 Endocrine, Nutritional and Metabolic Diseases & Disorders	383	4.21%
09 Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	181	1.99%
00 Pre MDC	145	1.59%
16 Diseases & Disorders of the Blood, Blood-Forming Organs, Immun. Disorders	134	1.47%
19 Mental Diseases & Disorders	112	1.23%
07 Diseases & Disorders of the Hepatobiliary System & Pancreas	90	0.99%
23 Factors Influencing Health Status & Other Contacts with Health Status	89	0.98%
21 Injuries, Poisonings & Toxic Effects of Drugs	75	0.82%
24 Multiple Significant Trauma	46	0.51%
03 Diseases & Disorders of the Ear, Nose, Mouth & Throat	33	0.36%
17 Myeloproliferative Diseases & Disorders, Poorly Differentiated Neoplasms	25	0.27%
12 Diseases & Disorders of the Male Reproductive System	21	0.23%
20 Alcohol/Drug Use & Alcohol/Drug-Induced Organic Mental Disorders	21	0.23%
13 Diseases & Disorders of the Female Reproductive System	20	0.22%
25 Human Immunodeficiency Virus Infections	9	0.10%
02 Diseases & Disorders of the Eye	6	0.07%
22 Burns	5	0.05%
Grand Total	9,104	100.00%

Source: CON application #10730, Table 1-2, Page 1-7 from AHCA Hospital Discharge Data for CY 2021.

As previously stated, Orange OPCO contends the most recent year's occupancy demonstrate that occupancy is on the rise and is expected to return to the higher rates seen prior to the pandemic. The applicant contends that the introduction of a new facility or facilities will result in an increase in utilization as choice and service improves. Orange OPCO assures that its proposal expands utilization, does not reduce access, promotes a quality facility, supports the aging population, and includes improving access to traditionally underserved persons. Subdistrict 7-2 utilization is shown in the table below.

**Community Nursing Home Bed Utilization
Subdistrict 7-2**

Subdistrict 7-2, Orange	7/1/17 - 6/30/2018	7/1/18 - 6/30/2019	7/1/19 - 6/30/2020	7/1/20 - 6/30/2021	7/1/21 - 6/30/2022
Patient Days	1,336,638	1,336,781	1,357,008	1,243,849	1,293,766
Occupancy	88.60%	87.67%	88.19%	78.65%	81.15%
Medicaid Days	825,290	862,977	884,368	778,996	789,436
Medicaid Occupancy	61.74%	64.56%	65.17%	62.63%	61.02%

Source: CON application #10730, Table 1-3, Page 1-8 from Florida Nursing Home Bed Need Projections by District and Subdistrict for the periods shown.

Orange County SNF OPCO LLC assures its new facility will ensure continued access to skilled nursing beds in a highly utilized market as the facility was previously approved in response to a fixed need pool for the January 2023 planning horizon. AbleHearts Florida affiliated nursing homes utilization for the three most recent twelve-month periods ending on June 30 of each year and the third quarter of 2022 are shown below.

**Total Occupancy Rates for Existing AbleHearts Nursing Homes in Florida,
Most Recent Three-year Periods from July 1 to June 30, and 3rd Quarter of 2022**

Facility Name, Subdistrict	Jul 19–Jun 20		Jul 20–Jun 21		Jul 21–Jun 22		Jul 22–Sep 22	
	Pt. Days	Occup.	Pt. Days	Occup.	Pt. Days	Occup.	Pt. Days	Occup.
Lakes of Clermont Health & Rehab, 3-7 (Licensed 3-13-2020)	983	11.17%	19,464	66.66%	26,444	90.56%	7,084	96.25%
Apopka Health & Rehab*, 7-2 (Licensed 10-27-2020)	-	-	18,655	41.96%	20,743	31.57%	12,788	77.22%
The Club at Lake Gibson, 6-5 (Licensed 5- 6-2021)	-	-	-	-	25,322	57.81%	9,476	85.83%

Source: CON application #10730, Table 1-4, Page 1-9 from Florida Nursing Home Bed Need Projections by District and Subdistrict for the periods shown. Third quarter 2022 data is from AbleHearts Florida Healthcare LLC.

The applicant maintains that the development of this new facility results in higher utilization as choice and service improves with its introduction, therefore, the project is expected to increase utilization as access improves for residents of Orange County.

Health Care Access Criteria is discussed on the application's pages 1-13 and 1-14.

- 1) The need that the population served or to be served has for the health or hospice services proposed to be offered or changed, and the extent to which all residents of the district, and in particular low-income persons, racial and ethnic minorities, women, handicapped persons, other underserved groups and the elderly, are likely to have access to those services.**

Orange County SNF OPCO LLC assures its proposal will continue to serve both Medicare and Medicaid beneficiaries, representing persons receiving short-term rehabilitation and long-term care skilled nursing services.

Further, Orange OPCO confirms that it will not discriminate against persons on religious, racial, ethnic, disability, or gender and that its mission reflects service, particularly for all persons aged 65 years of age and older requiring skilled nursing care and medical management of acute or chronic conditions.

- 2) **The extent to which that need will be met adequately under a proposed reduction, elimination or relocation of a service, under a proposed substantial change in admissions policies or practices, or by alternative arrangements, and the effect of the proposed change on the ability of members of medically underserved groups which have traditionally experienced difficulties in obtaining equal access to health services to obtain needed care.**

This criterion does not apply to the project.

- 3) **The contribution of the proposed service in meeting the health needs of members of such medically underserved groups, particularly those needs identified in the applicable local health plan and state health plan as deserving of priority.**

The applicant states this provision is not applicable as state and local health plans are no longer published.

- 4) **In determining the extent to which a proposed service will be accessible, the following will be considered:**

- a) **The extent to which medically underserved individuals currently use the applicant's services, as a proportion of the medically underserved population in the applicant's service area(s), and the extent to which medically underserved individuals are expected to use those services, if approved;**

Orange County SNF OPCO LLC is a new entity created for developing and operating a new nursing home and therefore does not currently provide skilled nursing care within the subdistrict. However, the applicant asserts that its Subdistrict 7-2 affiliate, Apopka Health and Rehabilitation Center, licensed October 27, 2020, reported 13,141 Medicaid days for the most recent period ending June 30, 2022, which represents 1.7 percent of total Medicaid days reported in the subdistrict and 63.4 percent of the facility's total patient days. Orange OPCO adds that the subdistrict's 789,436 Medicaid days represented 61 percent of the subdistrict's total patient days. Further, its detailed financial forecast by payer is based on AbleHearts' experience in similar markets and will ensure access continues for Medicaid recipients.

- b) The performance of the applicant in meeting any applicable Federal regulations requiring uncompensated care, community service, or access by minorities and handicapped persons to programs receiving Federal financial assistance, including the existence of any civil rights access complaints against the applicant;**

Orange OPCO states that AbleHearts affiliates participate in Medicare and Medicaid Programs and conform to the Conditions of Participation. Further, the facilities' mission statements provide the basis for respect and dignity in the service of seniors whose conditions require skilled nursing care and medical management. AbleHearts policies and procedures stress residents' rights and prepare employees to actively assure that rights are safe-guarded in a supportive environment of care.

- c) The extent to which Medicare, Medicaid, and medically indigent patients are served by the applicant;**

The applicant reiterates that its financial forecast by payer appears behind Tab 2, Resources, Schedule 7, Projected Revenues.

- d) The extent to which the applicant offers a range of means by which a person will have access to its services.**

Orange OPCO contends that the facility's admissions coordinator will work with each individual and his or her family to review eligibility criteria and assist in identifying any financial programs for which the individual qualifies and that the financial officer will work with insurance companies, individuals, and a variety of HMO and PPO underwriters to facilitate payments either to the individual or to the facility for care.

Orange OPCO concludes that the development of the new 120-bed nursing home will improve availability and access, including that of Medicaid recipients and that its responses to the health care access criteria indicate conformity, accepting a range of payers and individuals who require skilled care and medical management for either acute or chronic conditions, consistent with the Medicare and Medicaid Programs' Conditions of Participation.

- 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? Section 408.035(3) and (10), Florida Statutes.**

As stated previously, Orange County SNF OPCO LLC is a newly formed not-for-profit limited liability company that it is affiliated with AbleHearts Florida Healthcare LLC. AbleHearts affiliates represent an organization that currently owns and operates 17 skilled nursing facilities in four states, including three in Florida, with years of experience in providing quality long term care. The applicant states that the nursing home will contract with AbleHearts, which will provide clinical support and consulting services, as well as back-office functions such as accounting, human resources, payroll, and ancillary support. Further, AbleHearts support services and comprehensive policies and procedures assure consistency and uniformity with the continuity of care, staff training and development providing the basis for tracking progress and developing ongoing monitoring of the care within each nursing home.

Orange OPCO states that it will work towards improving quality of care to reach the standards set by the American Health Care Association (AHCA) National Quality Awards. Further, two affiliated AbleHeart Florida facilities, Apopka Health and Rehabilitation Center (Orange County) and The Lakes of Clermont Health and Rehabilitation Center (Lake County) achieved the 2022 AHCWNCAL Bronze National Quality Award. Orange OPCO states that AbleHearts facilities exhibit quality and are capable of high survey ratings. Apopka Health and Rehabilitation Center and The Lakes of Clermont Health and Rehabilitation Center have four-star ratings (see CON application #10730 Exhibit 2).

Services offered at AbleHearts Florida Facilities are stated to include:

√ Alzheimer's Care	√ Orthopedic Rehab
√ Dialysis Care	√ Cardiac Rehab
√ Hospice Care	√ Infectious Disease Management
√ Respite Care	√ Stroke Management
√ Private Suites	√ Wound Care
√ Short-Term Rehab	√ Endocrine Disease Management
√ Behavior Management	

Orange OPCO states that the new facility in Orange County will predominantly offer private room accommodations containing 68 private rooms and 26 semi-private suites (52 beds) which will allow residents to benefit from a continuum of care that lets seniors age in place in an environment of care that emphasizes both comfort and privacy while also

providing support, medical, and nursing services that meet clinical standards. A list of specialty services along with support and amenity areas provided on the application's pages 6-7 through 6-9. Specialty Services include:

- Rapid Recovery Unit with specialized orthopedic, cardiac and stroke rehab programs
- Comprehensive PT, OT and SLP treatment available seven days a week
- RN/LPN licensed staff 24 hours a day, 365 days a year
- Advanced bedside diagnostics and laboratory services
- Pharmacy services
- IV therapy, TPN and tracheotomy care
- Peritoneal dialysis
- Advanced wound care programs
- Pain management programs
- Fall reduction programs
- Registered dietitian services
- Bed side dental, podiatry, and eye care services
- Structured recreational activities seven days a week
- Patient transportation

Support Areas include:

- The facility contains an administrative area in which the offices for administrative personnel and the DON office and ADON office are in each floor near the respective nurse station.
- A state-of-the-art therapy suite that includes
 - A large gym
 - private physical therapy and speech therapy rooms
 - Activities for Daily Living ("ADL") suite for evaluating a patient's safe transition to home
 - supports outpatient rehab services and includes direct access to an interior courtyard containing an occupational therapy track.
- A fully equipped kitchen and dietary storage areas, offices for the maintenance supervisor and housekeeping/laundry supervisor, laundry area, electrical rooms, staff lounge, mechanical room, and emergency generator area.
- Each wing contains a central nurse station with a main nurse desk, a medication preparation room, soiled and clean utility rooms, ample storage areas and a snack bar.
- Significant space dedicated to a variety of amenities areas that foster operating efficiency, resident independence and selection, small and large group gatherings, community interaction, organized activities, and patient privacy.

Amenities Areas include:

- A welcoming porte-cochere leading to a warm and well-appointed lobby which introduces the "resort" to the guests.
- Private admissions, administration, and meeting areas on the main floor for privacy
- Sophisticated resort style amenities while they rest, recuperate, and recover.
- A beauty salon providing spa style services
- Dining venues on each floor with chef created menus and an opportunity to enjoy meals in a variety of settings:
 - a main group dining room
 - assisted dining room
 - in-room dining

As part of its safety discussion, Orange OPCO details the aspects that foster patient independence and privacy and its description of resident-staff communication. AbleHearts mission is to "Embrace everyone as family" and to follow the Safety First, Family Always standards:

Finding solutions, together

Act with compassion

Make every moment count

Improve constantly

Laugh often

You matter

AbleHearts mission statement is—"At AbleHearts we believe that your family is our family too, and family always deserves the help they need to live better, healthier, happier lives. From simple, essential support to life-changing aid, we are here to help and embrace everyone as family."

Orange OPCO states that its mission along with the company's motto, "Love Without Limits," together reflect the core of the company's values and business principles in which the company's culture focuses on offering services without boundaries or compromise, providing personalized and holistic care plans that help meet the emotional, spiritual, physical and mental needs, treating everyone as family and showing love for patients and their families, visitors, team members, the community, and making decisions accordingly.

The applicant shares that its "Concierge" philosophy approach to patient care and the HEART method for handling complaints are part of employee training at AbleHearts and that through encouraging team members to utilize these practices, AbleHearts facilities demonstrate their commitment to upholding a high standard of care for its customers and loved ones.

HEART Method:

- **Hear:** Listen to what the client is saying without interruptions!
- **Empathize:** Let them know you understand. It's okay to say, 'I can see why that would be very frustrating', or even would feel angry too'.
- **Apologize:** It can be as simple as 'I'm sorry that this happened.' Or 'I'm sorry that we made you feel that way.'
- **Respond:** You need to share with them how you are going to respond to what they have just shared.
- **Thank:** Thank your client for taking the time to reach out and share their story.

Lastly fill out a grievance form. Write down the issue and how it was resolved. We must take credit for our actions.

The applicant's QAPI is described as follows:

Believe Balanced Assessment – identifies quality on several levels - clinical services, revenue development, financial management, people management, satisfaction, and environment. Staff develop action plans for areas that need improvement and incorporate these plans into business strategies.

Operation Make a Difference – uses the Focus Leveling Report to assist facilities in identifying opportunities to implement positive change using a team consisting of the regional president, regional director of clinical operations, regional director of operations, chief clinical officer, and SVP of clinical operations convenes to meet with facility department heads to identify items needed to bring the facility from good to great. Staff develop a plan with specific dates for accomplishment; the team monitors weekly until the "Operation" is successful.

Care Line - A toll-free Alert Line is a mechanism to respond to customer concerns and acknowledgements in which staff investigate and respond to the calls within the guidelines according to scope and severity in which the risk management team directs the investigations:

- "A Priority Reports " indicate immediate response by the facility, usually indicating deficit care which could be abuse or neglect suspicions, potential life safety or HIPAA violations.
- "B Priority Reports" indicate care matters that normally do not reflect indicators of abuse or neglect or life safety issues and may include human resources issues.
- "C Priority Reports" are strictly employee recognition or commendation.

AbleHearts Clinical **Focus Leveling System** uses a five-level point system to identify performance levels tied to key quality indicators:

- Level I (20+ points) — Much Below Average - staff implement Operation Make a Difference. AbleHearts' involvement demonstrates that the organization places a high priority on quality care, quality improvement, and organizational integrity.
- Level 2 (16-19 points) — Below Average - weekly QA/RM meetings occur, semi-weekly calls from senior leadership and consultants in addition to a daily clinical update to regional directors in addition to the ongoing quality assurance mechanisms.
- Level 3 (11-15 points) — Average - focuses on quality assurance auditing tools, with updates performed weekly and unannounced employee interviews. The facility also performs mock surveys as needed.
- Level 4 (6-10 points) — Above Average - additional focus becomes the audit tools and critical element pathways to quickly implement improvement strategies and dispute resolutions as appropriate.
- Level 5 (0-5 points) — Much Above Average - an ongoing quality assurance/risk management (QA/RM) process operates, providing a roadmap to excellence.

Orange OPCO concludes that AbleHearts' involvement demonstrates that the organization places a high priority on quality care, quality improvement, and organizational integrity and is committed to a philosophy of management that encourages continuous quality improvement through the institution of uniform standards and guidelines, the creation of quality improvement goals, and the recognition and use of evidenced based clinical pathways or "best practices" in an effort to achieve desired patient outcomes.

Orange OPCO indicates that its QAPI process has five stages of quality improvement that are part of the required Federal CMS initiatives that mandates common approach and measure for all facilities along with its company-developed Five-Stage process (summarized below) which goes beyond the mandatory requirements.

STAGE 1: Design and scope

- The QAPI effort is ongoing and comprehensive and encompasses the facility's full range of services and all departments.
- When fully implemented, the QAPI addresses clinical care, quality of life, resident choice, and care transitions with the goal to strive for safety and high quality with all clinical interventions while emphasizing autonomy and choice in daily life for residents.

- The facility utilizes the best available evidence to define and measure goals and the facility administrator forms and works with a steering committee to establish QAPI communication structures, develop the vision and mission statement, establish QAPI purpose statement and guiding principles, and develop the QAPI plan.

STAGE 2: Governance and Leadership

- The administration of the new facility develops and leads the QAPI program with input from facility staff, as well as from residents and their families and/or representatives and the governing body ensures the QAPI program is adequately resourced to both begin and continue its work.
- One or more persons become accountable for
 - developing leadership and facility-wide training on QAPI
 - ensuring staff time, equipment, and technical training as needed for QAPI
 - establishing policies to sustain the QAPI program despite changes in personnel and turnover.
- The governing body and executive leadership
 - are responsible for setting priorities for the QAPI program and building on the principles identified in the design and scope, setting expectations around safety, quality, rights, choice, and respect by balancing both a culture of safety and a culture of resident-centered rights and choice.
 - ensures that while staff are held accountable, there exists an atmosphere in which staff are not punished for errors and do not fear retaliation for reporting quality concerns.

STAGE 3: Feedback, Data Systems and Monitoring

- The facility establishes systems to monitor care and services drawing data from multiple sources to support its QAPI program and actively incorporate input from staff, residents, families, and others as appropriate including using:
 - Performance Indicators to monitor a wide range of care processes and outcomes, and review findings against benchmarks and/or targets that are established by the facility or AbleHearts to measure performance.
 - Tracking, investigating, and monitoring Adverse Events requiring investigation each time they occur, root cause analysis (RCA), and action plans developed and implemented to prevent recurrences.

STAGE 4: Performance Improvement Projects (PIPs)

- Each facility conducts PIPs to examine and improve care or services in areas identified as needing attention.

- Each PIP has a designated leader and the team that establishes a timeline and goals for the project focusing on clinical as well as non-clinical areas of operation and following the Plan, Do, Study, Act (PDSA) approach to the project which establishes the steps in a continuous system for assuring quality with ongoing identification and problem resolution.

STAGE 5: Systematic Analysis and Systematic Action

- Determines when in-depth analysis is needed to fully understand the problem, its causes, and implications of a change.
- The quality team identifies the type of data it monitors and determines the frequency with which these data are reviewed and updates it periodically.
- Data are analyzed to establish whether problems are caused or exacerbated by the way care and services are organized or delivered.
- The facility pilot tests the modifications on a smaller scale to ensure they produce the required change before implementing facility-wide changes.

Orange OPCO notes that systemic analysis also requires facility staff to be adept at using root cause analysis and other tools noting that it supports looking comprehensively across all involved systems to prevent future events and promotes sustained improvement, with a focus on continual learning and continuous improvement. The applicant reiterates that it is backed by the experienced providers of AbleHearts and thus all necessary policies and procedures will be in place to ensure the delivery and continued improvement of quality of care.

The resident council is addressed on the application's pages 2-7 and 2-8, it being defined as an independent group of families and friends of residents, who together protect and improve the quality of life for residents and provide families with a voice in decisions affecting their loved ones. The applicant adds that facility staff coordinate and attend meetings of the resident council to give residents and families the opportunity to voice concerns and make suggestions. Orange OPCO assures residents' rights encompass a resident's role within the nursing home as it pertains to their choice, safety, and quality of life and that The Resident Council ensures they are met.

Each resident has the right to:

- Civil and religious liberties.
- Organize and participate in resident groups.
- Be informed of medical condition and proposed treatment and be allowed participation in planning.

- Manage his/her own financial affairs. A quarterly accounting will be furnished to resident or legal representative.
- Visitation by any individual providing health, social, legal, or other services and the right to deny or withdraw consent at any time.
- Refuse medication and treatment and to know the consequences.
- Participate in social, religious, and community activities that do not interfere with the rights of others.
- Have copies of rules and regulations of the facility.
- Present grievances and recommend changes in policies and services free from restraint, interference, coercion, discrimination, or reprisal. Includes the right to have access to the ombudsmen and other advocacy groups.
- Information concerning bed-hold policy for hospitalization
- Examine results of recent facility inspections by federal and state agencies including the plan of correction if applicable.
- Equal access to quality of care.
- Obtain information from health record.
- Choose physician and pharmacy.
- Private and uncensored communication using telephone, mail, and email.
- Privacy in treatment and in caring for personal needs.
Confidentiality of information.
- Be fully informed, in writing and orally, of services available at the facility and of related charges for such services.
- Receive adequate and appropriate health care, protective and support services within established and recognized standards.
- Be treated courteously, fairly, and with the fullest measure of dignity and respect.
- Be transferred or discharged only for medical reasons, the welfare of other residents or nonpayment of a bill.
- Retain and use personal clothing and possessions.
- Be free from mental and physical abuse, corporate punishment, extended involuntary seclusion, and from physical and chemical restraints except those ordered by resident's physician.
- Sharing a room with a spouse or other individual, as requested.
- Receive a thirty (30) day written notice of discharge or relocation and challenge such notice.
- Safe environment.
- Notification prior to room change.
- Visitation by family members and others.

Orange OPCO notes that quality of life includes residents selecting activities they find enjoyable and reflects leisure pursuits that enrich their lives and that participation in activities establishes engagement with others and allows for creative expression in many forms. The facility's

activities director plans the range of activities based on the individual care plans and resident requests, including those offered at resident council meetings. Further, residents have multiple opportunities to participate in various forms of recreation for improving mind and body and that family members are encouraged to participate in activities and events. A list of activities the facility will offer each week are, but not limited to:

Board Games	Musical Performances
Bingo	Sing-A-Longs
Exercise	Church Services
Ice Cream Socials	Crafts
Wii Games	Armchair Travel
Movies & Snacks	Educational Seminars
Balloon Volleyball	Happy Hour
Birthday Parties	Special Holiday Celebrations

Orange OPCO concludes that it has demonstrated the capability to implement a program of quality assurance with elements that lead to continuous quality improvement and that the overall programmatic approach reflects the Safety First, Family Always standards and the motto to "Love Without Limits" and that AbleHearts' facilities demonstrate the effectiveness of the approach by seeking national recognition and Joint Commission Accreditation. AbleHearts Florida Healthcare key leadership members that will be involved in implementing this project are described in the application's TAB 3 Resources. TAB 3 also includes the recruitment and retention processes and an overview of the training and education provided to employees and volunteers, which it contends shows how attracting and maintaining a well-qualified workforce are assured.

Orange OPCO shares that AbleHearts' leadership focuses on recruitment and retention initiatives, developing new and creative ways to attract quality people offering the following types of programs:

- Mentorship Program
- Tuition reimbursement - Tuition Advancement Program
- Designated holiday events
- Employee appreciation events
- Bucket List Team Member Engagement Platform
- Bonus programs for referrals, perfect attendance, etc.
- Generous benefits package
- Annual performance and wage reviews

The reviewer notes that none of AbleHeart affiliated facilities have earned Gold Seal Award recipient status. Apopka Health and Rehabilitation Center is on the Agency Watch List. The Watch List identifies nursing homes that are operating under bankruptcy protection or met the criteria for a conditional status during the past 30 months.

AbleHearts Florida Healthcare LLC Affiliated SNF	HF Overall Inspection Star Rating	CMS Overall Rating
Apopka Health and Rehabilitation Center 35961094	★	★
Lakes of Clermont Health and Rehabilitation Center, The 35961087	★★★★★	★★★★
The Club at Lake Gibson 35961093	NR	NA

Source: <https://www.floridahealthfinder.gov/index.html> April 2020 - September 2022, and <https://www.medicare.gov/care-compare/results?searchType=NursingHome&page=1&state=FL&sort=alpha> Last Updated: November 2022 and December 7, 2022, respectively.

During the 36 months ending January 4, 2023, AbleHearts affiliated nursing homes had a total of five substantiated complaints with six compliant categories cited. Below is a table of the substantiated complaints by the applicable complaint category.

**Orange County SNF OPCO LLC Affiliates
Substantiated Complaint History by Category
36 Months Ending January 4, 2023**

Complaint Category	Number Substantiated
Quality of Care/Treatment	3
Resident/Patient/Client Rights	1
Elopement	1
Administration/Personnel	1
Total	6

Source: AHCA Substantiated Complaint History.

c. What resources, including health manpower, management personnel and funds for capital and operating expenditures, are available for project accomplishment and operation? Section 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 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. The applicant provided audited financial statements of a third-party financier, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON 10730 AbleHearts Florida Healthcare, LLC & Subs (3rd party)	
	Dec-21
Current Assets	\$6,755,252
Total Assets	\$11,539,735
Current Liabilities	\$2,917,864
Total Liabilities	\$3,029,036
Net Assets	\$8,510,699
Total Revenues	\$15,565,678
Excess of Revenues Over Expenses	(\$5,734,902)
Cash Flow from Operations	(\$7,765,819)
Short-Term Analysis	
Current Ratio (CA/CL)	2.3
Cash Flow to Current Liabilities (CFO/CL)	-266.15%
Long-Term Analysis	
Long-Term Debt to Net Assets (TL-CL/NA)	1.3%
Total Margin (ER/TR)	-36.84%
Measure of Available Funding	
Working Capital	\$3,837,388

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 \$31,844,500, which includes this project only. In addition to the capital costs, the applicant will have to finance a projected year one operating loss of \$1,910,300.

The applicant states on Schedule 3 that funding for this project will come from non-related company financing. The applicant provided a letter, dated December 1, 2022, from AbleHearts stating they would provide construction financing. The applicant also provided audited financial statements from Ablehearts showing only \$529,180 in cash, a negative cash flow from operations and only \$3,837,388 in working capital. In

addition, AbleHearts is providing construction financing for two other CONs under review for a total (including this CON) of \$72,445,200. The applicant also submitted a letter of interest from Greystone Housing Impact Investors, LP. A letter of interest does not mean funding will be available.

Conclusion:

Funding for this project is in question.

d. What is the immediate and long-term financial feasibility of the proposal? Section 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 3rd Quarter 2022, 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	16,330,700	404	487	401	331
Total Expenses	15,988,700	395	476	405	327
Operating Income	342,000	8	34	3	-52
Operating Margin	2.09%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	40,431	92.31%	97.35%	90.84%	65.55%
Medicaid	21,801	53.92%	63.89%	54.90%	44.03%
Medicare	16,648	41.18%	40.13%	21.42%	4.91%

Staffing:

Section 400.23(3)(b)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.0 hours of direct care per resident per day, a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day, and 3.6 hours of total direct care staffing. 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? Section 408.035 (7), F.S.

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's 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? Section 408.035 (8), Florida Statutes; Chapter 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 building construction type was not specified in the application, but based on limited the description of materials and the minimum code requirements, the FBC construction is presumed to be Type II-A. The applicant also does not address site specific requirements for disaster preparedness. These and other requirements will be verified by the Agency during future examination of more developed plans. 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? Section 408.035(9), Florida Statutes

Orange County SNF OPCO states it is a developmental stage enterprise established for the purpose of applying for a certificate of need to construct and operate a community nursing home. The 120-bed facility is projected to have 12,510 Medicaid Managed Care patient days during the 12 months ending June 30, 2026 and 21,801 in year two ending June 30, 2027 (53.9 percent of each year's total annual patient days).

**Orange County SNF OPCO LLC
Payor Mix
First Two Years of Operations**

Payer	Year One July 1, 2025 - June 30, 2026		Year Two July 1, 2026 - June 30, 2027		Years One and Two Percent of Revenue
	Admits	Days	Admits	Days	
Self-pay	19	1,137	34	1,982	4.9%
Medicaid	35	12,510	60	21,801	53.9%
Medicare	498	9,553	867	16,648	41.2%
Total	552	23,200	961	40,431	100.0%

Source: CON application #10730, Table 7-2, Page 7-2 and Schedule 7, Tab 3.

Orange County SNF OPCO, LLC states AbleHearts Florida affiliated facilities provided 37,298 Medicaid patient days (52.38 percent of their total annual patient days) during the 12 months ending June 30, 2022.

**Medicaid Occupancy Rates for Existing AbleHearts Nursing Homes in Florida,
Most Recent Three-year Periods from July 1 to June 30**

Facility Name, Subdistrict	Jul 19 - Jun 20		Jul 20 - Jun 21		Jul 21 - Jun 22	
	Med. Days	Occup.	Med. Days	Occup.	Med. Days	Occup.
Lakes of Clermont (Licensed 3-13-2020)	20	2.03%	5,933	30.48%	9,592	36.27%
Apopka Health & Rehab, 7-2 (Licensed 10-27-2020)	-	-	12,678	67.96%	13,141	63.35%
The Club at Lake Gibson, 6-5 (Licensed 5-6-2021)	-	-	-	-	14,565	57.52%
Total	20	2.03%	18,611	49.22%	37,298	52.38%

Source: CON application #10730, Table 7-1, Page 7-2.

F. SUMMARY

Orange County SNF OPCO LLC (CON application #10730) proposes the transfer of CON #10661 from Avante at Orange County LLC which was approved to establish a 120-bed community nursing home District 7, Subdistrict 7-2 (Orange County).

The project consists of 70,926 GSF of new construction. Total project is \$31,844,500.

Orange County SNF OPCO LLC expects issuance of license in June 2025 and initiation of service in July 2025.

The applicant proposes two conditions to the approval of the project.

Need

- The application is the transfer of CON #10661 and is not in response to the fixed need pool.

- As of August 12, 2022, Subdistrict 7-2 has 36 licensed community nursing homes with a total of 4,368 licensed community nursing home beds and 311 approved beds.
- Subdistrict 7-2 facilities averaged 83.69 percent total occupancy during the six-months ending June 30, 2022.
- The project will not change the number of licensed and approved nursing home beds in the subdistrict.

Quality of Care

- The applicant provided a detailed description of its ability to provide quality care.
- Agency records indicate that for the three-year period ending January 4, 2023, AbleHearts Florida affiliated nursing homes had five substantiated complaints.

Financial Feasibility/Availability of Funds

- Funding for this project is in question.
- Based on the information provided in Schedule 6, the applicant meets staffing standards
- 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 priced-based competition to promote quality and cost-effectiveness.

Architectural

- The applicant submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria.
- The cost estimate and the project completion forecast 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/Charity Care

- Orange County SNF OPCO LLC is a development stage entity but notes that during “FYE June 30, 2022” AbleHeart’s Florida affiliate facilities provided 52.38 percent of their total patient days to Medicaid patients.
- Orange OPCO projects the 120-bed facility will provide 53.9 percent year one and two (ending June 30, 2026, and June 30, 2027) total annual patient days to Medicaid HMO patients.

G. RECOMMENDATION

Approve CON #10730 to transfer CON #10661 from Avante at Orange County LLC to establish a new 120-bed community nursing home in District 7, Subdistrict 2, Orange County. The total project cost is \$31,844,500. The project involves 70,926 GSF of new construction and a construction cost of \$20,213,900.

CONDITIONS:

- 1) The applicant will implement systems, policies, and procedures to reduce hospital admissions and readmissions.
- 2) The applicant will maintain a COVID-19 specific infectious disease policy and procedure.
- 3) The applicant will regularly train all employees on how to handle a pandemic situation as it relates to infection control protocols and procedures, and minimizing the risk of transmission.

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: January 31, 2023



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