

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

**A. PROJECT IDENTIFICATION**

1. Applicant/CON Action Number

**Pinellas SNF OPCO LLC/CON application #10731**

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 5/Subdistrict 5-2 (Pinellas County, Florida)

**B. PUBLIC HEARING**

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

**C. PROJECT SUMMARY**

**Pinellas SNF OPCO LLC (CON application #10731)**, also referenced as the applicant or Pinellas OPCO, is a newly formed not-for-profit limited liability company established on October 26, 2022, that proposes the transfer of CON #10664 from Pinellas NH LLC which was approved to establish a 120-bed community nursing home in District 5, Subdistrict 5-2 (Pinellas County). The proposed facility will be located at 1101 66th Street North, St. Petersburg, Florida 33710.

Pinellas OPCO states that the facility 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 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 89,155 gross square feet (GSF) of new construction. Construction cost is \$25,398,100. Total project cost, which includes land, building, equipment, project development, financing, and start-up costs is \$34,191,200.

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

Pinellas SNF OPCO LLC proposes the following conditions which are identical to the original CON #10664:

1. Locate adjacent to and developed in coordination with American House Senior Living Campus-St. Petersburg whose address is 1101 66th Street North, St. Petersburg, Florida 33710
2. The facility will include 84 private resident rooms, including four private bariatric rooms.
3. Provide specialized programs designed to enhance patient well-being, reduce recovery times and reduce re-hospitalizations, including:
  - Rapid Recovery Unit with specialized orthopedic, cardiac and stroke rehab programs
  - RN/LPN licensed staff 24 hours a day, 365 days a year
  - Comprehensive PT, OT and SLP treatment available 7 days a week
  - ADL – “safe to home” program
  - Advanced wound care programs
  - Pain management programs
  - Fall reduction programs
  - Coordination with local Home Health Agencies for seamless return to home transitions

**Total GSF and Project Costs of CON application #10731**

<b>Applicant</b>	<b>CON app. #</b>	<b>Project</b>	<b>GSF</b>	<b>Project Costs</b>	<b>Cost Per Bed</b>
Pinellas SNF OPCO LLC	10731	120-bed SNF	89,155	\$34,191,200	\$284,927

Source: CON application #10731, Schedule 9, Tab 6, page 6-7.

*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 #10731 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 5-2 (Pinellas County) will remain unchanged.

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

As of August 12, 2022, Subdistrict 5-2 had 7,665 licensed and 299 approved community nursing home beds. The subdistrict's nursing homes reported 77.65 percent for the 12-month and 68.78 percent total occupancy during the six-month periods ending June 30, 2022. Subdistrict 5-2 community nursing home occupancy for the 12 months ending June 30, 2022, is shown in the table below.

**Subdistrict 5-2, Pinellas County  
Community Nursing Home Utilization  
12-months ending June 30, 2022**

<b>Facility</b>	<b>Community SNF Beds</b>	<b>Community SNF Bed Days</b>	<b>Patient Days</b>	<b>Total Occupancy</b>
Abbey Rehabilitation and Nursing Center	152	55,480	43,546	78.49%
Advanced Care Center	120	43,800	37,573	85.78%
Alhambra Health and Rehabilitation Center	60	21,900	20,003	91.34%
Alpine Health and Rehabilitation Center	57	20,805	19,338	92.95%
Apollo Health and Rehabilitation Center	99	36,135	31,748	87.86%
Balanced Healthcare	299	109,135	75,980	69.62%
Bardmoor Oaks Healthcare and Rehabilitation Center	158	57,670	42,427	73.57%
Bay Pointe Nursing Pavilion	120	43,800	38,026	86.82%
Bayside Care Center	92	33,580	28,961	86.24%
Belleair Health Care Center	120	43,800	38,899	88.81%
Boca Ciega Center	120	43,800	36,138	82.51%
Bon Secours Maria Manor Nursing Care Center	274	100,010	76,446	76.44%
Care Center at Pinellas Park, The	120	43,800	40,422	92.29%
Carrington Place of St Pete	120	43,800	35,403	80.83%
Clearwater Center	120	43,800	34,381	78.50%
Concordia Manor	39	14,235	12,216	85.82%
Countryside Rehab and Healthcare Center	120	43,800	26,602	60.74%
Dunedin Care Center f/k/a Cross Terrace Rehabilitation Center	104	37,960	23,216	61.16%
Eagle Lake Nursing and Rehab Care Center	59	21,535	13,704	63.64%
East Bay Rehabilitation Center	120	43,800	40,525	92.52%
Egret Cove Center	120	43,800	32,565	74.35%
Freedom Square Health Care Center	116	42,340	34,432	81.32%
Gateway Care Center	120	43,800	38,816	88.62%
Golfview Healthcare Center	56	20,440	16,663	81.52%
Gulf Shore Care Center	120	43,800	30,650	69.98%
Gulfport Rehabilitation Center	126	45,990	33,610	73.08%
Harbourwood Care Center	120	43,800	38,967	88.97%
Health and Rehabilitation Centre at Dolphins View	58	21,170	16,394	77.44%
Highland Pines Rehabilitation Center	120	43,800	39,314	89.76%
Kensington Gardens Rehab and Nursing Center	150	54,750	45,107	82.39%
KR at College Harbor	52	18,980	15,186	80.01%
Lakeside Oaks Care Center	93	33,945	29,331	86.41%
Laurellwood Care Center	60	21,900	17,583	80.29%
Lexington Health and Rehabilitation Center	159	58,035	53,614	92.38%
Living Center of Safety Harbor	120	43,800	29,548	67.46%
Living Center of St. Petersburg	120	43,800	30,778	70.27%
Marion and Bernard L Samson Nursing Center	180	65,700	47,108	71.70%
Morton Plant Rehabilitation Center	126	45,990	30,846	67.07%
North Rehabilitation Center	45	16,425	15,768	96.00%
Oak Manor Healthcare & Rehabilitation Center	180	65,700	46,076	70.13%
Oaks of Clearwater, The	60	21,900	17,768	81.13%
Orchid Cove at Clearwater	120	43,800	28,300	64.61%
Orchid Cove at Oldsmar	76	27,740	18,015	64.94%
Orchid Cove at Palm Harbor	120	43,800	25,327	57.82%
Orchid Cove at Palm Harbor	120	43,800	29,299	66.89%

**Subdistrict 5-2, Pinellas County  
Community Nursing Home Utilization  
12-months ending June 30, 2022**

<b>Facility</b>	<b>Community SNF Beds</b>	<b>Community SNF Bed Days</b>	<b>Patient Days</b>	<b>Total Occupancy</b>
Palm Garden of Clearwater	165	60,225	49,983	82.99%
Palm Garden of Largo	140	51,100	45,220	88.49%
Palm Garden of Pinellas	120	43,800	36,043	82.29%
Peninsula Care and Rehabilitation Center	120	43,800	38,931	88.88%
Pinellas Point Nursing and Rehab Center	60	21,900	19,452	88.82%
Promedica Skilled Nursing and Rehabilitation (Dunedin)	120	43,800	35,742	81.60%
Promedica Skilled Nursing and Rehabilitation (Palm Harbor)	180	65,700	52,383	79.73%
Regency Oaks Health Center	60	21,900	13,924	63.58%
Sabal Palms Health and Rehabilitation	210	76,650	62,368	81.37%
Seminole Pavilion Health Center	120	43,800	31,996	73.05%
Shore Acres Care Center	109	39,785	36,249	91.11%
South Heritage Health & Rehabilitation Center	74	27,010	22,244	82.35%
Springs at Boca Ciega Bay	109	39,785	34,147	85.83%
St. Mark Village Inc.	60	21,900	11,836	54.05%
St Petersburg Nursing & Rehabilitation	96	35,040	29,419	83.96%
Stratford Court of Palm Harbor (Inactive license)	60	21,900	0	0.00%
Tarpon Bayou Center	120	43,800	31,143	71.10%
The Cedar at Mease Life	70	25,550	11,108	43.48%
Tierra Pines Center	120	43,800	42,016	95.93%
Westchester Gardens Health & Rehabilitation	120	43,800	30,930	70.62%
Westminster Palms	42	15,330	10,845	70.74%
Westminster Suncoast	120	43,800	32,006	73.07%
Wrights Healthcare and Rehabilitation Center	60	21,900	17,872	81.61%
<b>Total</b>	<b>7,665</b>	<b>2,797,725</b>	<b>2,172,476</b>	<b>77.65%</b>

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, 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 5-2 (Pinellas County) had 68 licensed SNFs with 7,665 licensed and 299 approved community nursing home beds. Subdistrict 5-2 community nursing homes reported 68.78 percent total occupancy during the six months ending June 30, 2022, which exceeded the State's 77.59 percent.

Pinellas 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. Pinellas SNF OPCO LLC notes that Subdistrict 5-2 with 68 licensed community nursing homes is the largest nursing home subdistrict in terms of number of facilities and its 7,665 licensed bed count is second only to Subdistrict 11-1, Miami-Dade's 8,255 beds in 53 facilities.

Pinellas OPCO states that as of January 2022, there were 265,029 residents aged 65 and over, representing 26.69 percent of the total population of 992,891 and that projected population estimates show that within five years, the elderly population with the age cohort of 65 years and older is expected to increase by 39,521 or 14.91 percent, reaching 304,550 by January 2027. Further, that the number of seniors will represent 29.86 percent of the projected total population of 1,020,060 compared to the 23.22 percent of seniors making up the total state population.

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  
Pinellas County and Florida, 2022-2027**

Area	January 2022 Population Estimates			January 2022 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
<b>Pinellas County</b>	727,862	265,029	992,891	73.31%	26.69%	100%
<b>Florida</b>	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
<b>Pinellas County</b>	715,510	304,550	1,020,060	70.14%	29.86%	100%
<b>Florida</b>	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	Total
<b>Pinellas County</b>	-12,352	39,521	27,169	-1.70%	14.91%	2.74%
<b>Florida</b>	641,596	810,387	1,451,983	3.67%	17.34%	6.55%

Source: CON application #10731, page 1-2, Table 1-1, from AHCA Population Estimates and Projections, September 2021.

The applicant concludes that the senior population growth shows that additional nursing home beds are needed to ensure availability in the future. Pinellas SNF OPCO LLC states that Subdistrict 5-2's community nursing home occupancy rate in the years prior to pandemic averaged 87 percent before falling to 79.4 percent during the pandemic but that for the year of 2021, Pinellas County had an occupancy rate of 76 percent.

Pinellas OPCO contends that comparatively, Pinellas County averaged approximately 87 percent occupancy, while the statewide community nursing home occupancy for the same period three years prior to the pandemic averaged 77.5 percent. In CY 2021, Pinellas County averaged 76 percent compared to the state average of 73 percent. The applicant adds that in the most recent 12 months ending June 30, 2022, Pinellas County had an occupancy rate of 77.65 percent showing that occupancy rates are returning to pre-pandemic levels.

Pinellas SNF OPCO LLC argues that within a 15-mile radius of the proposed project, the occupancy rate of existing nursing homes was 80.55 percent, higher than the statewide occupancy rate of 75.49 percent showing that the demand is higher at facilities in the local area which limits availability therefore the addition of the 120 new beds to the area remedies this need.

The applicant states that the large concentration of seniors within the subdistrict has a higher nursing home use rate than the state and that the facilities within a 15-mile radius of the proposed site reported 1,776,645 nursing home patient days during the 12 months ending June 30, 2022, or 8,719 days per thousand residents aged 65 and older, compared to the District 5 rate of 6,923 days per 1,000 and the statewide rate of 4,705 days per 1,000. Pinellas OPCO asserts that the new AbleHearts skilled nursing facility being located on a senior living campus provides a continuum of care to its residents, in addition to area residents and is the best use of available resources, complementing those already available to area residents.

Table 1-2 is provided on page 1-3 using Claritas Population Estimates by County and Zip Code AHCA's Florida Nursing Home Utilization by District and Subdistrict, July 2021-June 2022 beds, and patient days per thousand of resident age 65 and over.



**Number of Licensed Beds and Patient Days Per Thousand  
Resident Age 65 and Over July 2021- June 2022**

	<b>2022 Population 65+</b>	<b>Licensed Beds 7/1/2022</b>	<b>Patient Days (7/21-6/22)</b>	<b>Patient Days per 1,000</b>	<b>Total Occupancy</b>
<b>15-Mile Radius (Pinellas Only)</b>	<b>203,765</b>	<b>6,212</b>	<b>1,776,645</b>	<b>8,719</b>	<b>80.55%</b>
Subdistrict 5-2	262,368	7,665	2,172,476	8,280	77.65%
District 5	399,246	9,719	2,763,929	6,923	77.91%
Florida	4,849,708	83,011	22,817,381	4,705	75.49%

Source: CON application #10731, page 1-3, Table 1-12, from Claritas Population Estimates by County and Zip Code and Florida Nursing Home Utilization by District and Subdistrict published September 30, 2022.

Pinellas SNF OPCO LLC shares that it is associated with AbleHearts Consulting Services LLC and the project will benefit from 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. Pinellas 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.

Pinellas SNF OPCO LLC confirms that it is committed to the highest standards of care as well as to an environment conducive to restorative nursing care. Accessibility the applicant informs, refers to how readily the population to be served can get to the facility and that the components of access include geographic impediments, distance, time to travel, and eligibility criteria for qualifying for the service and considerations such as financial cost and methods of reimbursement from third parties. The applicant adds that another overlapping factor is utilization because a full bed is not accessible if a person must be placed.

Pinellas SNF OPCO LLC discussion of Geographic Access presents Figure 1-1 on page 1-5 showing the 20-minute drive time contour with hospital and nursing home locations identified, demonstrating that the majority of the population within the 10-mile radius are within a 20-minute driving distance to the proposed site, with five hospitals well within that range and two more just beyond it.

The applicant states it will participate in both Medicare and Medicaid programs and will seek contracts with managed care providers and commercial insurance companies. Pinellas OPCO contends that having a

variety of payment options allows 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 and it will make every effort 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. The applicant adds that affiliates in the area have long-standing relationships with several Medicare and Medicaid managed care providers, assuring the project will be able to contract with a variety of providers and managed care organizations.

Pinellas SNF OPCO LLC found that the hospitals within an approximate 10-mile radius reported 8,404 acute care discharges to skilled nursing facilities within Pinellas County in from 2021, representing 56 percent of the total 15,041 nursing home discharges from all Pinellas County hospitals. The applicant states that access issues are evident, especially for short-term rehabilitative care and offers that its analysis determined that 2,775 cases were associated with MDC 8, Musculoskeletal System, including joint replacements and fractures; 2,134 cases were associated with infectious and parasitic diseases, including COVID-19, 1,871 cases were associated with cardiac patients, 1,765 cases were associated with NIDC 4, respiratory system illness, and 1,655 cases were associated with kidney and urinary tract diseases and disorders.

**Discharges to Nursing Homes for Pinellas County Adult Residents, for 2021, From  
All Pinellas Hospitals, and Hospitals within an Approximate 10-Mile Radius**

Major Diagnostic Category (MDC)	Selected Hospitals*		All Pinellas Hospitals	
	Cases	Percent	Cases	Percent
08 Diseases & Disorders of the Musculoskeletal System & Conn Tissue	1,448	17.23%	2,775	18.45%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	1,317	15.67%	2,134	14.19%
05 Diseases & Disorders of the Circulatory System	1,040	12.38%	1,871	12.44%
04 Diseases & Disorders of the Respiratory System	940	11.19%	1,1765	11.73%
11 Diseases & Disorders of the Kidney & Urinary Tract	860	10.23%	1,655	11.00%
01 Diseases & Disorders of the Nervous System	790	9.40%	1,470	9.77%
06 Diseases & Disorders of the Digestive System	540	6.43%	977	6.50%
10 Endocrine, Nutritional and Metabolic Diseases & Disorders	386	4.59%	654	4.35%
09 Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	221	2.63%	382	2.54%
07 Diseases & Disorders of the Hepatobiliary System & Pancreas	146	1.74%	225	1.50%
19 Mental Diseases & Disorders	131	1.56%	177	1.18%
23 Factors Influencing Hlth Status & Other Contacts with Hlth Status	109	1.30%	186	1.24%
16 Diseases & Disorders of the Blood, Blood-Forming Organs, Immunolog Disorders	103	1.23%	165	1.10%
Immunolog Disorders				
21 Injuries, Poisonings & Toxic Effects of Drugs	81	0.96%	149	0.99%
00 Pre MDC	78	0.93%	128	0.85%
20 Alcohol/Drug Use & Alcohol/Drug-Induced Organic Mental Disorders	61	0.73%	80	0.53%
24 Multiple Significant Trauma	52	0.62%	77	0.51%
03 Diseases & Disorders of the Ear, Nose, Mouth & Throat	28	0.33%	44	0.29%
25 Human Immunodeficiency Virus Infections	18	0.21%	21	0.14%
13 Diseases & Disorders of the Female Reproductive System	17	0.20%	25	0.17%
12 Diseases & Disorders of the Male Reproductive System	14	0.17%	30	0.20%
17 Myeloproliferative Diseases & Disorders, Poorly Differentiated Neoplasm	14	0.17%	37	0.25%
02 Diseases & Disorders of the Eye	8	0.10%	12	0.08%
22 Burns	1	0.01%	1	0.01%
Invalid	1	0.01%	1	0.01%
<b>Grand Total</b>	<b>8,404</b>	<b>100.00%</b>	<b>15,041</b>	<b>100.00%</b>

Source: CON application #10731, Table 1-3, Page 1-7 from CY 2021 AHCA Hospital Discharge Data.

The applicant asserts that the top five major diagnostic categories (10,200 cases) represent 67.8 percent of all cases discharged to nursing homes from hospitals in Pinellas County. Pinellas 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 (84) will be private, allowing residents with infectious diseases and illnesses to remain isolated during recovery. The applicant confirms that the facility will ensure programs are in place to treat and rehabilitate those needed most.

The applicant argues that the opportunity to place beds in a new facility will ensure continued access to skilled nursing beds in a highly utilized market and that the need is demonstrated since the facility was previously approved in response to a fixed need pool for the July 2022 planning horizon. In addressing extent of utilization, Pinellas OPCO states that the most recent year's and six-month occupancy rates demonstrate that occupancy rates are on the rise, higher than the statewide rate and are expected to return to the higher rates as seen prior to the pandemic. See the table below for the historic utilization of the subdistrict for the past four years, including two years prior to the pandemic in 2020.

**Community Nursing Home Bed Utilization  
Subdistrict 5-2**

<b>Subdistrict 5-2, Pinellas</b>	<b>7/1/17 - 6/30/2018</b>	<b>7/1/18 - 6/30/2019</b>	<b>7/1/19 - 6/30/2020</b>	<b>7/1/20 - 6/30/2021</b>	<b>7/1/21 - 6/30/2022</b>
Patient Days	2,431,102	2,455,021	2,410,678	2,122,383	2,172,476
Occupancy	86.74%	87.59%	85.31%	75.28%	77.65%
Medicaid Days	1,591,926	1,655,165	1,672,916	1,430,294	1,441,376
Medicaid Occupancy	65.48%	67.42%	68.41%	67.39%	66.35%

Source: CON application #10731, Table 1-4, Page 1-8, from Florida Nursing Home Bed Need Projections by District and Subdistrict for the periods shown.

Pinellas SNF OPCO LLC notes that Pinellas County is the most densely populated county with nursing care facilities being distributed throughout the planning area with many of these being landlocked and unable to expand. The applicant contends that with increased occupancy rates, these facilities are beginning to exceed occupancy rates of 95 percent, which would allow them to qualify for a bed addition of 10 percent of their licensed capacity, but that property restraints prevent them from doing so. Pinellas OPCO argues that the current facilities within a five-mile radius of the proposed site do not all have the capability to expand on their property and cannot continue to meet Pinellas County's rising need for skilled nursing beds and offers the table below to support its contention that occupancy rates are higher than the subdistrict average within the five-mile radius of the proposed site, averaging over 80 percent.

**Nursing Home Utilization for Facilities within a Five-Mile Radius of the Proposed Site July 2021—June 2022**

<b>FACILITY NAME</b>	<b>Beds</b>	<b>Days</b>	<b>Occup.</b>
ALHAMBRA HEALTHCARE & REHABILITATION CENTER	60	20,003	91.34%
ALPINE HEALTH AND REHABILITATION CENTER	57	19,338	92.95%
APOLLO HEALTHCARE & REHABILITATION CENTER	99	31,748	87.86%
BALANCED HEALTHCARE	299	75,980	69.62%
BAY POINTE NURSING PAVILION	120	38,026	86.62%
BAYSIDE CARE CENTER	92	28,961	86.24%
BOCA CIEGA CENTER	120	36,138	82.51%
EAGLE LAKE NURSING AND REHAB CARE CENTER	59	13,704	63.64%
EGRET COVE CENTER	120	32,565	74.35%
GOLFVIEW HEALTHCARE CENTER	56	16,663	81.52%
GULF SHORE CARE CENTER	120	30,650	69.98%
GULFPORT REHABILITATION CENTER	126	33,610	73.08%
HEALTH AND REHABILITATION CENTRE AT DOLPHINS VIEW	58	16,394	77.44%
KR AT COLLEGE HARBOR	52	15,186	80.01%
LAURELLWOOD FL OPCO, LLC	60	17,583	80.29%
LEXINGTON HEALTHCARE AND REHABILITATION CENTER	159	53,614	92.38%
LIVING CENTER OF ST. PETERSBURG	120	30,778	70.27%
MARION AND BERNARD L SAMSON NURSING CENTER	180	47,108	71.70%
NORTH HEALTHCARE AND REHABILITATION CENTER	45	15,768	96.00%
SPRNGS AT BOCA CIEGA BAY	109	34,147	85.83%
<b>Five-Mile Radius Total</b>	<b>2,111</b>	<b>607,964</b>	<b>80.68%</b>

Source: CON application #10731, Table 1-5, Page 1-9, from Florida Nursing Home Bed Need Projections by District and Subdistrict, September 30, 2022.

Pinellas OPCO states that AbleHearts' existing Florida facilities are able to increase utilization and presents the table below showing AbleHearts' affiliates three most recent 12-month periods ending on June 30 of each year.

**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**

<b>Facility Name, Subdistrict</b>	<b>Jul 19–Jun 20</b>		<b>Jul 20–Jun 21</b>		<b>Jul 21–Jun 22</b>		<b>Jul 22–Sep 22</b>	
	<b>Pt. Days</b>	<b>Occup.</b>	<b>Pt. Days</b>	<b>Occup.</b>	<b>Pt. Days</b>	<b>Occup.</b>	<b>Pt. Days</b>	<b>Occup.</b>
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 #10731, Table 1-6, Page 1-10, from Florida Nursing Home Bed Need Projections by District and Subdistrict for the periods indicated. Third quarter 2022 data is from AbleHearts Florida Healthcare LLC.

Pinellas SNF OPCO LLC assures that new facility development results in higher utilization as choice and service improves with the introduction of a new facility or facilities. Further, the proposed project is expected to increase utilization as access improves for residents of Pinellas County

adding that the facility will be located on a new senior living campus with independent and assisted living residences which further ensures that the project provides the best opportunity to deploy available resources.

The applicant provides three graphs using the Agency's Florida Nursing Home Bed Need Projections by District and Subdistrict and AbleHearts Florida Healthcare LLC census data from July to December 2021 and July to September 2022 to illustrate the occupancy rates of each facility by quarter since initiation of service. Pinellas SNF OPCO LLC maintains that new facility development of a new facility will result 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 Pinellas County.

Pinellas SNF OPCO LLC concludes that the proposed location is proximate to seven area hospitals which improves access to the 265,029 seniors aged 65 and over in the subdistrict. Further, the development of a new 120-bed nursing home improves both 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.

Health Care Access Criteria is discussed on the application's pages 1-14 and 1-15.

- 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.**

Pinellas 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. The applicant 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;**

Pinellas 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. Pinellas SNF OPCO LLC adds that the subdistrict reflects a total of 1,441,376 Medicaid days, or 66 percent of total resident days with the average daily census of Medicaid recipients is 3,649 out of a total average daily census of 5,952 persons. Further, its detailed financial forecast 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;**

Pinellas SNF OPCO LLC 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. AbleHearts policies and procedures that 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;**

Pinellas SNF OPCO LLC reiterates that its financial forecast by payer appears behind Tab 3, 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.**

The applicant contends that the proposed 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.

Pinellas 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, Pinellas SNF OPCO LLC is a newly formed not-for-profit limited liability company that proposes to construct and operate a 120-bed community nursing home. AbleHearts (Pinellas OPCO's management company) 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. AbleHearts 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 will 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.

Pinellas 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. Pinellas 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 #10731 Exhibit 1).

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	

Pinellas OPCO states that the new facility in Pinellas County will predominantly offer private room accommodations containing 84 private rooms and 18 semi-private suites (36 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 6-9 and 6-10. 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:
  - main group dining room
  - private dining rooms
  - casual, social bistro
  - in-room dining is also available
  - snack bar at each floor with readily accessible nourishing food selections.
  - multiple and varied social and recreational spaces are available on each floor for resident and staff interaction
  - movie theater with state-of-the-art video and audio equipment.

As part of its safety discussion, the applicant 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:

**F**inding solutions, together

**A**ct with compassion

**M**ake every moment count

**I**mprove constantly

**L**augh often

**Y**ou 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."

Pinellas 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 included as 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.

Pinellas SNF OPCO LLC contends that AbleHearts has developed and implemented organization-specific programs that promote delivery of quality care that is needed with the increased complexity of the long-term care environment, along with the growing demands and expectations on the regulatory process.

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
- 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.

The applicant 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.

Pinellas 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 Quality Assurance and Performance Improvement (QAPI) effort is ongoing and comprehensive that encompasses the facility's full range of services and includes 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 the steering committee and then works with the steering committee to establish communication structures for QAPI, develop the vision and mission statement, establish a purpose statement and guiding principles for the QAPI, 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 QAPI
  - 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 PP 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.

Pinellas 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 page 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. Pinellas 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.

Pinellas 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

Pinellas 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 the facilities within the AbleHearts' network demonstrate the effectiveness of the approach by seeking national recognition. AbleHearts Florida Healthcare corporate 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.

Pinellas OPCO states 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 AbleHearts 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.

<b>AbleHearts Florida Healthcare LLC Affiliated SNF</b>	<b>HF Overall Inspection Star Rating</b>	<b>CMS Overall Rating</b>
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 complaint categories cited. Below is a table of the substantiated complaints by the applicable complaint category.

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

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

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.

<b>CON 10731 Ablehearts Florida Healthcare, LLC &amp; Subs (3rd party)</b>	
	<b>Dec-21</b>
Current Assets	\$6,755,252
Total Assets	\$11,539,735
Current Liabilities	\$2,917,864
Total Liabilities	\$3,029,036
Net Assets	<b>\$8,510,699</b>
Total Revenues	\$15,565,678
Excess of Revenues Over Expenses	<b>(\$5,734,902)</b>
Cash Flow from Operations	<b>(\$7,765,819)</b>
<b>Short-Term Analysis</b>	
Current Ratio (CA/CL)	<b>2.3</b>
Cash Flow to Current Liabilities (CFO/CL)	<b>-266.15%</b>
<b>Long-Term Analysis</b>	
Long-Term Debt to Net Assets (TL-CL/NA)	<b>1.3%</b>
Total Margin (ER/TR)	<b>-36.84%</b>
<b>Measure of Available Funding</b>	
Working Capital	<b>\$3,837,388</b>

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

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$34,191,200, which includes this project only. In addition to the capital costs, the applicant will have to finance a projected year one operating loss of \$1,932,300.

The applicant states on Schedule 3 that funding for this project will come from cash on hand (\$85,700) and non-related company financing (\$34,105,500). 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	16,468,400	408	471	403	335
Total Expenses	16,096,900	399	512	401	328
Operating Income	371,500	9	48	2	-52
Operating Margin	2.26%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	40,329	92.08%	97.35%	89.84%	65.55%
Medicaid	20,165	50.00%	59.92%	51.82%	41.98%
Medicare	16,938	42.00%	44.13%	23.84%	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), 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'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 applicant also does not address site specific requirements for disaster preparedness. This 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**

Pinellas SNF OPCO LLC 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 11,739 Medicaid Managed Care patient days during the 12 months ending June 30, 2026 and 20,165 in year two ending June 30, 2027 (50.0 percent of each year's total annual patient days).

**Admissions, Days, and Percent of Days by Payer for Pinellas SNF OPCO LLC  
First Two Years of Operations**

<b>Payer</b>	<b>Year One July 1, 2025 - June 30, 2026</b>		<b>Year Two July 1, 2026 - June 30, 2027</b>		<b>Percent of Days</b>
	<b>Admits</b>	<b>Days</b>	<b>Admits</b>	<b>Days</b>	
Self-pay	32	1,878	54	3,226	8.0%
Medicaid Managed Care	33	11,739	56	20,165	50.0%
Medicare & Medicare HMO	516	9,860	886	16,938	42.0%
<b>Total</b>	<b>581</b>	<b>23,477</b>	<b>996</b>	<b>40,329</b>	<b>100.0%</b>

Source: CON application #10731, Table 7-2, Page 7-2 and Schedule 7, Tab 3.

The applicant states that 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**

	Jul 19 - Jun 20		Jul 20 - Jun 21		Jul 21 - Jun 22	
<b>Facility Name, Subdistrict</b>	<b>Med. Days</b>	<b>Occup.</b>	<b>Med. Days</b>	<b>Occup.</b>	<b>Med. Days</b>	<b>Occup.</b>
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%
<b>Total</b>	<b>20</b>	<b>2.03%</b>	<b>18,611</b>	<b>49.22%</b>	<b>37,298</b>	<b>52.38%</b>

Source: CON application #10731, Table 7-1, Page 7-2.

## **F. SUMMARY**

**Pinellas SNF OPCO LLC (CON application #10731)** proposes the transfer of CON #10664 from Pinellas NH LLC which was approved to establish a 120-bed community nursing home in District 5, Subdistrict 5-2 (Pinellas County).

The project consists of 89,155 GSF of new construction. Total project is \$34,191,200.

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

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

### **Need**

- The application is the transfer of CON #10664 and is not in response to the fixed need pool.
- As of August 12, 2022, Subdistrict 5-2 has 68 licensed community nursing homes with a total of 7,665 licensed community nursing home beds and 299 approved beds.
- Subdistrict 5-2 facilities averaged 78.77 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 with six categories cited.



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

**Medicaid/Charity Care**

- Pinellas SNF OPCO LLC is a development stage entity but notes that AbleHeart's Florida affiliates provided 52.38 percent of their total patient days to Medicaid patients in "FYE June 30, 2022".
- Pinellas OPCO projects the 120-bed facility will provide 50.0 percent of year one and year two (ending June 30, 2026, and June 30, 2027) total annual patient days to Medicaid HMO patients.

**G. RECOMMENDATION**

Approve CON #10731 to transfer CON #10664 from Pinellas NH LLC to establish a new 120-bed community nursing home in District 5, Subdistrict 2, Pinellas County. The total project cost is \$31,844,500. The project involves GSF of new construction and a construction cost of \$20,213,900. The total project is \$34,191,200. The project consists of 89,155 GSF of new construction and a construction cost of \$25,398,100.

**CONDITIONS:**

1. Locate adjacent to and developed in coordination with American House Senior Living Campus-St. Petersburg whose address is 1101 66th Street North, St. Petersburg, Florida 33710
2. The facility will include 84 private resident rooms, including four private bariatric rooms.

3. Provide specialized programs designed to enhance patient well-being, reduce recovery times and reduce re-hospitalizations, including:
  - Rapid Recovery Unit with specialized orthopedic, cardiac and stroke rehab programs
  - RN/LPN licensed staff 24 hours a day, 365 days a year
  - Comprehensive PT, OT and SLP treatment available 7 days a week
  - ADL – “safe to home” program
  - Advanced wound care programs
  - Pain management programs
  - Fall reduction programs
  - Coordination with local Home Health Agencies for seamless return to home transitions

**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



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James B. McLemore

**Operations and Management Consultant Manager  
Certificate of Need**