

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Charis Healthcare Holdings, LLC /CON application #10742

6001 Broken Sound Parkway, Suite 220
Boca Raton, Florida 33487

Authorized Representative: Christine Blanch, COO
Authorized Representative
(941) 400-2847

2. Service District/Subdistrict

Service Area (SA) 4B (Flagler and Volusia Counties)

B. PUBLIC HEARING

No public hearing was requested or held.

Letters of Support:

Charis Healthcare Holdings, LLC (CON application #10742) submitted no letters of support for this application.

Letters of Opposition:

Seann M. Frazier, Attorney with Parker Hudson law firm representing AdventHealth Hospice Care East Florida, submitted a nine-page letter opposing Charis Healthcare Holdings, LLC SA 4B's project. Mr. Frazier states AdventHealth opposes the project "based upon several basic and clear health planning principles". These include:

- The Agency's need methodology showing no need for a new hospice in SA 4B
- In the absence of need, Charis has the "heavy burden" of demonstrating "special circumstances" to justify approval; however, the SA is not under-served and no specific, terminally ill population is being under-served

- The “very low volume of patients served by an existing provider, Haven Hospice, means any benefit to approving... (another) provider is far outweighed by the adverse impact a new approval will cause” and
- “Approval of another unneeded hospice program to serve an area that is already served by five hospice providers will have a significant adverse impact on the existing providers’ ability to recruit, hire, and retain qualified nursing staff” at a time when there is a nursing shortage.

The SA’s fixed need pool (FNP) numbers for the January 2011—January 2025 planning horizons are cited as demonstrating the on-going lack of need for another SA 4B hospice. A chart is provided showing that SA 4B has not met the 350 FNP threshold to project need for a new hospice “for almost 15 years”. The need calculation of -777 for the January 2025 planning horizon is cited as demonstrating SA 4B is the third best-served of the state’s 27 hospice SA’s.

The rule criteria for approval under special circumstances and recent Administrative Hearing determinations are addressed. AdventHealth contends that Charis’ application must be denied because there are no special circumstances to support approval. The SA July 2022—June 2023 admissions by hospice are provided to support this. AdventHealth’s specific disease programs and additional hospice services are described including its work with the Orlando VA Medical Center to ensure veterans and their families receive “all benefits and support available to them”.

Quality of care is addressed and AdventHealth provides a chart comparing its CMS scores with Charis’ Haven Hospice Arizona, the Arizona state average, and Halifax Health, the Florida state average and the national average. AdventHealth exceeds Haven Hospice Arizona in six of the seven categories and is 10 points higher in the rating of this Hospice category.

The adverse impact on existing SA providers is described with AdventHealth addressing the nursing shortage, citing the VNA Hospice of Indian River recommended order of January 12, 2013, which is still awaiting final order. Mr. Frazier concludes by citing the Agency’s decision on the SA 3A application in the first batch of 2023, where we cited the SA having four providers and that we should make the same determination for the SA 4A application.

Andrew Cutler, VP Operations Southeast, Gentiva Health Services, representing Gentiva’s SA hospice states that there are five providers and “simply put, there is no need for another hospice within Subdistrict 4B”.

Further, there are no special circumstances to support an approval in the absence of need. Gentiva states that “another hospice provider in the saturated market could cause or worsen staffing shortages and negatively impact the quality care”... currently in place in SA 4B.

Mia L. McKown, Attorney with Holland & Knight LLP, representing North Central Florida Hospice Inc. d/b/a Haven Hospice also cites the Agency’s no need determination for SA 4B. She addresses the special circumstances rule, stating “there are no identifiable populations or counties that are underserved”. Ms. McKown concludes “Contrary to any argument made by the applicant..[the existing 4B providers]..outreach programs have made hospice services available to all, regardless of race or ethnicity or location”. Further, the “application should be denied as the credible evidence will demonstrate that there are no special circumstances that justify” approval of another hospice in the SA.

Karen Putnal, Attorney with Moyle Law Firm, representing Halifax Health Hospice submitted an 11-page letter opposing Charis Healthcare Holdings, LLC’s application. She states that SA 4B is already well-served by five existing providers and another program “will not expand access to hospice services for residents in SA 4B”. The statutory and regulatory CON review criteria is discussed and the FNP methodology results for the previous four batching cycles are shown in a table on page 3. In reference to the availability of existing services, Ms. Putnal lists the five existing SA providers and states they “actively provide a broad and comprehensive array of hospice programs and services with all geographic, provider, and population sectors of SA 4B”.

Regarding access to the SA’s existing providers, Ms. Putnal compares the SA hospice penetration rate (7/22-6/23 hospice admissions to CY 2021 SA deaths) concluding that 66.6 percent of all SA deaths were supported with hospice care compared to the state average rate of 60.7 percent. Medicare claims data for CY 2022 is cited as showing that SA 4B hospices served 60 percent (.60) of SA 4B resident deaths, exceeding the Florida (.56) and United States (.47) averages. Halifax Health Hospice’s 684 patient census on August 17, 2023, was cited as demonstrating its continuing to meet the needs of SA 4B hospice patients. A list showing the FY 2022 numbers of children (255) served via Halifax’s Hospice Grief Center, adults (352) served via Halifax Hospice’s Traumatic Loss Program, Veterans (755) served, patients (250) with uncompensated care, 7,324 hours staffed to provide comfort care; and 2,500 palliative care encounters.

Halifax Health Hospice is stated to have provided \$2.5 million in community benefits in FY 2022. Examples of these include \$1.8 million in underinsured and uninsured care, funds to assist families, staffing,

counseling and emotional support, Veteran's Recognition program, Halifax's Traumatic Loss Program and support of the Family Caregiver Program.

The quality of care of hospice services was next addressed with Halifax being compared to the state and national averages in the CMS Quality of Patient Care and the CMS Family Caregiver Experience Surveys. Halifax exceeds the Florida average on all 11 categories cited and the National average in seven categories with the exception of "Help for Pain and Symptoms" and "Training Family to Care for Patient" (Halifax in both with 74 percent v. the U.S. 75 percent on both) and meeting the national average in two categories—"Communication with Family" and "Treating Patient with Respect". Halifax's 89 percent rating in the "Willing to Recommend this Hospice" is notable when compared to the state (83 percent) and the nation (84 percent).

The availability of resources and the adverse impact potential of another SA 4B provider are next addressed. Ms. Putnal notes that Halifax reported 39 percent of the SA 4B admissions during the 12 months ending June 30, 2023. Halifax indicates having an unneeded hospice would draw from its patients and staff and adversely impact its ability to provide the significant level of unfunded hospice benefit to the community.

Ms. Putnal concludes that there is no need for another hospice provider in SA 4B, the existing providers are providing "a strong continuum of high-quality hospice programs, services and care...including a comprehensive array of educational initiatives, outreach, and access points" and there no special circumstances to support approval of a new provider. Further, the approval of an unnecessary hospice program could "reasonably anticipated to result in material adverse impact on Halifax Health Hospice and all existing providers".

Jennifer Nygaard, VITAS Healthcare Corporation of Florida, Sr. Vice President of Operations for the Northern Region of Florida submitted a seven-page letter opposing Charis Healthcare Holdings, LLC SA 4B's project. The SA's two counties and five "unique" hospice providers are listed. Ms. Nygaard cites the Agency's need formula calculation for the January 2025 planning horizon resulting in a negative need of 777 admissions.

She cites Rule 59C-1.0355(4)(d) F.A.C., criteria, which in the absence of need, requires an applicant to demonstrate that a specific terminally ill population, county or counties within the subdistrict are not being served. However, VITAS data indicates that all SA patients have "ready

access to the hospice care they need”. Factors that reinforce there is no need for another hospice in the SA include:

- SA 4B’s hospice utilization has been consistently above the statewide average
- VITAS’ patient census is trending upwards since 2018, 2022 Medicare Claims data show low SA out-migration of 5.5 percent of the average daily census
- the majority of physicians SA 4B hospice patients’ greater than 30 days average length of stay (ALOS)
- SA health care providers and community members satisfaction with the quality and level of care they receive; and
- adding another hospice in the SA will exacerbate the clinician staffing issues experienced by all health care providers in the state.

Ms. Nygaard letter includes data on pages 2—4 and 6 that show the SA’s need projection, hospice utilization, out-migration, hospice ALOS for Physician Referrals and Florida medical staffing shortage data. Ms. Nygaard cites excerpts from two of four form-type letters signed by local health care providers opposing the addition of a new hospice in the service area. The clinician staffing supply is also addressed with VITAS contending that a new SA hospice would strain the existing providers and make it difficult for a new provider to staff its operations and fully serve hospice-eligible patients.

Ms. Nygaard concludes that the five existing SA providers provide high-level hospice services to all hospice-eligible SA 4B patients. Further, there is no need for an additional hospice as there is no terminally ill population or county not being served by the existing providers.

C. PROJECT SUMMARY

The applicant proposes to establish a new hospice program in SA 4B in the absence of published need.

Charis Healthcare Holdings, LLC (CON application #10742), also referenced as CHARIS or the applicant, is a for-profit, Florida Limited Liability Company. The applicant states it is a provider of Medicare-Certified Hospice and Home Health Care that provides a variety of clinical services and related products and supplies to patients in their place of residence throughout Florida, Illinois, Washington, New Mexico, Nevada, Colorado, Oregon, Utah, and Arizona. CHARIS states it has 32 locations with more than 700 employees and its headquarters is located

in Boca Raton, Florida. Charis' location overview section locations map indicates it has hospice programs in Arizona (4), New Mexico (2) and Indiana (2).

CHARIS assures that it understands that Florida has another hospice provider operating as "Haven Hospice" and that, upon award, CHARIS will ensure that there is clear distinction in its operating d/b/a from the existing operator.

CHARIS anticipates the issuance of license March 14, 2024, and initiation of service April 15, 2024.

Total project cost is \$293,474.28. Projected costs include equipment, project development, and start-up costs.

CHARIS' proposed conditions are as stated. Should a project be approved, the applicant's proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013(3), Florida Administrative Code, therefore we did not include the applicant's proposed "measurements". Charis Healthcare Holdings, LLC offers the following Schedule C conditions:

CHARIS will comply with all relevant state and federal legal authority and reporting requirements. CHARIS additionally commits to providing the following additional services:

- Care for the Caregiver
- Transfer Safety
- Overcoming a Patient Saying "NO"
- Hospice 101
- Palliative Care vs. Hospice Care
- Pain Control - another medication?
- Infection Control
- Preventing Wounds
- HIPPA
- Distracting Techniques
- Effective Communication with Memory Care Patients
- Medication Use with Hospice Patient at End of Life
- Comfort Care - What is it?
- When to Call Hospice?
- Handwashing - 101
- Dealing With Death
- Grief - It doesn't have to be a lonely journey

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CHARIS will commit to offering \$35,000 to a local nursing education program within the service area to support the development of a hospice and palliative care training course. CHARIS expects to be able to identify, select, and fund a partner within two years of the hospice programs opening, but will attempt conclude as soon as possible.

CHARIS will additionally offer rotational internship placement of local nursing students under its new hospice program for at least the first five years of operation.

CHARIS will commit to actively seek "We Honor Veterans" status upon its award. CHARIS will expedite this process as it coincides with our foundational beliefs and support for veterans.

CHARIS will commit to actively recruit veterans to work with our clients and will advocate our veteran patients to participate in Honor Flight for Veterans.

CHARIS will commit to operate a Minority outreach and education program designed to actively engage and educate the minority communities in the service area especially the African American and Hispanic communities.

Office Location:

CHARIS designs to have a hospice office space within the region within the first year of operation.

Should a project be approved, the applicant's conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013(3), Florida Administrative Code. The proposed conditions are as stated, but proposed conditions that are required hospice services and hospice licensure requirements will not be imposed. Section 408.043(3) Florida Statutes states that "Accreditation by any private organization may not be a requirement for the issuance or maintenance of a certificate of need under ss. 408.031-408.045, Florida Statutes."

Section 400.606(5), Florida Statutes states that "The agency may deny a license to an applicant that fails to meet any condition for the provision of hospice care or services imposed by the agency on a certificate of need by final agency action, unless the applicant can demonstrate that good cause exists for the applicant's failure to meet such condition." Issuance of a CON is required prior to licensure of certain health care facilities and services.

The review of a CON application and ultimate approval or denial of a proposed project is based upon the applicable statutory criteria in the Health Facility and Services Development Act (408.031-408.045, Florida

Statutes) and criteria in Chapter 59C-1, Florida Administrative Code. An approved CON does not guarantee licensure of the proposed project. Meeting the applicable licensure requirements and licensure of the proposed project is the sole responsibility of the applicant.

D. REVIEW PROCEDURE

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

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

Section 59C-1.010(3)(b), Florida Administrative Code, prohibits any amendments once an application has been deemed complete. The burden of proof to entitlement of a certificate rests with the applicant.

As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the certification of the applicant.

As part of the fact-finding, 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.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

1. Fixed Need Pool

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

In Volume 49, Number 151 of the Florida Administrative Register, dated August 4, 2023, the Agency indicated zero net need for a new hospice in SA 4B (Flagler and Volusia Counties) for the January 2025 hospice planning horizon. CHARIS is applying to establish a hospice program in the absence of published numeric need and contends that not normal circumstances merit the approval of the project.

CHARIS states that it has a proven record of commitment to providing high quality services to clients in their homes within the nine states in which it currently operates. Further, its mission is to provide dedicated and compassionate care for patients facing a life-limiting illness in the community setting and to support their loved ones. The reviewer notes CHARIS' "Operational/Location Overview" table indicates it has hospice office locations in Arizona (4), New Mexico (2) and Indiana (2). Its "Coverage Area & Office Information" tables show hospice office locations in Arizona (5), New Mexico (1) and Indiana (1). CHARIS has a skilled nursing registry serving all District 4 counties with an office in Flagler County and home health agencies in Districts 5-11.

CHARIS cites Florida Department of Health's Division of Public Health Statistics and Performance Management, CY 2022 US Census Bureau, and Florida Department of Commerce data to demonstrate that:

- Flagler County's population increased from 114,053 in 2010 to 118,083 in 2021. The applicant adds that in 2010 the 65+ population rose by 59.3 percent and accounted for 24.6 percent of the total population increasing to 31.1 percent by 2021 and to 31.4 percent by 2022.
- Volusia County's population increased from 494,462 in 2010 to 564,412 in 2021. The applicant adds that in 2010 the 65+ population rose by 35.1 percent and accounted for 21.2 percent of the total population increasing to 25 percent by 2021 and that the county's population increased to 579,192 by 2022.
- Flagler County's unemployment rate had increased from 3.7 percent in 2021 to 4.0 percent in 2023 with 10.3 percent of its population living below the poverty level in 2022. Reviewer notes that the chart provided in this application and the response under "Socioeconomic Factors" states that the poverty level for Flagler County is listed at 11.1 percent.

CHARIS contends that these upward trends argue the need for additional hospice to meet the needs of a growing senior and general population.

Socio-Demographic Indicators	State	Flagler	Volusia
Population	22,005,587	118,083	564,112
White	16,956,037	99,069	471,237
Black	3,744,736	12,715	65,516
Other	1,304,814	6,299	27,359
Hispanic	5,881,467	13,065	87,326
Non-Hispanic	16,124,120	105,018	476,786
Population (Aged 0-17 Years)	4,314,627	18,447	98,348
Population (Aged 18,64 Years)	13,004,777	62,199	322,723
Population (Aged 65 Years and Older)	4,686,183	37,437	143,041
Unemployed Civilian Labor Force	5.3%	3.7%	4.2%
Individuals Below Poverty Level	13.1%	11.1%	12.9%

Source: CON application #10742, FNP Response, "Additional demographics"

Under the heading "Flagler County" the applicant refers to the May 2022 National Center for Health Statistics' report *Post-acute and Long-term Care Providers and Services Users in the United States, 2017-2018* located in its Exhibit C to inform that only 5.2 percent of hospice patients are under the age of 65 in the U.S. A list of SA 4B SNFs, Hospitals and Hospice providers is provided and CHARIS reiterates that the growing 65 and older population will continue to be a key component in the need for additional end-of-life care resources, especially hospice care.

CHARIS includes Florida Department of Health, Bureau of Community Health Assessment data to identify discrepancies amongst underserved terminally ill populations in Volusia County describing:

Heart disease

- The overall mortality rate across all demographics in service area 4B is significantly higher than the average in Florida indicating a higher need for sufficient end-of-life hospice care on a system-based level.
- Coronary heart disease greatly outpaces Florida, especially in African Americans
 - In 2021, the age-adjusted mortality rate per 100,000 Volusia County African Americans was 149.0 compared to the state rate of 97.4 per 100,000.

Cancer

- According to the U.S. Department of Health and Human Services Office of Minority Health:
 - African Americans have the highest mortality rate of any racial and ethnic group for all cancers combined and for most major cancers.

- African American females were just as likely to be diagnosed with breast cancer as White females, but almost 40 percent more likely to die from it.
- Breast cancer incidence amongst African American females greatly outpaces that of Florida's average.
- Breast cancer incidence rate for White women in Volusia County greatly exceeds Florida averages.
- The incidence of breast cancer per 100,000 African American women in Volusia County was 145.3 compared to the respective Florida average for African American females of 107.6, per the 2020 Florida Department of Health, FLHealthCharts database.
- Patients with cancer need access to treatment such as radiation and chemotherapy which is often only provided at certain hospice facilities.
- Volusia County has a significantly high population of those dealing with Lung Cancer

Alzheimer's

- The overall mortality rate for Alzheimer's Disease across all demographics in Volusia County is significantly higher than the average in Florida indicating a higher need for sufficient end-of-life hospice care on a system-based level.
- Alzheimer's Disease in African Americans greatly outpaces Florida.
- In 2021, the age-adjusted mortality rate per 100,000 in Volusia County African Americans was 28.3 compared to the Florida African American average of 15.5 per 100,000.

Diabetes

- African Americans are 60 percent more likely to be diagnosed with diabetes than White people and twice as likely to die from diabetes, per <https://minorityhealth.hhs.gov/diabetes-and-african-americans>
- Hispanics are 70 percent more likely to be diagnosed with diabetes than White people and 1.3 times more likely to die from diabetes, per <https://minorityhealth.hhs.gov/diabetes-and-hispanic-americans>
- In Volusia County, African Americans have a mortality rate of 63.5 per 100,000 compared to the White rate of 22.6.
- The African American rate in Volusia County also exceeds the statewide African American rate of 49.9 per 100,000.
- Hispanics have a mortality rate of 30.1 per 100,000 versus the statewide rate for Hispanics of 21.1 per 100,000

Population Growth

CHARIS reiterates its response regarding population growth for SA 4B adding that in 2022, according to the US Census Bureau, Flagler County's population had increased to 126,705, and the 65+ had increased to 31.4 percent of the population. The applicant argues that the increase in population consequently increases the mortality rate in a county, especially when the population increase so heavily predominant in the 65+ population and that given the population growth over the past several years, the mortality disparity with the rest of the state, and the predisposition for certain chronic diseases by sections of the population, the potential to exacerbate the already statistically significant discrepancies is increasing.

Socioeconomic Factors

The applicant states there is significant evidence suggesting that certain socioeconomic factors such as poverty rates, unemployment rates, and median household income can contribute to negative health outcomes due to lifestyle choices, accessibility to health care/hospice treatment, and education. CHARIS states that U.S. Census data indicates the residents of Flagler County that were people living below poverty level was 11.1 percent in 2021, which decreased to 10.3 percent in 2022. Further, Florida Department of Commerce data indicates that Flagler County's unemployment rate was 3.7 percent in 2021 and increased to 4.0 percent in 2023. CHARIS indicates the unemployment rate was 4.2 percent and the people living below poverty level was 12.9 percent in 2021. The two sets of Flagler County's 2021 percentages contradict each other. CHARIS next states that the unemployment rate in Volusia County was at 5.6 percent for African Americans, five percent for Hispanics, and 3.9 percent for the White population. The Volusia County rate of individuals below poverty is stated to be 23.2 percent for African Americans, 15.8 percent for Hispanics, and 10.9 percent for the White Population.

CHARIS states that National Center for Health Statistics (HCHS), National Health Interview Survey (NHIS) shows that out-of-pocket costs are a significant barrier to obtaining health care. The applicant argues that available data indicates that the marginalized populations in Flagler and Volusia Counties have indicators of lower-performing socioeconomic factors that establish barriers to regular and acute health care, which make negative health outcomes more likely and even more so with a growing population. which will consistently keep them from receiving the necessary end-of-life care that they need. CHARIS indicates that pertaining to certain types of cancer, socioeconomic factors can result in delayed identification, lower rates of surgery offered and accepted, and lower rates of enrollment in clinical trials among African Americans. Further, an article by K.A. Ornstein, Evaluation of Racial Disparities in

Hospice Use and End-of-Life Treatment Intensity in the REGARDS Cohort published in August of 2020, states Black individuals were significantly less likely to use hospice and more likely to have multiple emergency department visits and hospitalizations and undergo intensive treatment in the last six months of life compared with White individuals regardless of cause of death.

CHARIS concludes that it intends to remedy the Special Circumstances in SA 4B by increasing access to care, focusing on outreach to underserved communities, ensuring earlier access to hospice, and engaging the local community to form partnerships and collaborations that are designed to eliminate any unmet needs.

- b. Approval Under Special Circumstances. In the absence of numeric need shown under the formula in paragraph (4)(a), the applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Chapter 59C-1.0355(4)(d), Florida Administrative Code. Evidence submitted by the applicant must document one or more of the following:**
- 1. That a specific terminally ill population is not being served.**
 - 2. That a county or counties within the SA of a licensed program are not being served.**

CHARIS provides brief details in its argument in support of the need for the project in its E.1.a. response. This response indicates that the following terminally ill populations are not being served and are at risk:

- Population with Coronary Heart Disease
- Population with Strokes
- Population with Cancer (Breast/Lung)

The applicant states Service Area 4B data reveals a significantly higher rate of population of the above listed diseases /conditions when compared to Florida which pinpoints a clear discrepancy and reveals a “drastically intensifying concern.” CHARIS adds that through its research and discussions the following would also benefit from its program:

- The indigent, food insecure, homeless, veteran, and LGBTQ communities
- Patients with diagnosis for coronary heart disease, cancer, diabetes, Alzheimer’s, and other forms of dementia
- Patients both over and under the age of 65
- Patients who are presently residing in ALFs or Nursing Homes
- The undereducated, uninformed, and those experiencing health care barriers for various reasons.

CHARIS includes a map of its home health, hospice, and private duty locations adding that it is a long-time health care provider throughout the State of Florida operating seven nurse registries and seven home health agencies. Further, these existing operations have established comprehensive training, outreach, and educational programs to offer to clients and their families.

CHARIS contends the Hispanic and African American populations are underserved in SA 4B and it will plan for strengthening the hospice market for the Hispanic population by using its experience from its operations in Arizona, Nevada, New Mexico, and here in Florida. CHARIS contends that it has identified several significant issues such as the lack of at-home care in rural regions, patients being moved to specialized facilities causing transportation hardships for elderly family members, hospices not coordinating with local spiritual figures for holistic care, and an absence of bereavement support within SA 4B.

The applicant shares that its action plan is to improve knowledge and accessibility for Hispanic and African American patients with an emphasis being placed on outreach and tailored services that underscore cultural sensitivity which includes:

- Engaging with minority communities early and regularly.
- Identify underserved patients in the district through community engagement.
- Introducing specialized hospice programs and training sessions.

CHARIS states it will focus on the unique communication and cultural needs of the Hispanic community by offering bilingual hospice services and a bilingual staff who create specialized care plans that encapsulate cultural nuances and family requirements. Further, it will offer a diverse workforce and continued education to bridge cultural gaps as well as providing resources like Spanish-speaking volunteers and a dedicated language hotline assist with complex medical communications along with Spanish promotional materials to ensure better accessibility.

CHARIS states it will augment access to hospice benefits among the Hispanic and African American communities and will:

- Foster relationships with community leaders to understand and address their unique needs.
- Run a multicultural education program for staff.
- Amplify community knowledge about hospice through culturally sensitive methods.
- Offer bilingual resources tailored to the Hispanic community.
- Establish a network of bilingual volunteers.

- Disseminate culturally pertinent information regarding end-of-life care.
- Conduct outreach programs for enhanced hospice awareness.
- Continuously evaluate their services for cultural appropriateness.

CHARIS is a known entity in Flagler and Volusia Counties that currently operates home health agencies and private duty nursing registries throughout the state including in this region which will help facilitate a quick and efficient implementation process. Further, it has formed strong relationships with local health and human service communities throughout the state and its reputation and these relationships will help with start-up staffing, referral, and other collaborations.

2. Agency Rule Criteria and Preferences

a. Rule 59C-1.0355(4)(e) Preferences for a New Hospice Program. The agency shall give preference to an applicant meeting one or more of the criteria specified in the below listed subparagraphs:

(1) Preference shall be given to an applicant who has a commitment to serve populations with unmet needs.

CHARIS responds that it is devoted to catering to populations with underserved needs and has identified multiple underrepresented groups in SA 4B:

- African American and Hispanic populations are at a significant risk of not receiving desired hospice services, especially those suffering from coronary heart disease, cancer, diabetes, and Alzheimer's
- Lower economic and unemployed populations
- Populations, generally, in the service area with end-stage cardiac, cancer, and respiratory conditions are subject to an insufficient level of adequate hospice care. Patients who would benefit from early hospice admission.

CHARIS reiterates that it has extensive experience in delivering hospice care to individuals with heart disease, cancer of all types, diabetes, and forms of dementia and commits to promoting community programs to enhance awareness about end-of-life concerns and hospice availability. Further, it offers comprehensive staff training, emphasizing cardiac and respiratory hospice care, with detailed outlines of its outreach and training initiatives that are presented throughout this application.

CHARIS recognizes that the over 65 population, African American and Hispanic SA populations continue to grow at rates that outpace the rest of the state and contends this will continue to exasperate the need for hospice education, engagement, and financial assistance. CHARIS adds that it has historically delivered exceptional care to the Hispanic community and other diverse groups across Florida and the United States will introduce Spanish-speaking representatives to address language challenges and will provide educational and hospice resources in Spanish. Further, SA 4B residents will benefit from the diverse programs that it has crafted, improving outreach and hospice care tailored to various cultural, religious, spiritual, and LGBTQ groups.

- (2) Preference shall be given to an applicant who proposes to provide the inpatient care component of the hospice program through contractual arrangements with existing health care facilities unless the applicant demonstrates a more cost-efficient alternative.**

CHARIS states aging with dignity in your home and community is the best option for patients but recognizes there are times when inpatient care is needed. Therefore, it will partner with hospital and nursing home facilities and will pursue inpatient contracts with existing health care facilities: hospitals, nursing homes, ALFs.

- (3) Preference shall be given to an applicant who has a commitment to serve patients who do not have primary caregivers at home; the homeless; and patients with AIDS**

CHARIS states that great emphasis is placed on enabling patients to remain in the least restrictive and most emotionally supportive environment possible. CHARIS is committed to providing enhanced care to terminally ill patients without in-home support or the homeless. Every effort will be made to develop a caregiver network from among neighbors, nearby relatives and friends, faith community members, and hospice volunteers to provide guidance, assistance, and companionship to the patient wherever possible. Further, its health care operations have a long history of, and it has a firm commitment to caring for patients with HIV/AIDS and it provides specialized HIV/AIDS patient care education to its staff and volunteers.

- (4) In the case of proposals for a hospice service area comprised of three or more counties; preference shall be given to an applicant who has a commitment to establish a physical presence in an underserved county or counties.**

CHARIS notes this preference is not applicable.

- (5) Preference shall be given to an applicant who proposes to provide services that are not specifically covered by private insurance, Medicaid, or Medicare.**

CHARIS states that it has instituted a charitable care program designed to afford core hospice services to patients who are not covered by private insurance, Medicaid, or Medicare. The applicant states it provides not traditional or core hospice services, such as Handwashing 101, Hospice 101, HIPPA, etc.

- b. Chapter 59C-1.0355, Florida Administrative Code contains the following general provisions and review criteria to be considered in reviewing hospice programs.**

- (1) Required Program Description (Rule 59C-1.0355(6), Florida Administrative Code): An applicant for a new hospice program shall provide a detailed program description in its certificate of need application, including:**

- (a) Proposed staffing, including use of volunteers.**

CHARIS notes that the application's Schedule 6 reflects its proposed staffing of 10 FTEs for each of the first two years of operation. Additional staffing positions and support functions will be done by the existing neighboring CHARIS operations, including general bookkeeping, accounts payable and financial reporting, education and training, quality assurance, information technology, and human resources, which includes payroll and benefits administration. Further, it "will actively seek to have an active volunteer workforce".

CHARIS' project summary indicates that volunteer services will be directed by a Volunteer Coordinator, with the assistance of trained hospice volunteers, who may work in a variety of capacities, such as patient care, bereavement, errands and transportation and office volunteers. Volunteers may attend interdisciplinary group meetings as appropriate and will report patient/family/caregiver response to volunteer services.

(b) Expected sources of patient referrals.

CHARIS indicates it expects referrals from area physicians, hospitals, clergy, social service agencies, disease advocacy groups, nursing homes, homeless advocates, other health care providers, family members and the patients themselves. Further, it will establish outreach and marketing programs highlighting its core values, vision, and guiding principles that is aimed at community awareness, focusing on advanced care planning, hospice services, pain relief, symptom control, and intensive palliative care. CHARIS shares that it believes in the tenant "know us before you need us," and will rely heavily on its existing liaisons and representatives from neighboring health care operations.

(c) Projected number of admissions, by payer type, including Medicare, Medicaid, private insurance, self-pay and indigent care patients for the first two years of operation.

The reviewer notes that CHARIS projects the same year one and two utilization as in SA 7C. SA 4B had 7,436 and SA 7C had 2,670 admissions during the most recent 12 months ending June 30, 2023.

Projected Admissions by Payor

	Year One	Year Two
Medicare	225	300
Medicaid	50	75
Private Pay	50	75
VA Tri-Care	75	100
Total	400	550

Sources: CON application #10742

(d) Projected number of admissions, by type of terminal illness, for the first two years of operation.

Projected Admissions by Type of Terminal Illness

	Year One	Year Two
Cardiac/Coronary Heart Disease Related	50	75
Dementia or Dementia Related	150	200
Cancer Related	150	200
Respiratory Failure	50	75
Total Admissions	400	550

Source: CON application #10742

- (e) **Projected number of admissions, by two age groups, under 65 and 65 or older, for the first two years of operation.**

**Admissions by Age Cohort
Years One and Two**

Year	Admissions		
	0-64	65+	Total
Year One	75	325	400
Year Two	100	450	550

Sources: CON application #10742

- (f) **Identification of the services that will be provided directly by hospice staff, and volunteers and those that will be provided through contractual arrangements.**

CHARIS confirms that its policy on contract staff requires that senior management will be responsible for the availability of care and services to meet the patient’s needs. Contracted services will be defined by a written agreement before that source will be permitted to provide services on behalf of CHARIS and patients will be entitled to the same level of performance as from CHARIS itself.

Service	Directly	Under Contract
Interdisciplinary Group		
Registered nurse	✓	
Licensed practical/vocational nurse	✓	
Physical therapist		✓
Occupational therapist		✓
Speech therapist		✓
Medical social worker	✓	
Registered dietary consultant services	✓	
Hospice aide	✓	
Homemaker	✓	
Volunteers	✓	
Hospice Chaplain services	✓	
Bereavement services	✓	
Pharmacy consultant		✓
Physician services	✓	✓

Sources: CON application #10742.

The applicant’s project summary indicates that it will obtain medical equipment and supplies through contracted vendors and addressed volunteers as previously stated.

- (g) **Proposed arrangements for providing inpatient care.**

CHARIS states it proposes to provide inpatient care through contractual arrangements will local health care facilities.

- (h) Proposed number of inpatient beds that will be located in a freestanding inpatient facility, in hospitals, and in nursing homes.**

CHARIS states it is seeking to establish a new hospice program, will establish inpatient agreements in the SA and projects 60 inpatient days in Year two.

- (i) Circumstances under which a patient would be admitted to an inpatient bed.**

CHARIS states that inpatient episodes are for respite care and intended to be stays of short duration (up to five days). Patients may be admitted for inpatient care if their pain/symptoms cannot be managed adequately at home. This is often a temporary situation to adjust the patient's medications and reassess and regulate the care services to be provided and that once stabilized, the patient can be discharged home.

- (j) Provisions for serving persons without primary caregivers at home.**

CHARIS responds that it will assist in creating a caregiver network for its patients that do not have one.

- (k) Arrangements for the provision of bereavement services.**

CHARIS indicates its organized bereavement program will be supervised by a qualified Bereavement Coordinator for up to one year following the patient's death. The program will provide services to the families/caregivers of hospice patients both before and after the patient's death in accordance with the plan of care (if appropriate, bereavement services will extend to families/caregivers of SNF/ICR residents) to facilitate a normal grieving process and to identify and refer those persons who may be experiencing pathological grief reactions that may interfere with the eventual resolution and integration of their losses. Services will be coordinated, when possible, with the individual's clergy and other community resources judged to be useful and beneficial to the family/caregiver and will be provided by personnel who have received training and have experience in dealing with

grief. CHARIS states that the duties and responsibilities of the Bereavement Coordinator and Counselors will be specified in their job descriptions.

(l) Proposed community education activities concerning hospice programs.

CHARIS indicates that upon authorization to serve SA 4B, it will initiate numerous outreach and education events and activities and frequent meetings with local hospitals, nursing homes, ALFs, physicians, and community organizations, and serve as a resource for area providers and social services organizations on end-of-life care.

(m) Fundraising activities.

CHARIS states that its SA 4B fundraising activities will be orchestrated to provide a wide spectrum of interdisciplinary services and volunteer opportunities for patients and families seeking hospice care and resources will be channeled back into the local community through palliative and residential hospice care, training and assistance for caregivers, community awareness, support for families, and grief services.

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

CHARIS indicates that it commits to timely filing its Semi-Annual Utilization Reports including all applicable data elements.

3. Statutory Review Criteria

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

In Volume 49, Number 151 of the Florida Administrative Register dated August 4, 2023, the Agency published zero net need for a new hospice in SA 4B for the January 2025 hospice planning horizon. CHARIS indicates

that Not Normal & Special Circumstances exist in SA 4B constitute need for its proposed hospice program. SA 4B hospice utilization is shown in the table below.

**SA 4B hospice admissions
12 Months Ending June 30, 2023 – June 30, 2019**

Hospice	2023	2022	2021	*2020	2019
AdventHealth Hospice Care East Florida	1,894	1,775	1,782	1,570	1,572
Gentiva I	905	849	805	655	715
Halifax Health Hospice	2,896	3,031	2,734	2,743	2,653
Haven Hospice	62	64	73	71	55
Vitas Healthcare Corporation of Florida	1,679	1,711	1,731	1,740	1,796
Total	7,436	7,430	7,125	6,743	6,791

Source: Agency for Health Care Administration Florida Need Projections for Hospice Programs, issued for the referenced time frames with the exception in the “Note” below.

Note: *The 12 months ending June 30, 2020, include 3,264 July-December 2019 admissions which were not published due to the cancellation of the July 2020 batching cycle.

In reference to availability and accessibility, the reviewer notes that AdventHealth Hospice Care East Florida has its main office in Volusia County and a satellite office and inpatient facility in Flagler County. Gentiva has three satellite offices - two in Volusia County, one in Flagler County. Halifax Health Hospice has its main office, a satellite office and four inpatient facilities in Volusia County. Haven Hospice has a satellite office in Volusia County. VITAS Healthcare Corporation of Florida has three satellite offices; two in Volusia County and one in Flagler County.

During the 36 months ending November 1, 2023, AdventHealth Hospice Care East Florida, Haven Hospice, and Halifax Health Hospice had no substantiated complaints. Gentiva and VITAS Healthcare Corporation of Florida had two substantiated complaints in the categories shown below.

	Complaint Category		
	Resident/ Patient/ Client Rights	Quality of Care/ Treatment	Administration/ Personnel
Gentiva	2	1	1
VITAS	2	1	

Source: AHCA Substantiated Complaint History

CHARIS reiterates that its application responds to Special or Not Normal Circumstances in SA 4B and has identified several population subgroups that do not have adequate access to hospice services including but not limited to minority populations such as African Americans, Hispanics, patients with heart disease, cancer diagnoses, and diabetes. CHARIS concludes that its proposal “presents the opportunity to serve parts of the service area that are presently underserved”.

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

CHARIS states it is committed to ensuring the best quality and efficiency in its services as possible, taking regular reviews and assessments of its program, services, and personnel to continue to develop a more perfect program. Further, its “leadership team strives to create a work environment where improvement ideas are encouraged and acted upon”. CHARIS assures that it has established policies for when problems are identified in the provision of hospice services, ensuring that its policy provides the necessary corrective actions, documentation, ongoing monitoring, and revisions of process, where necessary. Further details on CHARIS hospice quality assessment and performance improvement programs or CMS hospice survey measures were not provided.

CHARIS reiterates that it has a lengthy record of providing quality of care as a hospice provider, skilled nursing registry, and home health agency. The applicant provides coverage area maps showing has hospices in Arizona, New Mexico, and Indiana; and in Florida - Home Health Agencies in Districts 5-11 Skilled Nursing Registries in SAs 4 and 6-11.

CON application #10742’s ‘Project Summary’ provides descriptions of its medical director/physician oversight, continuous care services, pharmacy services, rehabilitative and speech therapy and nutritional services, spiritual care counseling/chaplain services, psychosocial services, bereavement and volunteer services, nursing care, and proposed transportation services. CHARIS also provides a detailed description of its We Honor Veterans noting that it will implement this program and will achieve Level 4 certification within the first two years of operation, and Level 5 as soon as practical as well as partnering with the Veterans Administration and local veterans' organizations to understand local veterans' issues while actively recruiting veterans for the program.

c. What resources, including health manpower, management personnel and funds for capital and operating expenditures, are available for project accomplishment and operation? ss. 408.035 (4), Florida Statutes.

CHARIS’ response to ‘proposed staffing - Rule 59C-1.0355(6) Florida Administrative Code’ indicates its Schedule 6A projects 10 FTEs for the first two years of operation”, which does not appear to not account for the year two admissions increasing to 550 from year one’s 400. Dietary counseling FTEs, a core hospice requirement, is not addressed on Schedule 6. The reviewer notes that CHARIS indicates many services are to be met by existing personnel. As previously stated, the application’s Exhibit A includes brief bibliographies of key personnel for the project.

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.

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

10742 - Charis Healthcare Holdings, LLC		
	Dec-21	Dec-20
Current Assets	\$8,269,497	\$7,068,723
Total Assets	\$12,239,861	\$12,610,825
Current Liabilities	\$5,042,607	\$4,469,652
Total Liabilities	\$8,477,733	\$5,406,979
Net Assets	\$3,762,128	\$7,203,846
Total Revenues	\$39,185,914	\$33,005,038
Excess of Revenues Over Expenses	\$3,362,639	\$3,221,754
Cash Flow from Operations	\$3,017,619	NA
Short-Term Analysis		
Current Ratio (CA/CL)	1.6	1.6
Cash Flow to Current Liabilities (CFO/CL)	59.84%	NA
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	91.3%	13.0%
Total Margin (ER/TR)	8.58%	9.76%
Measure of Available Funding		
Working Capital	\$3,226,890	\$2,599,071

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:

On Schedule 1, the applicant indicates capital projects totaling \$293,474.28. The applicant indicates on Schedule 3 of its application that funding for the project will be by cash on hand. With \$8.2 million in cash and cash equivalents, the applicant has sufficient resources to fund this project and all capital expenditures.

Conclusion:

Funding for this project and the entire capital budget should be available as needed.

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

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

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

CON Action Numbers: 10742

CON 10742	Charis Healthcare Holdings-Flagler & Volusia County				
Flagler	Wage Component	Wage Index	Adjusted Wage Amount	Unadjusted Component	Payment Rate
Base Rate Calculation					
Routine Home Care 1-60 days	\$138.51	0.8184	\$113.36	\$71.35	\$184.71
Routine Home Care 61+ days	\$109.34	0.8184	\$89.48	\$56.32	\$145.80
Continuous Home Care	\$1,131.55	0.8184	\$926.06	\$373.17	\$1,299.23
Inpatient Respite	\$297.69	0.8184	\$243.63	\$190.32	\$433.95
General Inpatient	\$699.05	0.8184	\$572.10	\$401.82	\$973.92
Year Two Comparison					
Year Two Comparison	Inflation Factor Year Two	Inflation Adjusted Payment Rate	Schedule 7 Revenue Year 2	Continuous Service Hours Provided	Calculated Patient Days
Routine Home Care 1-60 days	1.123	\$207.50	\$593,843		2,862
Routine Home Care 61+ days	1.123	\$163.80	\$201,907		1,233
Continuous Home Care	1.123	\$1,459.59	\$0	24	0
Inpatient Respite	1.123	\$487.51	\$0		0
General Inpatient	1.123	\$1,094.13	\$0		0
		Total	\$795,750		4,094
			Days from Schedule 7		5,313
			Difference		1,218
			Percentage Difference		22.93%

As such, the applicant’s projected patient days are 22.93 percent or 1,218 days more than the number of patient days calculated by staff. Revenues seem way understated and may not be relied upon. Operating profits from this project are expected to increase from a net loss of \$143,748.41 in year one to a net loss of \$68,846 in year two.

Conclusion:

This project appears to be financially in question due to the loss in year two.

- 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 price-based competition that would result in increased efficiencies, service, and quality is limited in health care in general and in hospice specifically. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable

and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in hospice, price-based competition is almost non-existent. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited.

Conclusion:

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

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

This does not apply to the proposed hospice program.

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

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108). Hospice care also must be provided regardless of ability to pay and regardless of age, race, religion, sexual orientation, diagnosis, payer source or financial status.

CHARIS states that it has a history of providing health services to Medicaid patients and the medically indigent in other jurisdictions around the country and is committed to ensuring that hospice care is available to all terminally ill patients, regardless of their ability to pay for their care. CHARIS projects 50 year one and 75 year two Medicaid admissions. Schedule 7A Assumptions indicate that Medicaid and charity will be the payer source for 0.50 percent (1.0 percent combined) of the project's total annual year one and year two patient days.

F. SUMMARY

Charis Healthcare Holdings, LLC (CON application #10742) is a for-profit, Florida Limited Liability Company, proposing to establish a new hospice program in SA 4B. CHARIS affiliates have seven licensed home health agencies and seven private duty nurse registries in Florida, one of

the nurse registries serves SA 4B. The applicant indicates its affiliates provide clinical services and related products and supplies to patients in their place of residence in nine states.

Total project cost is \$293,474.28. CHARIS projects issuance of license on March 14, 2024, and initiation of service on April 15, 2024.

CHARIS proposes seven conditions on the application's Schedule C.

Need/Access:

In the absence of published need, CHARIS is applying to establish a new hospice program based on special and not normal circumstances, which it states include:

- Terminally ill populations not being served and at risk:
 - Populations with Coronary Heart Disease
 - Populations with Strokes
 - Populations with Cancer (Breast/Lung).
- CHARIS contends the following would benefit from the project:
 - Patients with diagnosis of diabetes, Alzheimer's, and other forms of dementia
 - The indigent, food insecure, homeless, veteran, and LGBTQ communities
 - Patients both over and under the age of 65
 - Patients residing in ALFs or Nursing Homes
 - The undereducated, uninformed, and those experiencing health care barriers for various reasons.
 - Hispanics and African Americans, and the SA's rural residents.
- CHARIS projects 400 year one and 550 year two admissions.

The Agency finds that in the absence of numeric need, upon a balanced weighing of the statutory criteria the applicant failed to prove special circumstances that would entitle its CON application to be approved.

Quality of Care:

- The applicant provided a brief discussion of its ability to provide quality care.

Financial Feasibility/Availability of Funds:

- Funding for the project and the entire capital budget should be available as needed.
- The project appears to be financially in question due to the loss in year two.
- Strictly, from a financial perspective, the project will not have a material impact on price-based competition.

Medicaid/Indigent/Charity Care:

- CHARIS states it has a history of service to “those regardless of the ability to pay” but does not provide specific data to support this.
- Schedule 7A Assumptions indicate that Medicaid and charity will be the payer source for 0.50 percent (1.0 percent combined) of the project’s total annual year one and year two patient days.
- The reviewer notes that in its proposed payer mix response, CHARIS indicates it will have 50 year one and 75 year two Medicaid admissions.

G. RECOMMENDATION

Deny CON #10742.

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: December 15, 2023



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