

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Sunrise Community, Inc./CON #10747

9040 Sunset Drive
Miami, Florida 33173

Authorized Representative: Zachary S. Wray
President and CEO
(305) 596-9040

2. Service District/County

District 6 (Hillsborough, Manatee, Hardee, Highlands, and Polk Counties)

B. PUBLIC HEARING

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

Letters of Support

CON application #10747 includes three letters concerning the project. Tyler Sununu, President and CEO of Florida Association of Rehabilitation Facilities, Inc. indicates his “support for the downsizing of the 120-bed Miami Sunrise Community ICF-IID facility and relocation of 24 beds to create 6 4-bed facilities throughout Hillsborough County”. He cites the applicant’s many years of services in the state and promotion of “community-based services in the least restrictive setting based on individuals’ needs”. Further, “the six ICF/IID Certificate of Need applications to downsize their 120-bed Miami facility and provide residents with smaller homes in a home-like environment where these services are needed in Hillsborough County is yet another example of how they promote community inclusion for the individuals they serve”. Mr. Sununu concludes that “approval of these CON requests will enhance the lives of the individuals served and should therefore be approved”.

Michael Taylor, Suncoast Region Manager, Florida Agency for Persons with Disabilities (APD), states that “the development of ICF-DDs is beyond the scope of our Agency’s authority and his belief that “it is important to ensure..(ICF-DDs) are available within every community”.

Exhibit 1 of the application includes a notarized letter from Zachary S. Wray, President and CEO of Sunrise Community, Inc. agreeing to delicense 24 beds from the 120-bed ICF/DD located at 22300 Southwest 162nd Avenue, Miami-Dade County, allowing for the bed relocations to occur for each of the six four-bed ICF/DDs.

C. PROJECT SUMMARY

Sunrise Community, Inc. (CON application #10747), also referenced as Sunrise or the applicant, a Florida non-profit owner/licensee of 28 ICF/DD facilities in Florida, proposes to establish a new four-bed ICF/DD facility at a site yet to be chosen in District 6, Hillsborough County, Florida. The project will use four beds from the applicant’s existing 120-bed Miami-Dade ICF/DD, located at 22300 Southwest 162nd Avenue North, Miami, Florida 33170 (Miami-Dade County) in District 11. Hillsborough County is part of the Agency for Persons with Disabilities (APD) Suncoast Region, while Miami-Dade is in APD’s Southern Region. If all Sunrise projects in this batching cycle are approved, 24 beds would be added to District 6/APD’s Suncoast Coast Region and 24 deleted from District 11/APD’s Southern Region. While beds will cross Agency for Health Care Administration Districts and APD Regions, the projects will not increase the states’ overall ICF/DD bed count.

Sunrise contends that the “impetus for the project is...(based on) the increasing need for ICF/IID capacity in central Florida, specifically Hillsborough County as population growth and occupancy levels remain high and the need to downside and decompress the largest ICF/IID in Florida to give residents more space and private rooms”.

For the purposes of this review, ICF/DD, Intermediate Care Facility for the Intellectually Disabled (ICF/ID) and Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) may be used interchangeably.

The applicant’s Schedule 10 indicates the proposed project, if approved, is expected to be licensed in June 2026 and initiate service in July 2026.

Total project cost is \$1,022,970. The project involves 3,286 gross square feet (GSF) of renovation with total renovation costs of \$640,000. Project costs include land, building, equipment, project development, financing and start-up costs.

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There are no existing CON conditions on Sunrise’s Miami-Dade ICF/DD and the applicant does not propose any conditions on this project.

Total GSF and Building Project Cost of CON Application #10747					
Applicant	CON app. #	Project	GSF	Total Building Cost	Building Cost Per Bed
Sunrise Community, Inc.	10747	Establish a four-bed ICF/DD in Hillsborough County (District 6) through replacement and relocation of four ICF/DD beds in Miami-Dade County, (District 11).	3,286	\$700,600	\$175,150

Source: CON application #10747 Schedule 9

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

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

Ch. 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 the financial analyst, Derron Hillman, of the Bureau of Central Services, who reviewed 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 Sections 408.035 and 408.037, Florida Statutes, and applicable rules of the State of Florida, 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? Ch. 59C-1.008, Florida Administrative Code.

The Agency does not publish need for ICF/DD beds. As previously stated, Sunrise contends that need for the project is based on “the increasing need for ICF/IID capacity in central Florida, specifically Hillsborough County as population growth and occupancy levels remain high and the need to downside and decompress the largest ICF/IID in Florida to give residents more space and private rooms”. Sunrise adds that “the project is budget neutral” and would assure “available resources are deployed efficiently without increasing the number of beds in the state”. The resident benefits of the smaller facility are cited including a “more home-like environment”, and more locations with beds “distributed throughout the community and close to the families they serve”. Sunrise next addresses Rule 59C-1.008(2) (e) 2. criteria, see below.

b. If no Agency policy exists, the applicant will be responsible for demonstrating need through a needs assessment methodology which must include, at a minimum, consideration of the following topics, except where they are inconsistent with the applicable statutory or rule criteria:

- 1. Population demographics and dynamics;**
- 2. Availability, utilization and quality of like services in the district, subdistrict, or both;**
- 3. Medical treatment trends; and**
- 4. Market conditions.**

Population Demographics and Dynamics

Sunrise states that Florida’s APD serves about 60,000 persons with intellectual disabilities and lists eight conditions including severe autism, cerebral palsy, spina bifida, Down syndrome, Prader-Willi syndrome, Phelan-McDermid syndrome, intellectual disabilities and children aged 3-5 years who are at high risk for developmental disability. The applicant stresses the importance of the Medicaid Program’s Home and Community Based Waiver support which includes financial assistance to allow parents to have the child remain in their home, supportive housing and home care services. The APD policy (Policy Directive #00-06) that requires individuals who meet eligibility criteria have the right to be placed in an ICF/IID while remaining on the state Home and Community Based Waiver waitlist is cited. Sunrise argues the expansion of home and community-based options reduce the demand for ICF/IID placements, though this service remains critical to persons whose conditions require nursing care and ongoing therapies.

Sunrise provides the most recent data from the Residential Information Systems Project (RISP) noting that the state caseload for persons with intellectual disabilities residing in Florida for CY 2019 was 61,753 persons. The applicant indicates that this denotes a rate of 12.57 persons per 100,000 for ICF/DD recipients, which is below the U.S. rate of 20.56 ICF/IID recipients per 100,000. Sunrise states that as the number of recipients receiving services through the waiver increases, a decline occurs for those receiving ICF/DD services. The applicant’s data indicates that a vast majority (75 percent) of persons with intellectual disabilities reside in family homes. However, Florida’s aging population with many caregivers (31 percent over age 60 in 2017) impacts their ability to care for adult children with disabilities in their homes, which underscores the importance of having long-term services available.

Sunrise’s Table 1-1 shows the estimates for CYs 2023 and 2028 needed ICF/DD service by Florida Counties utilizing the most recent rate of 12.57 per 100,000 persons. The reviewer condenses the table below.

**Population & Prevalence Estimates for ICF/IID Services
By County, Years 2023 and 2028**

County	Total Population			Estimated ICF/IID Persons		
	2023	2028	Increase	2023	2028	Increase
Hillsborough	1,511,612	1,602,130	90,518	190	201	11
Miami-Dade	2,701,301	2,738,593	37,292	340	344	4
Florida	22,144,382	23,250,669	1,106,287	2,784	2,923	137

Source: CON application #10747, pages 1-11 & 1-12, from Claritas current and five-year population estimates by county, 2023; RISP (2022), Institute on Community Integration (ICI), University of Minnesota, www.risp.umn.edu.

Hillsborough County’s total 2023 population is 1,511,612, which yields 190 ICF/IID residents and is projected to increase to 1,602,130 resulting in 201 ICF/IID persons. Using the same rate, Miami-Dade is shown as

having 2,701,301 total population in 2023 or 340 ICF/IID residents. This is projected to increase to 2,738,593 total population in 2028 and 344 ICF/IID persons. Hillsborough County's ICF/IID residents are projected to increase by 11 persons from 2023 in 2028, compared to Miami-Dade County's projected four ICF/IID persons increase. Sunrise contends the project has a positive effect on the availability of ICF/IID beds given population trends with Hillsborough County having the largest growth rate, which is 2.5 times more than Miami-Dade County's. Further, using the incidence rate in Florida approximately 2,784 persons have intellectual disabilities that meet ICF/IID criteria. This is projected to grow to 2,923 in 2028. Sunrise states that with 2,842 ICF/DD beds in Florida, many appropriate placements with serious intellectual disabilities will remain in community settings.

The reviewer notes that the Agency's records show 2,842 licensed and 36 CON approved ICF/DD beds pending licensure as of January 1, 2024. Twelve beds pending licensure involve the applicant's CON #10591, which relocates these beds from the now closed (St. Petersburg Cluster) Pinellas County ICF/DD. The other 24 are Sunrise's exemption #E220005 to establish a Madison County facility.

Availability, Utilization and Quality of Like Services in the District

Sunrise notes that there are five separately licensed locations with 124 beds in Hillsborough County, or 66 beds under the estimated 190 needed. Further, with its 12-bed (CON #10591) project and the 24 beds proposed in application numbers 10745-10750, Hillsborough at 160 beds is 30 beds below the estimated need and will be 41 beds under the estimated 2028 need. The applicant compares this to Miami-Dade having 356 licensed ICF/DD beds and estimated need for 340 persons needing ICF/DD services. The reviewer notes Miami-Dade ICF/DDs reported 16 vacancies in December 2023, eight were at Sunrise facilities. Sunrise notes that with Florida having 2,842 licensed ICF/DD beds, the current estimate of 2,786 persons needing ICF/IID services is within current capacity. However, with Sunrise's estimated 2,923 persons needing ICF/IID services in 2028 there is a shortfall of 45 beds in the state. Sunrise contends that 41 of these are allocated to Hillsborough County and its projects redistribute beds to "improve availability where the greatest need is occurring". The reviewer condenses the applicant's table below.

County	Estimated ICF/IID Persons (12.57 per 100,000)		Licensed ICF/DD Beds		Beds Minus Estimated Persons	
	2023	2028	2023	2028	2023	2028
Hillsborough	190	201	124	160	-66	-41
Manatee	53	58	0	0	-53	-58
Hardee	3	3	0	0	-3	-3
Highlands	13	13	24	24	11	11
Polk	97	106	24	24	-73	-82
District 6	356	381	172	208	-184	-173
Miami-Dade	340	344	356	332	16	-12
Florida	2,786	2,923	2,842	2,878	56	-45

Source: CON application #10747, page 1-14, from Claritas current and five-year population estimates by county, 2023; RISP (2022), Institute on Community Integration (ICI), University of Minnesota, www.risp.umn.edu and licensed beds as of 11/23/22 from Florida HealthFinder website @ <https://quality.healthfinder.fl.gov/>.

The reviewer notes that Sunrise projects a need for 2,923 beds in 2028, and there are presently 2,842 licensed ICF/DD beds and Sunrise has approval for 24 new beds via Exemption #220005 and the pending licensure CON #10591 (12 beds) which yields a need for 45 new ICF/DD beds for the state in 2028. Another view of the need is that Hillsborough has 124 licensed ICF/DD beds, with 12 more pending licensure. Sunrise projects a need for 190 in 2023 and 201 ICF/DD beds in 2028. Using Sunrise need projections, there is a need for 54 new beds as of 2023, which increases by 11 beds to 65 new ICF/DD beds in Hillsborough County in 2028. However, there are presently three vacancies in Hillsborough County’s existing 124 ICF/DD beds, which appears to indicate the Medicaid Program’s Home and Community Based Waiver support’s positive impact on care for ICF/DD qualified residents.

Below are the ICF/DD facilities located in District 6 (Hillsborough County) by name, street address, city, ZIP Code and licensed beds at each.

ICF/DDs in District 6 (Hillsborough County)

Facility Name	Address	Licensed Beds
Life Concepts, Inc.	1923 Sarah Louise Dr., Brandon 33510	24
Life Concepts, Inc.	2611 E. Bearss Ave., Tampa 33613	24
Hillsborough Co. Developmental Ctr.	14219 Bruce B Downs Blvd., Tampa 32613	64
Sunrise Community, Inc.	817 West Wheeler Road, Brandon 33510	6
Sunrise Community, Inc.	2714 W Kirby Street, Tampa 33614	6
Total		124

Source: FloridaHealthFinder.gov on December 20, 2023

Sunrise Community, Inc. also has CON #10591 approved to relocate 12 ICF-DD beds from Pinellas to Hillsborough County. The applicant indicates this project will be at 3410 Pearson Road, Valrico. Valrico is a census designated place (population 37,895 as of the 2020 census) in east central Hillsborough County, bordered on the west by Brandon, southwest

by Bloomingdale and to the south by FishHawk. Via State Road 60, it is approximately 14 miles east of Tampa and 26 miles west of Bartow. It is 10 miles southwest of Plant City, Florida¹.

Private ICF/IID vacancy information from the Florida Association of Rehabilitation Facilities, Inc. website for December 2023 shows Hillsborough County (APD Suncoast Region) has three vacancies. See the table below.

ICF Vacancy Information for Hillsborough County

Total Vacancies	Age			Gender		
	Under 18	Adults	Any	M	F	Co-Ed
3	0	0	3	0	0	3

Source: Florida Association of Rehabilitation Facilities, Inc. website @ [December 2023.pdf \(floridaarf.org\)](#)

Hillsborough County’s three vacancies consist of one at Life Concepts, Inc. (‘Quest - Williams Road Cluster’) and two at Hillsborough County Developmental Center.

Below are the ICF/DD facilities located in District 11 (Miami-Dade County) by name, street address, city, ZIP Code and licensed beds at each.

ICF/DDs in District 11 (Miami-Dade County)

Facility Name	Address	Licensed Beds
MACtown, Inc.	6250 NE First Place, Miami 33183	56
Miami Cerebral Palsy Residential Services, Inc.	11750 SW 80 th Street, Miami 33182	24
Miami Cerebral Palsy Residential Services, Inc.	11801 NW 2 nd Street, Miami 33182	24
Miami Cerebral Palsy Residential Services, Inc.	14400 SW 32 nd Street, Miami 33175	24
Miami Cerebral Palsy Residential Services, Inc.	7100 SW 122 nd Street, Miami 33183	24
Sunrise Community, Inc.	1102 N Krome Avenue, Homestead 33030	12
Sunrise Community, Inc.	444 NW 22 nd Street, Homestead 33030	6
Sunrise Community, Inc.	9790 SW 157 th Terrace, Miami 33157	6
Sunrise Community, Inc.	14935 SW 145 th Street, Miami 33196	6
Sunrise Community, Inc.	13350 SW 119 th Street, Miami 33186	6
Sunrise Community, Inc.	10521 SW 146 th Place, Miami 33186	6
Sunrise Community, Inc.	5436 SW 148 th Court, Miami 33185	6
Sunrise Community, Inc.	3210 SW 138 th Court, Miami 33175	6
Sunrise Community, Inc.	22300 SW 162 nd Avenue, Miami 33170	120
Sunrise Community, Inc.	19420 W Oakmont Dr, Miami Lakes 33015	6
Sunrise Community, Inc.	18711 Wentworth Dr., Miami Lakes 33015	6
Sunrise Community, Inc.	19963 NW 62 nd Place, Miami Lakes 33015	6
Sunrise Community, Inc.	15190 SW 272 Street, Naranja 33032	12
Total		356

Source: [FloridaHealthFinder.gov](#) on December 20, 2023

Private ICF/IID vacancy information from the Florida Association of Rehabilitation Facilities, Inc. website for December 2023 shows Miami-Dade County has 16 vacancies. See the table below.

¹ Source: All Valrico information from Wikipedia.org website obtained December 28, 2023.

ICF Vacancy Information for Miami-Dade County

Total Vacancies	Age			Gender		
	Under 18	Adults	Any	M	F	Co-Ed
16	0	16	0	3	3	10

Source: Florida Association of Rehabilitation Facilities, Inc. website @ [December 2023.pdf \(floridaarf.org\)](#)

The private ICF/IID vacancy information from the Florida Association of Rehabilitation Facilities indicates the Miami-Dade vacancies above consist of seven at MACtown, Inc., one at Miami Cerebral Palsy’s NW 2nd Street facility and eight at Sunrise facilities. The data indicates the applicant’s 120-bed facility does not have a vacancy.

Therefore, as many as 24 Sunrise residents could be displaced should all the projects be approved. Eight of these residents could possibly be moved to the other Sunrise Miami-Dade facilities, eight others to the two Miami-Dade providers with vacancies, leaving eight other current ICF-DD residents with no Miami-Dade ICF-DD facility to go to.

The reviewer checked the complaints for MACtown, Inc. and Miami Cerebral Palsy Residential Services, Inc. during the previous three years ending December 20, 2023 as these providers have vacancies and would be the ones to accept any residents over the eight that Sunrise could place in their Miami-Dade facilities. MACtown had one substantiated complaint with the elopement category cited. Miami Cerebral Palsy’s 32nd Street facility had one substantiated complaint with two categories cited - residents/patient/client rights and residents/patient/client abuse.

In discussion of ICF/DD utilization, Sunrise compares Hillsborough ICF/DD vacancies to Miami-Dade as of November 2023. As noted above, Hillsborough County ICF/DD facilities reported three vacancies and Miami-Dade facilities reported 16 vacancies as of December 2023. Sunrise notes that Hillsborough’s three vacancies result in an average vacancy rate of 2.4 percent in 124 beds, versus Miami-Dade’s 17 (November 2023) vacancies or an average vacancy rate of 4.8 percent in 356 beds. The applicant adds this supports its contention that the project will improve access and utilization by redistributing beds to an area with existing beds operating at 97.6 percent of licensed capacity. However, this argument does not include the additional 12 beds that are pending licensure in Hillsborough County.

In a brief discussion of quality of service, Sunrise notes the goal of the Centers for Disease Control and Prevention (CDC) in Healthy People 2030 was to reduce the proportion of ICF/IID residents who live in group settings of seven or more from 22.7 percent in 2016 to 11.5 percent in 2030. Sunrise notes it is the first to offer four-bed ICF/DD homes in Florida and this project will help downside the 120-bed Miami-Dade facility. The applicant contends the project will improve quality of life for

the Miami residents by providing additional private rooms. However, as previously noted, the 120-bed facility does not have any vacancies and Sunrise has only eight of Miami-Dade's 16 vacant ICF/DD beds.

Medical Treatment Trends

Sunrise states that intellectual disabilities represent chronic conditions that are due to mental and physical impairments that usually begin during fetal development—the disabilities have a range of difficulties that include impacts on language, mobility, learning, self-help and independent living. Sunrise notes a multiyear study funded by the CDC called the Study to Explore Early Development (SEED) to identify factors that may put children at risk for autism spectrum disorder and other intellectual disabilities—these include:

- At least 25 percent of hearing loss among babies is due to maternal infections during pregnancy, such as cytomegalovirus infection, complications after birth and head trauma.
- Some of the most commonly known causes of intellectual disability include fetal alcohol syndrome, genetic/chromosomal conditions (such as Down Syndrome and Fragile X Syndrome) and certain infections during pregnancy.
- Children who have a sibling with autism are at a higher risk of also having autism spectrum disorder.
- Low birthweight, premature birth, multiple birth, and infections during pregnancy are associated with an increased risk for many developmental disabilities.
- Untreated newborn jaundice can cause a type of brain damage known as kernicterus. Children with kernicterus are more likely to have cerebral palsy, hearing/vision problems and problems with their teeth. Early detection and treatment of newborn jaundice can prevent kernicterus.

Sunrise next presents findings from an article titled, "Trends in the Prevalence of Developmental Disabilities in U.S. Children 1997-2008" which was produced by researchers from the CDC in collaboration with research from the Health Resources and Services Administration. The applicant concludes that these studies indicate that "strategies require education and outreach for prevention along with ongoing support for the intellectually disabled and their families given the chronic and long-term needs that result from various disorders".

Market Conditions

Sunrise indicates that the presence nationally of intellectual disabilities underscores the federal and state government's funding and programmatic supports through the Medicaid Program. However, Florida ranks second to last in the nation in fiscal effort (spending for IDD services per \$1,000 of

aggregate statewide personal income) for total adjusted spending for publicly funded programs for ICF/IID persons. For FY 2017, Florida provided \$1.97 per person compared to the national average of \$4.41 per person.

Sunrise concludes that the application has provided “a rationale and support....to replace and relocate 24 beds in the state’s largest (120-bed) provider owned ICF/DD in Miami-Dade County by establishing six four-bed homes in Hillsborough County”. The applicant indicates its need analysis supports the conclusion that the beds will be in an area in need of additional beds and the project affords persons with intellectual and developmental disabilities to be served in home-like settings within residential neighborhoods close to family, supports deinstitutionalization and promotes quality of care.

2. Agency Rule Preferences

Please indicate how each applicable preference for the type of service proposed is met. Ch. 59C-1.034, Florida Administrative Code.

A Certificate of Need for a proposed Intermediate Care Facility for the Developmentally Disabled (ICF/DD) shall not be issued unless:

- (1) The proposal has been determined by the Agency to be justified in context with the applicable review criteria contained in section 408.035, Florida Statutes, and the standards set forth in this rule; Chapter 59A-26, Florida Administrative Code; and current legislative appropriations providing for ICF/DD placements.**

Sunrise notes that the CON application review criteria in s. 408.035 Florida Statutes are addressed “throughout this application” and provides responses to the Chapter 59A-26 Florida Administrative Code licensure standards. The applicant’s Standards of Excellence are listed and in response to the current legislative appropriations, Sunrise notes no new beds are to be added only the relocation of beds from APD Southern Region to APD Suncoast Region. Sunrise includes the current ICF/DD rate sheet on page 2-8 of CON application #10747.

- (2) The proposal, if for a new facility, provides for not more than 60 beds divided into living units of not more than 15 beds each.**

Sunrise indicates that the proposed replacement facility follows the APD’s policies of preferred community placements in group homes.

The applicant states that the proposed replacement facility will be “the first 4-bed ICF/IID in Florida”.

- (3) The proposal, if for conversion of an existing facility to ICF/DD utilization, provides for division of such facility into living units of not more than 25 beds each.**

This provision is not applicable.

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), (2) and (5), Florida Statutes.**

Sunrise notes Florida presently has 2,842 licensed ICF/DD beds with 2,107 privately operated. The Medicaid Home and Community Based Waiver program expansion is stated to have “continued to decentralize (ICF/DD) care into residential communities”. Sunrise contends that the state’s static bed supply “necessitates that existing beds from large facilities be relinquished to establish new, small homes as proposed in this application”. The applicant’s need analysis is briefly addressed (see Item E. 1. of this report).

In reference to quality of care, Sunrise notes it has 28 ICF/IIDs in Florida with 384 beds and contends the project benefits from an “experienced leader” with the knowledge, tools, and expertise to continuously improve quality care and maintain high standards. See Item E. 3. b. for additional on this.

Geographic Access is discussed with Sunrise noting that ICF/DDs operate on a statewide basis, independent of districts or subdistricts. Further, ICF/IID programs are developed in areas where sufficient staff resources exist and are proximate to hospitals for supportive services. Sunrise contends that with Hillsborough County being at the heart of the Greater Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area, in the largest populated county, and functioning as a health care hub serving adjacent Pasco, Polk and Manatee Counties, the projects “will benefit residents throughout Hillsborough County and beyond”. Possible Hillsborough locations could include the Brandon, Riverview, and Valrico areas.

Financial access is addressed with Sunrise noting that all ICF/IID persons “in the program quality for Medicaid”. In reference to utilization, Sunrise reiterates portions of its need analysis, comparing Hillsborough County ICF/DD vacancies and bed supply with Miami-Dade County’s.

Sunrise also addresses Rule 59C-1.030(2), Health Care Access Criteria in its response and concludes that, on balance, it demonstrates compliance with the statutory and rule provisions of rule.

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.

Sunrise indicates that the project(s) will move beds away from an institutional setting and shift care to residential/community style group homes. The applicant states that in the ‘80s, Sunrise helped the State of Florida implement plans for deinstitutionalizing Florida’s large institutions by opening seven “cluster homes” in St. Petersburg, Panama City, Tallahassee, Bartow and Cape Coral.

Sunrise notes that over the years, its mission, values and vision (listed on CON application #10747’s page 4-2), “have focused on quality of life and community living for persons with disabilities”. Further, the basis of quality care begins with a thorough understanding of the CMS Operations Manual for assuring that all aspects of the program conform to the Medicare and Medicaid Conditions of Participation. Three excerpts from the CMS manual are cited on the application’s page 4-3.

Sunrise maintains that an overarching objective of its quality improvement (QI) process “assures that all the services and supports reflect quality, meet an individual’s needs as stated in the plan of care and that residents achieve positive outcomes within the therapeutic regimen”—including protection from harm, stable community living, increased integration, independence and self-determination. The resident’s participation includes a constellation of professionals whose assessments inform the plan of care. Topics discussed include Sunrise interdisciplinary team’s roles, incident management, services and support, and quality enhancement. The application’s Exhibit 7 includes the “Sunrise Group of Companies Quality Management Plan”.

Sunrise states that it “possesses the ability to provide excellent opportunities in Hillsborough that will improve the quality of life for the persons receiving services”. The applicant provides a detailed description of its ability to provide quality care.

Sunrise Community, Inc. currently operates 28 ICF/DDs in Florida, with a total of 384 ICF/DD beds. Agency records indicate for the three-year period ending December 20, 2023, the applicant had a total of six substantiated complaints at its Florida facilities. A single complaint can encompass multiple complaint categories. See the table below.

**Sunrise Community, Inc. ICF/DD Facilities
Three-Year Substantiated Compliant History
Ending December 20, 2023**

Complaint Category	Number Substantiated
Quality of Care/Treatment	3
Elopement	2
Resident/Patient/Client Rights	2
Admission, Transfer & Discharge Rights	1
Total	8

Source: Florida Agency for Health Care Administration Complaint Records

Sunrise Community’s 120-bed ICF/DD at 22300 SW 162nd Avenue, Miami (Miami-Dade County), Florida 33170 had no substantiated complaints during this same three-year period.

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.

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 provides audited financial statements, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON #10747 Sunrise Community, Inc.

	Jun-23	Jun-22
Current Assets	\$21,558,328	\$33,575,689
Total Assets	\$30,928,187	\$40,519,547
Current Liabilities	\$11,614,340	\$12,216,030
Total Liabilities	\$13,005,485	\$13,247,347
Net Assets	\$17,922,702	\$27,272,200
Total Revenues	\$108,805,850	\$75,476,236
Excess of Revenues Over Expenses	\$6,761,241	(\$2,270,314)
Cash Flow from Operations	\$3,981,705	\$2,868,964
Short-Term Analysis		
Current Ratio (CA/CL)	1.9	2.7
Cash Flow to Current Liabilities (CFO/CL)	34.28%	23.49%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	7.8%	3.8%
Total Margin (ER/TR)	6.21%	-3.01%
Measure of Available Funding		
Working Capital	\$9,943,988	\$21,359,659

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 \$19,400,320, which includes this project, and other CONs. In addition to the capital costs, the applicant will have to finance a projected year one operating loss of \$119,800.

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$50,000) and non-related company financing (\$972,970). The applicant provided a letter of interest, dated 11/30/2023, from Truist stating the applicant has an available revolving line of credit (\$3,000,000), an operating line of credit (\$5,000,000), and was closing on a non-revolving line of credit for construction (\$10,000,000). This letter outlines existing commitments and is not and should not be interpreted as a future commitment.

Staffing:

Schedule 6 illustrates that FTEs for year one (ending June 30, 2027) and for year two (ending June 30, 2028) total 12.06 FTEs for the proposed project. CFR S 483.430 specifies for each defined residential living unit serving moderately retarded clients, the staff to client ratio is 1 to 4. Based on the information provided in Schedule 6 (see below), the applicant's projected staffing meets this requirement.

Sunrise Community, Inc. (CON application #10747)		
Projected Staffing		
Year One & Year Two		
Position	Year One FTEs	Year Two FTEs
Administration		
Administrator	0.25	0.25
Director of Nursing	0.25	0.25
Nursing		
RNs	1.10	1.10
Social Services		
Social Service Director	1.00	1.00
Activities Assistant	9.21	9.21
Qualified Intellectual Disability Professional	0.25	0.25
Total	12.06	12.06

Source: CON application #10747, Schedule 6

Conclusion:

Funding for this project is in question.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2020 and 2021 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 1st Quarter 2023, Health Care Cost Review).

NRPD, CPD, and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	1,112,600	760	975	581	415
Total Expenses	991,300	677	828	588	396
Operating Income	121,300	83	139	19	-33
Operating Margin	10.90%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	1,464	100.00%	90.13%	79.58%	48.89%
Medicaid	1,464	100.00%	100.00%	93.99%	90.53%
Medicare	0	0.00%	5.49%	2.29%	0.00%

Conclusion:

The project appears financially feasible based on the projections provided by the applicant.

e. Will the proposal foster competition to promote quality and cost-effectiveness? ss. 408.035(7), Florida Statutes.

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicaid is the primary payer in the ICF/DD industry, price-based competition is limited. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. The existing health care system’s barrier to price-based competition via the fixed price payer 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-26, 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 architectural portion of this application was reviewed based on the assumption that the clients served by this facility will not receive chronic, skilled/acute nursing or medical care. Subsequently, the facility plans were not reviewed for compliance with 59A-26.019, Florida Administrative Code or with the requirements for a health care occupancy. The proposed facility would not be appropriate for clients that are incapable of self-preservation in an emergency.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

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

Sunrise has a long history of providing health services to Medicaid enrollees. ICF/DDs are primarily funded by the Medicaid program, through legislative appropriations. Sunrise forecasts 1,184 patient days at 81.25 percent occupancy in year one (ending June 30, 2027) and 1,464 patient days during year two (ending June 30, 2028). Schedule 7 shows Medicaid will account for 100 percent of the revenue and patient days in both years one and two.

Sunrise notes the expansion of the Medicaid Home and Community-Based Waiver Program that reimburses privately operated group homes, APD determining eligibility for the program, and fund availability for social supportive services allow individuals with intellectual disabilities to remain in their own homes, foster home or in family homes. The application's Exhibit 8 includes a Florida Association of Rehabilitation Facilities brochure with general information about Florida's ICF/DD program.

F. SUMMARY

Sunrise Community, Inc. (CON application #10747), proposes to construct and operate a new four-bed ICF/DD facility in District 6, Hillsborough County, Florida by replacing and relocating four beds from the applicant's 120-bed Miami-Dade ICF/DD. The proposal would reduce

the APD Southern Region's and the Agency's District 11 and increase APD's Suncoast Region and the Agency's District 6 ICF/DD beds, and not change the state's total.

Sunrise indicates that should all projects (applications 10745-10750) be approved; it will delicense 24 beds at its 120-bed Miami-Dade ICF/DD. As previously stated, this facility did not report any vacancies during December 2023, Miami-Dade County had 16, eight of these at Sunrise facilities and Hillsborough County had three ICF/DD vacancies. The applicant does not have a proposed site for the new four-bed facility, but indicates possible Hillsborough locations could be in Brandon, Riverview and Valrico.

The proposed project, if approved, is expected to be licensed in June 2026 and initiate service in July 2026.

Project costs total \$1,022,970. The project involves 3,286 GSF of renovation with total renovation costs of \$640,000. Total project costs include land, building, equipment, project development, financing and start-up costs.

There are no existing CON conditions on Sunrise's 120-bed Miami-Dade ICF/DD. The applicant does not propose any conditions on the project.

Need:

ICF/DD bed need is not published by the Agency. Sunrise contends the project is based on the increasing need for ICF/IID capacity in central Florida, specifically Hillsborough County as population growth and occupancy levels remain high.

Sunrise projects Hillsborough County has a need for 190 ICF/DD beds in 2023, which increases to 201 ICF/DD beds in 2028. Hillsborough County presently has 124 ICF/DD beds with 12 more pending licensure. The existing facilities have three vacancies as of December 2023. With three vacancies in Hillsborough County's existing 124 ICF/DD beds, it appears the Medicaid Program's Home and Community Based Waiver program reduces the need for ICF/DD inpatient facilities.

Sunrise contends that the project addresses the need to downside and decompress the largest ICF/IID in Florida to give residents more space and private rooms. The resident benefits of the smaller facility are cited including a more home-like environment, and more locations with beds distributed throughout the community and close to the families they serve.

Sunrise's ICF/DD bed need for Miami-Dade County is projected to be 340 in 2023 and to increase to 344 in 2028. Miami-Dade County presently has 356 ICF/DD beds and 16 ICF/DD vacancies as of December 2023. The approval of all projects would result in 332 Miami-Dade ICF/DD beds, even though 340 beds are presently occupied and Sunrise's need projections indicate 340 are needed.

Should all projects be approved, eight Miami-Dade ICF/DD residents would have to relocate to other care settings or ICF/DDs in other counties.

Sunrise reported eight Miami-Dade vacancies in December 2023. The approval of more than eight beds would require Sunrise residents to be relocated to other providers.

Quality of Care:

- Sunrise demonstrated the ability to provide quality care
- During the three-year period ending December 20, 2023, Sunrise affiliated ICF/DDs had a total of six substantiated complaints with eight complaint categories cited

Financial Feasibility/Cost:

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

Architectural:

- The applicant submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria
- The cost estimate 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 architectural review assumes that the clients served by this facility will not receive chronic, skilled/acute nursing or medical care. The facility plans were not reviewed for compliance with 59A-26.019, Florida Administrative Code or with the requirements for a health care occupancy

Medicaid/Indigent Care:

- Sunrise has a long history of providing health services to Medicaid enrollees
- The applicant's Schedule 7 shows 100 percent of the project's patient days attributed to Medicaid

G. RECOMMENDATION

Deny CON #10747.

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 9, 2024

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