

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. **Applicant/CON Action Number**

**Innovative Medical Management Solutions, LLC d/b/a
The Lakes of Clermont Health and Rehabilitation Center/CON
#10728**

4042 Park Oaks Boulevard, Suite 300
Tampa, Florida 33610

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

2. **Service District/Subdistrict**

District 3/Subdistrict 3-7 (Lake County)

B. PUBLIC HEARING

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

Letters of Support

The applicant includes six letters of support and quotes **Rahul Pathak**, MD, with A Helping Hands Physicians who serves as Medical Director and Clinical Provider for Skilled Nursing Facilities - Sanford, Florida (Seminole County) and as a Hospitalist at Orlando Health South Lake (which is located less than a mile away from The Lakes of Clermont Health and Rehabilitation Center) in the application. Dr. Pathak's quotes cited on the application's pages 1-7, 3-6 and 4-2 include:

"The expansion and extending the beds at the Lakes of Clermont Health and Rehabilitation Center would be a great asset to the community and continuum of care for Lake County. The location of this building is in a very popular and upcoming community full of growth."

“In the last one year, the facility has been at or near capacity and had a long waiting list of patients trying to get care close to where their families live in the Clermont community. There certainly is a huge demand in this community and a need for additional Skilled Nursing Beds.”

“The care I see provided at Lakes of Clermont to our elderly population is of the highest quality with support for their families and the local community. Their star rating has reflected this excellent care and their complications and return to hospital rate is the lowest I have seen at any nursing home. The communication and continuity of care that is provided at the Lakes of Clermont is second to none.”

C. PROJECT SUMMARY

Innovative Medical Management Solutions, LLC d/b/a The Lakes of Clermont Health and Rehabilitation Center (CON application #10728), also referenced as Innovative Medical, The Lakes of Clermont or the applicant, submits the application in response to the fixed need pool published September 30, 2022, for 78 community nursing home beds in Subdistrict 3-7, Lake and Sumter Counties. The applicant proposes to add 40 beds to its existing 80-bed community nursing home. Innovative Medical Management Solutions, LLC d/b/a The Lakes of Clermont Health and Rehabilitation Center is a Florida not-for-profit limited liability company. The applicant contracts with AbleHearts Communications d/b/a AbleHearts Consulting Services LLC, a management company which provides clinical support and consulting services, as well as back-office functions such as accounting, human resources, payroll, and ancillary support.

Innovative Medical states that AbleHearts Florida Healthcare LLC, has “years of experience” managing health care facilities and providing quality long term care, and currently owns and operates 17 skilled nursing facilities in four states (12 in Illinois, one in Missouri, one in New York, and three in Florida). AbleHearts-affiliated other Florida community nursing facilities include The Club at Lake Gibson (120 beds) in Subdistrict 6-5 (Polk County) and Apopka Health and Rehabilitation Center (180 beds) in Subdistrict 7-2 (Orange County).

The 40-bed addition includes 14,050 gross square feet (GSF) of new construction. The construction cost is \$4,802,000. Total project cost, which includes building, equipment, and project development costs is \$6,409,500.

The applicant expects issuance of license in June of 2025 and initiation of service in July of 2025.

Innovative Medical Management Solutions, LLC d/b/a The Lakes of Clermont Health and Rehabilitation Center proposes the following conditions to the application's approval:

1. The facility will apply to the Governor's Panel on Excellence in Long-Term Care's Nursing Home Gold Seal Award within a year of completing the 40-bed addition.

Measurement of the condition includes a copy of the application and/or providing proof of receiving the Gold Seal Award.

2. 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
- Advanced wound care program

Measurement of the condition includes a print-out of the FloridaHealthFinder profile page for the facility identifying available programs and services as well as company policies and literature regarding such programs available to residents.

D. REVIEW PROCEDURE

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

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

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

As part of the fact-finding, the consultant, Sarah Zimmerman, analyzed the application with consultation from Financial Analyst Eric West 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 and 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.

As of August 12, 2022, Subdistrict 3-7 had 19 community nursing homes with 2,057 licensed and no CON approved community nursing home beds pending licensure. Subdistrict 3-7 community nursing homes reported 86.53 percent total occupancy during the six months ending June 30, 2022.

In Volume 48, Number 191 of the Florida Administrative Register dated September 30, 2022, a fixed need pool (FNP) of 78 community nursing home beds was published for Subdistrict 3-7 for the July 2025 planning horizon. There were no exemption requests or expedited CON applications to increase the subdistrict's community nursing home bed count subsequent to the FNP publication. The project will use 40 of the 78 bed FNP adding the beds to the 80-bed The Lakes of Clermont Health and Rehabilitation Center, Subdistrict 3-7 (Lake County) resulting in a 120-bed facility.

The applicant provides a need assessment within the context of the following characteristics which are briefly described:

- Population demographics and dynamics
- Availability
- Utilization
- Quality
- Medical Treatment Trends
- Market Conditions

The application’s Figure 1-1, page 1-2 includes an aerial view of the campus of The Lakes of Clermont Health and Rehabilitation Center located at 1775 Hooks Street, Clermont, Florida 34711, Nursing Home Subdistrict 3-7, Lake County (licensed March 13, 2020) along with a brief description of the existing and proposed project. Figure 1-2, page 1-3 has an aerial view of the project location in relation to the five-mile proximity of Clermont Health and Rehabilitation Center and Orlando Health South Lake Hospital.

When discussing Population Demographics and Dynamics, Innovative Medical uses the Agency’s Florida Population Estimates and projections by AHCA District 2015-2030, published September 2021, showing that as of January 1, 2022, Subdistrict 3-7 had a total population of 538,674 with 185,249 residents aged 65 and older. As of January 2027, Subdistrict 3-7 will add 29,676 persons at a rate of 16 percent aged 65 and older residents. The applicant notes that the increase in the age 65 and over population shows that the senior population increases in number and proportion to the total population.

Innovative Medical’s table below shows the projected population growth by age 64 and under and 65 and over age cohorts from January 2022 to January 2027 for Subdistrict 3-7 and Florida overall.

**Current and Projected Population by Age Cohort
Subdistrict 3-7 and Florida**

Area	January 2022 Population Estimates			January 2022 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Subdistrict 3-7	353,425	185,249	538,674	65.6%	34.4%	100%
Florida	17,491,581	4,674,295	22,165,876	78.9%	21.1%	100%
Area	January 2027 Population Estimates			January 2027 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Subdistrict 3-7	382,349	214,925	597,274	64.0%	36.0%	100%
Florida	18,133,177	5,484,682	23,617,859	76.8%	23.2%	100%
Area	Five Year Increase			Five Year Growth Rate		
	65+	Total	0-64	65+	Total	
Subdistrict 3-7	28,924	29,676	58,600	8.2%	16.0%	10.9%
Florida	641,596	810,387	1,451,983	3.7%	17.3%	6.6%

Source: CON application #10728, page 1-4, Table 1-1 from AHCA Population Estimates, September 2021.

The applicant notes that currently (January 2022) seniors represent 34.4 percent of the total population in Subdistrict 3-7. By 2027, the projected 214,925 seniors will represent 36.0 percent of the total population of Subdistrict 3-7. Innovative Medical concludes that the increase in seniors indicates future need for residential and health care services for that population and the facility’s location will provide ease of access to rehabilitation for patients following an acute care episode.

CON application #10728, page 1-6, Figure 1-3 shows the distribution of nursing homes and hospitals and senior population age 65 and over for 2022 in Lake County and surrounding areas. The application’s table 1-2 on page 1-4 shows the current (2022) and projected (2027) Population by ZIP Code within a 15-Mile Radius of The Lakes of Clermont Health and Rehabilitation Center. The applicant notes that the five-year growth rate for the elderly population ranges from 9.3 percent to 100.0 percent within each ZIP code with the average of a 22.6 percent five-year growth rate across ZIP codes, compared to the subdistrict senior growth rate of 14.3 percent. Innovative Medical states that The Lakes of Clermont Health and Rehabilitation Center’s ZIP code 34711 is expected to experience a 20.9 percent five-year increase in the age 65 and over subpopulation, which is higher than what is expected for the entire subdistrict’s total population growth rate averages of 6.4 percent across ZIP codes. The applicant concludes that the elderly population within 15-mile radius shows noticeable growth in the next five years. See the table below.

**Current (2022) and Projected (2027) Population
by ZIP Code for within a 15-Mile Radius**

Zip Code	2022 Pop Age 65+	2027 Pop Age 65+	5-Year Increase Age 65+	5-Year Growth Rate Age 65+	Total 2022 Pop	Total 2027 Pop	5-Year Increase	5-Year Growth Rate
34711	13,789	16,670	2,881	20.90%	71,937	76,797	4,860	6.80%
15-Mile Radius	74,368	91,199	16 831	22.60%	499,031	530,908	31,877	6.40%
Subdistrict 3-7	205,524	234,954	29,430	14.30%	395,105	419,061	23,956	6.10%

Source: CON application #10728, page 1-8, Table 1-2 (partially reproduced), from Claritas ZIP Code Population Data, 2022.

The applicant’s Figure 1-4 on page 1-9, shows the five-year growth rates by zip code for the elderly population with zip code 34711 having a growth rate of 20.9 percent.

Innovative Medical uses AHCA’s Florida Nursing Home Bed Need Projections by District and Subdistrict data in the application’s Table 1-3, page 1-10 to show that:

- Subdistrict 3-7 currently has 11 beds per thousand persons aged 65 and older in 2022
- By January 2027, Subdistrict 3-7 will have 10 beds per thousand seniors aged 65 and over compared to the state with 15 beds per thousand
- Within the 15-mile radius of the facility, there are currently nine beds per thousand persons aged 65 and older, by January 2027 there will be eight beds per thousand, lower than both the subdistrict and the state.

The applicant summarizes that as the Subdistrict 3-7 elderly population increases, the nursing home bed inventory decreases when viewed relative to the population. Innovative Medical concludes that the effect of adding 40 beds to the facility increases the bed supply in an area of the county with a higher percentage of elderly population growth and will maintain the bed inventory, ensuring that beds remain available at a highly utilized facility.

Current (2022) and Projected (2027) Bed Availability

Area		January 2022	January 2027	January 2027 w/CON Approved Beds
15-Mile Radius in Lake County	Beds	262	262	
	Pop (65+)	28,203	34,005	
	Beds/1000	9	8	
Subdistrict 3-7	Beds	2,057	2,057	
	Pop (65+)	185,249	214,925	
	Beds/1000	11	10	
Florida	Beds	83,011	83,011	85,567
	Pop (65+)	4,674,295	5,484,682	5,484,682
	Beds/1000	18	15	16

Source: CON application #10728, page 1-10, Table 1-3

The applicant presents the table below to show utilization prior to and following the pandemic to provide evidence that occupancy rates for nursing homes are back on the rise following an unusual period of decline due to the pandemic. Innovative Medical notes that the facility was licensed as of March 13, 2020, therefore, the utilization from July 1, 2019, to June 30, 2020, is only reflective of the facilities first few months of operation. The applicant notes that The Lakes of Clermont Health and Rehabilitation Center reported 26,444 patient days or an occupancy rate of 90.5 percent for the 12 months ending June 30, 2022, which is higher than the average occupancy for District 3 or Subdistrict 3-7.

Lakes of Clermont Health and Rehabilitation Center, Subdistrict 3-7, District 3 and Florida Nursing Home Utilization

Patient Days	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 6/30/21	7/1/21 - 6/30/22
Lakes of Clermont			983	19,464	26,444
Subdistrict 3-7	575,169	599,857	626,652	578,697	638,884
District 3	2,527,554	2,584,020	2,584,020	2,371,374	2,479,179
Florida	25,243,574	25,088,910	25,088,910	22,073,890	22,817,381
Occupancy	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 6/30/21	7/1/21 - 6/30/22
Lakes of Clermont			11.17%	66.66%	90.56%
Subdistrict 3-7	84.86%	84.22%	85.56%	77.08%	84.93%
District 3	88.27%	88.52%	86.18%	77.63%	79.76%
Florida	85.92%	85.03%	83.94%	73.40%	75.49%

Source: CON application #10728, page 1-11 Table 1-4 from AHCA Florida Nursing Home Utilization by District and Subdistrict for the years indicated.

Innovative Medical concludes that the facility's second full year of operations projected 91 percent occupancy is higher than the subdistrict, the district, and the state and demonstrates the need for the additional beds at the Lakes of Clermont. Further, the project will promote quality through the facility being allowed to expand to a 120-bed facility ensuring the ability to keep up with rising occupancy and providing a wide range of skilled nursing services, including short-term rehabilitation, long-term care, and others, including memory care.

Regarding medical treatment trends, Innovative Medical states its programs and services which include cardiac care, respiratory care, wound care, IV therapy, surgery recovery, physical therapy, occupational therapy, speech therapy, and other services and these additional beds are sought to accommodate the demand at the highly occupied facility that primarily acts as a step down rehabilitation center for residents following an acute care hospital stay.

The applicant's Figure 1-5 on page 1-13 shows that one other nursing home (Clermont Health and Rehabilitation Center) and one hospital (Orlando Health South Lake Hospital) are within a five-mile radius of The Lakes of Clermont Health and Rehabilitation Center.

Innovative Medical next examined the Agency's CY 2021 Hospital Patient Discharge Data from Orlando Health South Lake Hospital to nursing homes for residents aged 65 and over, to determine the level of need for specific services nursing home residents require identifying a total of 21 separate major diagnostic categories (MDCs). The largest number of the discharges were for Major Diagnostic Category (MDC) 8, Diseases and Disorders of the Musculoskeletal System and Connective Tissue, representing 21.5 percent of all discharges to nursing homes with MDC 05, Diseases and Disorders of the Circulatory System at 15.3 percent the next largest. The applicant notes that combined, these two MDCs represented approximately 37 percent of all persons over the age of 65 who were discharged to a skilled nursing facility from Orlando Health South Lake Hospital. Further, acute care hospitals made 6,425 discharges of Lake and Sumter County residents 65 years or older to skilled nursing facilities with discharges from Orlando Health South Lake Hospital representing 18.6 percent of the total discharges to nursing homes. The applicant contends that the high percentage of discharges from a nearby acute care facility demonstrates the need for the 40-bed addition to the closest skilled nursing facility.

The reviewer partially reproduces the applicant's MDC Orlando Health South Lake Hospital discharge table showing the two most frequently occurring and combining the others in the "Remaining 19 MDCs". See the table below.

Acute Care Hospital Discharges from Orlando Health South Lake Hospital for Patients Age 65+ Discharged to a Skilled Nursing Facility, CY 2021

MDC	Number	Percent	Cumulative Percent
08 Diseases & Disorders of the Musculoskeletal System and Conn Tissue	256	21.5%	21.5%
05 Diseases & Disorders of the Circulatory System	183	15.3%	36.8%
<i>Remaining 19 MDCs</i>	754	63.2%	41.7%
Grand Total	1,193	100%	100%

Source: CON application #10728, page 1-14, Table 1-5 (partially reproduced) from CY 2021 AHCA Hospital Patient Discharge Data.

The applicant shares that it used the Agency’s Utilization by District and Subdistrict as a basis to project its utilization for Subdistrict 3-7 during the project’s proposed second year of the bed addition. See the table below.

**Projected Subdistrict 3-7 Patient Days and Occupancy
July 1, 2026 – June 30, 2027 (Year Two)**

Projections based on use rate from: Subdistrict 3-7	7/1/21 - 6/30/22
Subdistrict 3-7 Population 65+, Jan 1, 2027	214,925
Resident Days Forecasted for 7/26-6/27	741,230
Average Daily Census, 7/26-6/27	2,031
The Lakes of Clermont Health and Rehabilitation Center @ 91.96%	40,279
Deduct Lakes of Clermont Health & Rehab. Ctr. from Forecast	700,951
Average Daily Census, 7/26-6/27, Remaining Days	1,920
Expected Community Licensed Beds (2,057 + 40)	2,097
Expected Occupancy	93.84%

Source: CON application #10728, page 1-15, Table 1-7.

The applicant assures that utilization rates applied to future population estimates retain the existing balance of beds, avoiding over-bedding the subdistrict and that the recent average occupancy rate within the subdistrict of 84.93 percent over the twelve-month period ending June 30, 2022, demonstrates that existing facilities will not be negatively impacted. Innovative Medical concludes that the expected high occupancy demonstrates the growing need for nursing home beds in the surrounding area that it will serve. The applicant presents the forecast of the utilization for the 40-bed addition and the total resulting facility of 120 beds noting that the forecast assumes the first month of operation of the bed addition is July 2025 and shows a fill-up period during the first year, consistent with similar projects around the state. Innovative Medical states that the facility will return to its average recent occupancy of approximately 92 percent by the bed addition’s second year of operations. See the table below.

**Projected Utilization for the 40-Bed Addition and Total 120-Bed Facility
First Two Years of Expansion**

Year	40-Bed Addition				Total Facility (N=120)			
	Admits	Patient Days	Occup. Rate	ADC	Admits	Patient Days	Occup. Rate	ADC
Year One 7/1/25-6/30/26	846	8,876	60.79%	24	1,290	35,740	81.60%	98
Year Two 7/1/26-6/30/27	1,041	13,415	91.88%	37	1,485	40,279	91.96%	110

Source: CON application #10728, page 1-16, Table 1-8

Innovative Medical projects that its initial occupancy rate in the first quarter of 20.44 percent will rise to 90.27 percent by the end of the first year (81.60 percent for year one) while the total facility’s second year is projected to be 91.96 percent. The applicant expects an average daily census of 98 residents in the first year and 110 residents in the second year, with the 40-bed addition contributing an average daily census of 24 and 37 patients, respectively, for the first and second years. The average length of stay is 13 days in the new beds and 27 days in the total facility which reflects the demand for short-term care.

Innovative Medical concludes that:

- it has addressed the benefits associated with implementing a 40-bed addition to a highly occupied skilled nursing facility in Subdistrict 3-7
- it has established that the need for the 40 additional beds is consistent with the FNP
- the proposal responds to the statutory criterion, demonstrating need and enhances both access and availability of skilled nursing care within the service area
- projected nursing facility utilization, based on existing use rates and projected population growth in the age 65 and over population indicates that the proposed beds will not have a negative impact on existing facilities; and that
- it demonstrates entitlement to the certificate of need sought.

2. Agency Rule Preferences

Does the project respond to preferences stated in Agency rules? Please indicate how each applicable preference for the type of service proposed is met. Rule 59C-1.036, Florida Administrative Code.

Chapter 59C-1.036 of the Florida Administrative Code does not contain preferences relative to community nursing home beds. However, the rule does contain standards the Agency utilizes in assessing an applicant’s ability to provide quality care to residents.

Innovative Medical states it reviews admission, assessment, care planning, and discharge processes and examines hospital discharge data to highlight the types of conditions referred to nursing homes, along with the associated services offered. With respect to the services to be provided at The Lakes of Clermont Health and Rehabilitation Center, hospital discharges from AHCA inpatient data files were analyzed to determine what services are needed for residents within Lake County noting the conditions represented both within the MDC and DRG categories require a regimen of care, including rehabilitative therapy - physical, speech, occupational, respiratory, cardiac, orthopedic, and stroke therapies. Additional services provided by the facility include, but are not limited to—Alzheimer's and Dementia care, wound care, bariatric care, hospice and palliative care, peritoneal dialysis, pain management, and registered dietician services along with providing services supportive of long-term care residents, including peritoneal dialysis, IV therapy, total parenteral nutrition (TPN) and tracheotomy care, ostomy care, Foley catheter care, changes, and teaching.

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

Innovative Medical examined the Agency's CY 2021 Hospital Patient Discharge Data to nursing homes for Lake and Sumter County residents aged 65 and over, to determine the level of need for specific services nursing home residents require identifying a total of 22 separate major diagnostic categories (MDCs). Six MDCs (Major Diagnostic Categories) MDCs accounted for 79 percent of the discharges to nursing homes for the two county's elderly. The applicant notes that the MDC data identifies the top conditions for admissions to skilled nursing facilities for calendar year 2021 and show the most common types of conditions expected for its project which determines what services are appropriate. Innovative Medical contends it will offer a variety of specialized programs and continue to innovate to best meet residents' needs, and that the facility is equipped for contracted personnel to deliver therapies. Further, it will use innovative technologies that allow individual programing and as functional improvements occur will provide restorative programs that focus on avoiding hospital admission or readmission with protocols to ensure healing and promote higher functional levels ensuring that residents' health and quality of life improves.

The reviewer partially reproduces the applicant’s MDC discharge table below, showing the six most frequently occurring and combining the others in the “Remaining 19 MDCs”.

**Subdistrict 3-7 Resident Discharges to Nursing Homes
Aged 65 and Older, CY 2021**

MDC	Number	Percent	Cumulative Percent
<i>08 Diseases & Disorders of the Musculoskeletal System & Conn Tissue</i>	1,229	19.1%	19.1%
<i>05 Diseases & Disorders of the Circulatory System</i>	1,138	17.7%	36.8%
<i>18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites</i>	886	13.8%	50.6%
<i>04 Diseases & Disorders of the Respiratory System</i>	750	11.7%	62.3%
<i>11 Diseases & Disorders of the Kidney & Urinary Tract</i>	590	9.2%	71.4%
<i>01 Diseases & Disorders of the Nervous System</i>	482	7.5%	78.9%
<i>Remaining 16 MDCs</i>	1,355	21.0%	99.9%*
Grand Total	6,430	100%*	

Source: CON application #10728, page 2-3, Table 2-1 (partially reproduced) from CY 2021 AHCA Hospital Discharge Data.

Note: * .01 percent difference due to rounding.

Innovative Medical maintains that the facility will continue to participate in both the Medicare and Medicaid Programs to promote access to both short-term rehabilitation and long-term care and provides a brief narrative on the following services:

- Physical therapy
- Occupational therapy
- Speech therapy
- Orthopedic rehabilitation
- Stroke Rehabilitation
- Cardiac Rehabilitation
- Respiratory Rehabilitation
- Bariatric Care Wound Care
- IV Therapy
- Alzheimer's and Dementia Care
- Hospice and Palliative Care

Fifteen other services and amenities that The Lakes of Clermont Health and Rehabilitation Center provides for support, comfort and security include:

- Outpatient rehabilitation services
- 24-Hour RN/LPN Coverage
- Restorative nursing program
- Pain management program
- Fall reduction program
- Pharmacy services
- Dental podiatry, optometry and audiology care
- Structured recreational activities 7 days a week
- Peritoneal dialysis
- Fall reduction programs
- Registered dietician services
- Personalized dining services
- Total parenteral nutrition (TPN) and tracheotomy care
- Transportation services
- Beauty/barber shop

Regarding admissions, Innovative Medical states that a physician's order at hospital discharge determines the post-acute placement and specifically, for Medicare beneficiaries, a hospital stay of three days or longer determines in part admission necessity. The applicant shares that for both Medicare and Medicaid programs, the conditions of participation provide the directions for all nursing home admissions and that recent changes to the federal regulations for nursing homes states a physician, physician assistant, nurse practitioner or clinical nurse specialist must provide orders for the resident's care needs.

Innovative Medical points out that the admission process requires facility staff to provide an orientation to the facility and its policies to the resident and his or her family or designee while also providing an initial assessment and that each resident receives an admission packet which details the agreement between the facility and the resident, his legal representative, or other responsible party along with other materials, such as the HIPAA form, inventory of personal effects, initial care plan and attending physician list. Upon admission facility staff begin the comprehensive resident assessment using the required Centers for Medicare and Medicaid Services (CMS) instrument, incorporating the Minimum Data Set (MDS) elements, as well as those elements specific to Florida to capture aspects of resident needs, strengths, goals, life history and preference including a review of the resident's status as it pertains to:

- Routines
- Cognitive patterns
- Communication
- Vision
- Mood and behavior patterns
- Psychological well-being
- Physical functioning
- Continence
- Disease diagnosis and health conditions
- Dental status
- Nutritional status
- Skin conditions
- Activity pursuit
- Medications
- Special treatments and procedures

Innovative Medical notes that the resident-centered comprehensive care plans require completion within seven days with a registered nurse coordinating the interdisciplinary team that includes the participation of other health professionals and that the resident's participation in the assessment requires that the care team document it. Further, team members complete the Pre-Admission Screen and Resident Review

(PASRR-any mental illness and intellectual disabilities the team identifies preclude skilled nursing placement) with the assessment plan completed 48 hours from admission. Innovative Medical states that upon plan implementation, the team will reassess each resident as changes occur in his or her conditions and will complete a portion of the assessment quarterly with the full assessment annually.

The applicant confirms that it is aware of Florida's Long-Term Care Ombudsman Program and Resident Rights and that upon admission, program information is given to residents addressing their Rights at the facility. Innovative Medical assures that staff receive appropriate training to delineate Nursing Home Federal Requirements for Resident Rights ensuring that all staff is prepared and trained to provide all residents the highest measure of dignity, courtesy, and good care that is expected by the residents, the families, and by the community. Copies of the facility's Resident Rights policies are included in Exhibit 2 in the Additional Information Section of the application.

Regarding care planning, the applicant informs that the baseline care plan from admission assures that the resident's treatment goals follow from the physician, dietician, therapist, and social worker's orders. Further, each resident receives a summary of the plan and he or she becomes the director in working with the team to attain the goals allowing team members to seek feedback from the resident and make changes that the resident requests. Specific examples such as changes as time of day and days of the week for therapies, meal preferences and times, bathing times, wake up time, and other factors that place importance on the resident's wishes are stated.

Innovative Medical confirms that an individualized care plan must include measurable objectives and timetables that meet the resident's medical, nursing, mental, and psychosocial needs with the plan building on the resident's strengths and discharge goals, while incorporating identified problems and risk factors. The applicant shares that the resident's care team, in coordination with the resident, the resident's family or representative, develops and maintains this care plan to attain or to maintain the highest level of functioning the resident can achieve with the plan incorporating strategies to prevent or reduce decline in functional status. A member from social services notifies the resident's family or representative of care plan meetings, provides information to the family or representative if they are unable to attend a meeting while the care team makes efforts to schedule the care plan meeting at the best time of the day not only for the family, but at a time when the resident is best able to participate. The resident's care team updates the care plan as changes in the resident's condition warrant and, at a minimum, the full care plan receives review quarterly.

Regarding discharge, Innovative Medical indicates that planning begins after admission, with the multidisciplinary team assessment of the resident. Further, as the care plan proceeds with the services and activities, the progress of each person determines the final date and discharge destination then the interdisciplinary team updates the discharge plan, based on re-evaluation of the resident, changes in caregiver support and other factors. As a resident nears discharge from the nursing home, the team reviews and finalizes the discharge plan and discusses it with the resident, the resident's representative, and the resident's attending physician. Facility staff provide a copy of the plan to the resident, their responsible party, and the attending physician, upon resident discharge. The discharge plan contains a summary of prior treatment, diagnosis, medications and any indications or issues associated with the resident and that the nursing home staff follow up with agencies to which a nursing home resident was referred to ensure the resident is receiving the necessary services.

The applicant assures that for the discharge plan, the team assesses the caregiver's capabilities and that the plan reflects an assessment of the resident's need for, or access to a caregiver based on the services and assistance the resident requires with the post-discharge plan of care indicating where the resident will reside, the arrangements already made for follow-up care, and medical and non-medical services needed. AbleHearts Consulting Services LLC provides access to the necessary patient assessment tools, policies and procedures related to admissions, discharges, care planning and assessments to meet the minimum dataset reporting requirements and that every employee receives appropriate orientation and ongoing training to maintain competencies. Copies of policies and tools documenting available resources are included in the application's Exhibit 2 - Additional Information section.

The Lakes of Clermont accepts a variety of payers including Medicare, Medicaid and private insurance and will keep utilization patterns similar to the current provision on a going forward basis. The applicant provides utilization, average length of stay and average daily census for the first two years of the bed addition below:

**First Two Years of Operation Utilization
40-Bed Addition & Total 120-Bed Facility**

Factor	40 Beds		120 Beds	
	Year One	Year One	Year Two	Year Two
Admissions	846	1,041	1,290	1,485
Patient Days	8,876	13,415	35,740	40,279
ALOS	10	13	28	27
ADC	24	37	98	110

Source: CON application #10728, page 2-10, Table 2-2

The applicant's projections shows the 40-bed addition will focus on short-term patients. Schedule 6A shows 108.41 total FTEs in year one and 31.66 FTEs added by this project for an approximate total of 140 FTEs for the first year (ending June 30, 2026). Year two ending June 30, 2027 has 49.08 additional FTEs for an FTE total of 157.50. The reviewer notes that the total FTE counts remain constant from year one to year two regarding the staffing pattern headings of administration, physicians, nursing, ancillary, dietary, social services, housekeeping, laundry, and plant maintenance. There were increases in administration, nursing, ancillary, dietary, housekeeping and plant maintenance categories. Utilization and staffing patterns are stated to be reflective of the level necessary to care for a variety of residents within the facility and meet or exceed staffing standards.

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

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

Innovative Medical Management Solutions, LLC d/b/a The Lakes of Clermont Health and Rehabilitation Center responds that it has not had a nursing facility licensed denied, revoked, or suspended.

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

Innovative Medical Management Solutions, LLC d/b/a The Lakes of Clermont Health and Rehabilitation Center states that it has not had a nursing facility placed into receivership.

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

This applicant states that this provision does not apply to Innovative Medical Management Solutions, LLC.

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

This does not apply as there are no conditions identified in Subparagraph 3.

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

The applicant indicates that no conditions are identified above thus, this does not apply.

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

Innovative Medical states that it will provide the required data to the WellFlorida Council that serves Health Planning District 3 and to the Agency for Health Care Administration and that these data include the above-cited utilization reports as well as required licensure and financial requirements attendant to operating a licensed nursing facility.

The applicant concludes that its responses address the provisions of rule and that its responses show conformity with the provisions and describe the proposed project's services.

3. Statutory Review Criteria

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

As of August 12, 2022, Subdistrict 3-7 had 19 community nursing homes with 2,057 licensed and no approved community nursing home beds. Subdistrict 3-7 community nursing homes reported 86.53 percent total occupancy during the six months ending June 30, 2022, which is exceeded the state's 77.59 percent.

As previously stated, an FNP for 78 community nursing home beds in Subdistrict 3-7 was published in Volume 48, Number 191 of the Florida Administrative Register dated September 30, 2022. There are no exemption requests or expedited CON applications to increase the subdistrict's community nursing home bed count subsequent to the FNP publication. Innovative Medical proposes to add 40 community nursing home beds to its existing 80 licensed community nursing home beds.

Innovative Medical states that its responses demonstrate conformity with the statutory health planning factors of availability, quality of care, access, and extent of utilization of existing nursing homes in the subdistrict adding that the location proximate to area hospitals improves access to the seniors aged 65 and over in the subdistrict requiring a step down, rehabilitation facility following an acute care hospital stay.

The Lakes of Clermont asserts that its development of the 40-bed addition to its existing, highly utilized nursing home improves both availability and access and ensures 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.

The applicant maintains that availability often refers to how much of a service exists, such as how many beds or facilities are in the market and District 3 has 8,679 licensed community nursing home beds in operation with an occupancy rate of 79.76 percent for the 12-month period ending June 30, 2022. Innovative Medical notes that for Subdistrict 3-7 (Lake and Sumter Counties), there were 2,057 community beds operating within 19 skilled nursing facilities with an overall average occupancy rate of 84.93 percent for the same period.

The applicant reiterates its response to E.1.a. stating its 80-bed facility is one of only two nursing homes within its five-mile radius that also includes one acute care hospital and that due to its location, the facility is in high demand, with an occupancy rate of approximately 91 percent from July 1, 2021- June 30, 2022, which exceeds Subdistrict 3-7's rate of 84.9 percent.

Innovative Medical argues that with strong utilization patterns, The Lakes of Clermont Health and Rehabilitation Center exhibits a high-demand and that adding 40 beds improves availability of existing community beds where they are most needed improving overall availability within the subdistrict by redistributing existing beds.

Quality of care is addressed in item E.3.b. of this report. Innovative Medical states that access is defined as how potential users obtain a service or gain admittance or entry to a facility providing the service.

Components of access include:

- ✓ eligibility criteria
- ✓ financial criteria or payer requirements
- ✓ location of facilities or admission centers
- ✓ geographical features—roadways, bridges, railroads
- ✓ travel time—or travel distance that users experience
- ✓ specific services or programs

Innovative Medical contends that access will be improved by increasing beds at a facility in high demand and within proximity to hospitals noting that as a Medicare and Medicaid certified facility, a wide range of services are accessible for both short-term rehabilitation following a hospital stay and long-term care.

Regarding geographic accessibility, the applicant lists five area hospitals:

- Orlando Health South Lake Hospital
- Orlando Health-Health Central Hospital
- Orlando Health Horizon West Hospital
- AdventHealth Apopka
- AdventHealth Winter Garden

The applicant's Figure 3-1 on page 13-4, is a map that visually shows the 25-minute drive time, 15-mile radius for hospital and nursing home locations are identified demonstrating that the majority of the population are within five hospitals and noting that only one other nursing home is within the 15-mile radius in Lake County and the remaining nursing homes are all located in Orange County.

Subdistrict 3-7 (Lake and Sumter Counties) is noted as having a large concentration of seniors, representing 34.4 percent of the total population of the subdistrict, increasing to 214,925 persons aged 65 and older within the next five years, at which time the elderly will represent 36.0 percent of the total which will increase demand on area nursing homes. The applicant states the proposed facility will improve access to the population within the southeastern portion of Lake County within that approximate 15-mile radius.

Regarding service access, the applicant reiterates the hospital discharge data discussed in item E.1.a. of this report and contends that its location in proximity to the area's five acute care hospitals, increases accessibility to skilled nursing beds, which are a critical component in the local population's health care continuum. Innovative Medical contends that

without additional capacity, hospital discharges will be delayed, or local residents must be discharged to other nursing homes at greater travel distances from their home and hospital, therefore, the project will improve geographic availability.

Regarding financial access, Innovative Medical states that 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 reiterates its response on the extend of utilization, noting that nursing home utilization is historically high in Subdistrict 3-7 and that The Lakes at Clermont has steadily increased utilization since opening in 2020, with a current occupancy rate of 96.25 percent. Innovative Medical concludes that the project will increase utilization and improve access for residents of Lake and Sumter Counties.

Community Nursing Home Bed Utilization Subdistrict 3-7

Subdistrict 3-7	7/1/17-6/30/18	7/1/18-6/30/19	7/1/19-6/30/20	7/1/20-6/30/21	7/1/21-6/30/22
Patient Days	575,169	599,857	626,652	578,697	638,884
Occupancy	84.86%	84.22%	85.56%	77.08%	84.93%
Medicaid Days	333,471	362,531	389,938	349,688	380,025
Medicaid Occupancy	57.98%	60.44%	62.23%	60.43%	59.48%

Source: CON application #10728, page 3-6, Table 3-1.

Innovative Medical discusses the following Health Care Access Criteria on the application’s pages 3-8 through 3-10.

- 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.**

The applicant assures it will continue to serve both Medicare and Medicaid beneficiaries, representing persons receiving short-term rehabilitation and long-term care skilled nursing services, although the predominant need is for short-term rehabilitation. The applicant confirms that it would 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 does not apply as the project does not reduce, eliminate, or relocate a service.

- 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.**

This provision is not applicable.

- 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.**

Innovative Medical assures continued service at levels reflecting an increasing demand for short-term rehabilitation for which Medicare and Medicare HMO is the primary payor.

Projected Bed Utilization, The Lakes of Clermont Health and Rehabilitation Center (120 Beds)

Payer	7/2025 - 6/2026		7/2026 - 6/2027	
	Days	Percent	Days	Percent
Self-Pay	601	1.70%	601	1.50%
Medicaid	11,547	32.30%	12,455	30.90%
Medicare & Medicare HMO	23,592	66.00%	27,223	67.60%
Total	35,740	100.00%	40,279	100.00%

Source: CON application #10728, page 3-9, Table 3-2.

- 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;**

Innovative Medical states that nursing homes affiliated with AbleHearts participate in Medicare and Medicaid Programs and conform to the Conditions of Participation adding that the facilities' mission provides the basis for respect and dignity in the service of seniors whose conditions require skilled nursing care and medical management with policies and procedures that stress residents' rights and prepare employees to actively assure that rights are safe-guarded, and that the environment of care is supportive.

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

The applicant confirms that it currently provides care to both Medicare and Medicaid recipients and that the additional beds will ensure continued service and provides the subdistrict's provision of care to the Medicaid patients for the 12 month periods beginning July 1, 2017 through June 30, 2022 in Table 3-1 of the application.

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

Innovative Medical states 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. This statement is slightly inaccurate in that this project is not a "proposed facility".

b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality 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, The Lakes of Clermont Health and Rehabilitation Center is a licensed 80-bed community nursing home that is seeking to add 40 community nursing home beds to the existing facility. The nursing home contracts with AbleHearts Communications d/b/a AbleHearts Consulting Services LLC, which provides clinical support and consulting services, as well as back-office functions such as accounting,

human resources, payroll, and ancillary support. AbleHearts 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.

Innovative Medical states that The Lakes of Clermont Health and Rehabilitation Center achieved the 2022 American Health Care Association and National Center for Assisted Living (AHCA/NCAL) Bronze National Quality Award and has also ranked on the list by US News and World Reports for Best Nursing Homes in the state of Florida with an overall rating of five out of five stars. The applicant restates that it will apply to the Governor's Panel on Excellence in Long-Term Care's Nursing Home Gold Seal Award within a year of completing the 40-bed addition and provide specialized programs designed to enhance patient well-being, reduce recovery times, and reduce rehospitalizations. The Lakes at Clermont is not a Gold Seal facility.

The applicant shares that The Lakes of Clermont Health and Rehabilitation Center rating available on the Centers for Medicare and Medicaid Services (CMS) Care Compare website show a four-star rating for the facility and that it holds an Agency of Health Care Administration overall inspection rating of five-stars. The reviewer confirmed these overall ratings. Innovative Medical contends that AbleHearts' history of operating highly ranked skilled nursing facilities ensures its ability to establish of high level for quality of care for the proposed facility.

Services offered at The Lakes of Clermont and AbleHearts Florida Facilities include:

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

AbleHearts mission to "Embrace everyone as family" and to follow the Safety First, Family Always standards is cited:

Finding solutions, together
Act with compassion
Make every moment count
Improve constantly
Laugh often
You matter

Innovative Medical 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. Further, its "Concierge" philosophy approach to patient care and the HEART method for handling complaints are included as part of employee training 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 states that AbleHearts' Quality Assessment and Performance Improvement (QAPI) process incorporates five stages of quality improvement that are part of the required Federal CMS initiatives that mandates common approach and measure for all facilities adding that the company has developed quality assurance programs beyond the mandatory requirements that include:

- Believe Balanced Assessment
- Operation Make a Difference
- Care Line, Benchmarking
- Focus Leveling Monitoring Steps
- Quality Assurance/Risk Management Standards and Guidelines
- Electronic Health Care Library

The Lakes at Clermont's QAPI is stated to include:

Believe Balanced Assessment - identifies quality of clinical services, revenue development, financial management, people management,

satisfaction, and environment in which the 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.

The 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.

Innovative Medical contends 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.

AbleHearts' Five-Stage approach to implementing a Quality Assurance/Performance Improvement process is described in detail in CON application #10728, pages 4-6 through 4-8. These include:

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 (or resident's agents).
- 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 Performance Improvement Projects (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.

Innovative Medical notes that Systemic analysis also requires facility staff to be adept at using Root Cause Analysis (RCA) 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 Lakes of Clermont Health and Rehabilitation Center's Resident Council is addressed on the application's pages 4-8 and 4-9. Innovative Medical 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 and to assure residents' rights encompass a resident's role within the nursing home as it pertains to 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 is 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 to 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.

Innovative Medical asserts 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 activities director plans the range of activities based on the individual care plans and resident requests, including those offered at Resident Council meetings. 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

A copy of the December 2022 activity calendar for The Lakes of Clermont Health and Rehabilitation Center is provided as Exhibit 4 in the application's Additional Information section. Brochures for the facility can be found in Exhibit 5.

The reviewer notes that none of the AbleHearts facilities have earned Gold Seal Award recipient status. Apopka Health and Rehabilitation Center (35961094) 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	NR

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.

According to CMS’s Medicare.gov website, overall quality ratings are issued the above ratings (on a one to five-star scale).

During the 36 months ending January 4, 2023, The Lakes at Clermont Health and Rehabilitation had none, while Innovative Medical Management Solutions, LLC affiliated nursing homes had a total of five substantiated complaints. Each substantiated complaint can encompass multiple complaint categories. Below is a table of the substantiated complaints by the applicable complaint category.

**AbleHearts Consulting Services 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 personnel, management personnel and funds for capital and operating expenditures, are available for project accomplishment and operation? 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.

AbleHearts Florida Healthcare, LLC & Subsidiaries (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 \$6,409,500, which includes this project only.

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 Mizuho. A letter of interest is not a commitment to lend.

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 FACILITIES		
	Total	PPD	Highest	Median	Lowest
Net Revenues	\$ 6,649,700.00	\$ 495.69	\$ 5,681.78	\$ 545.47	\$ 397.86
Total Expenses	\$ 5,313,500.00	\$ 396.09	\$ 1,996.04	\$ 602.09	\$ 380.20
Operating Income	\$ 1,336,200.00	\$ 99.60	\$ 3,853.03	\$ (36.64)	\$ (335.26)
Margin	20%				
Occupancy	92%		97%	89%	52.0%
Medicaid	20%		30%	23%	10%
Medicare	80%		65%	29%	14%

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 (5) and (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 subdistrict limits any significant gains in cost-effectiveness and quality that would be generated from competition.

Conclusion:

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035 (8), Florida Statutes; Ch. 59A-4, Florida Administrative Code.**

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a 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 does not address site specific requirements for disaster preparedness, but the project is an addition to an existing building constructed in compliance with current requirements. 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**

Innovative Medical states it currently provides care to Medicare and Medicaid recipients and that the additional beds will ensure continued

service. The Lakes at Clermont's provision of care to Medicaid patients during the July 1—June 30 annual periods beginning July 1, 2019 and ending June 30, 2022 are shown in the application's Table 9-1 on page 9-2. The Lakes of Clermont provided 9,592 Medicaid patient days (36.27 percent of its total patient days) in the 12-month period ending June 30, 2022.

The 120-bed facility is projected to have 11,547 Medicaid Managed Care patient days during the 12 months ending June 30, 2026 (32.3 percent of year one's total) and 12,455 (30.9 percent) of year two's (ending June 30, 2027) total patient days. Medicaid for the 40-bed addition is projected to be 1,775 and 2,683 (20.0 percent in year one and two total patient days).

F. SUMMARY

Innovative Medical Management Solutions, LLC d/b/a The Lakes of Clermont Health and Rehabilitation Center (CON application #10728) proposes to add 40 beds to its existing 80-bed community nursing home in Subdistrict 3-7 (Lake County).

The proposed project includes 14,050 GSF of new construction. The construction cost is \$4,802,000. Total project cost is \$6,409,500.

Innovative Medical proposes two conditions to the approval of the project.

Need/Access:

- The application was filed in response to published need, using 40 of the 78-bed FNP.
- The applicant contends the proposal will continue existing referral patterns and complementary support services.
- Major need justifications cited by the applicant include:
 - Subdistrict 3-7's age 65 and older population growth
 - the positive effect on the service area, increasing availability where it is most needed
 - high occupancy rates and expected high occupancy demonstrates the need for the additional beds
 - the high percentage of discharges from a nearby acute care hospital; and
 - the benefit to patients by the programs it offers.
- Specific patient/resident services planned for the project are consistent with the most commonly occurring CY 2021 MDC discharges to SNFs from Lake County hospitals.

- The 120-bed facility is projected to have 81.60 percent in year one ending June 30, 2026, and 91.96 percent total occupancy in year two ending June 30, 2027.

Quality of Care:

- The applicant provided a detailed description of the ability to provide quality care.
- Agency records indicate that for the three-year period ending January 4, 2023, The Lakes at Clermont had no substantiated complaints while AbleHearts Consulting Services LLC affiliated nursing homes had five.

Financial Feasibility/Availability of Funds:

- Funding for this project is in question.
- The project appears to be financially feasible based on the projections provided by the applicant.
- The project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Architectural

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

Medicaid/Indigent Care

- The Lakes of Clermont Health and Rehabilitation Center provided 9,592 Medicaid (36.27 percent of the facility total) patient days in the 12 months ending June 30, 2022.
- Medicaid HMO patients are projected to comprise 32.3 percent of the 120-bed facility's total annual year one (ending June 30, 2026) and 30.9 percent of year two (ending June 30, 2027) patient days.
- Medicaid HMO patients are projected to account for 20 percent of the 40-bed project's total annual year one and year two utilization.

G. RECOMMENDATION

Approve CON #10728 to add 40 community nursing home beds in District 3, Subdistrict 3-7, Lake County. The total project cost is \$6,409,500. The project involves 14,050 GSF of new construction and a total construction cost of \$4,802,000.

CONDITIONS:

1. The facility will apply to the Governor's Panel on Excellence in Long-Term Care's Nursing Home Gold Seal Award within a year of completing the 40-bed addition.

Measurement of the condition includes a copy of the application and/or providing proof of receiving the Gold Seal Award.

2. 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
 - Advanced wound care program

Measurement of the condition includes a print-out of the FloridaHealthFinder profile page for the facility identifying available programs and services as well as company policies and literature regarding such programs available to residents.

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: February 10, 2023



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Certificate of Need



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