

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**Mercy Center OPCO, LLC/CON #10755**

2901 Stirling Road, Suite 200  
Fort Lauderdale, Florida 33312-6503

Authorized Representative: Mr. Jacob Bengio  
Ventura Services – Florida  
Authorized Representative  
(954) 300-3878 Ext. 102

**2. Service District/Subdistrict**

District 11/Subdistrict 11-1 (Miami-Dade County)

**B. PUBLIC HEARING**

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

**C. PROJECT SUMMARY**

**Mercy Center OPCO, LLC (CON application #10755)**, also referenced as Mercy, Mercy Center OPCO or the applicant, proposes the addition of five beds to its approved 165-bed replacement community nursing home (CONs #10729, #10665 and #E210004) through the relocation of five beds from North Dade Nursing and Rehabilitation Center. The application's Exhibit 1 includes a signed notarized letter from the authorized representative Jacob Bengio of North Dade SNF Operating Company, LLC d/b/a North Dade Nursing and Rehabilitation Center committing to delicense five beds at its facility for this project. The planned replacement site is located at 7109 SW 61<sup>st</sup> Court, South Miami, Florida 33143.

Mercy Center OPCO, LLC and North Dade Nursing and Rehabilitation Center are affiliated with Ventura Health Services, LLC—a consulting company which manages 13 Florida community nursing homes, seven of which are in Miami-Dade County (Subdistrict 11-1).

Total project cost, which includes building, equipment, and project development costs is \$146,518. The five-bed addition includes 2,760 gross square feet (GSF) of new construction. Total construction cost is \$50,000.

Mercy expects issuance of license in June of 2026 and initiation of service in July of 2026.

Mercy Center OPCO, LLC does not propose any conditions to the project's approval—there are no conditions on the pending projects.

**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 meets the review criteria.

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

As part of the fact-finding, the consultant, Sarah Zimmerman, analyzed the application with consultation from the financial analyst, Derron Hillman, of the Bureau of Central Services, who evaluated the financial data, and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

**E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA**

The following indicate the level of conformity of the proposed project with the criteria and application content requirements found in Florida Statutes, Sections 408.035, and 408.037; applicable rules of the State of Florida, Chapter 59C-1 and 59C-2 and Florida Administrative Code.

**1. Fixed Need Pool**

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

In Volume 49, Number 190 of the Florida Administrative Register dated September 29, 2023, a fixed need pool (FNP) of zero community nursing home beds was published for Subdistrict 11-1 for the July 2026 planning horizon. There were no exemption requests or expedited CON applications to increase the subdistrict's community nursing home bed count subsequent to the FNP publication. Applying in the absence of a fixed need pool, this project is to add five beds through the relocation of five beds from North Dade Nursing and Rehabilitation Center, resulting in a replacement facility of 170 beds. The project will not change the number of licensed and approved nursing home beds in Subdistrict 11-1.

As of August 11, 2023, Subdistrict 11-1 had 53 community nursing homes with 8,255 licensed and 787 approved community nursing home beds. The subdistrict's nursing homes reported 87.02 percent for the 12 months ending June 30, 2023, and 87.73 percent total occupancy during the six-months ending June 30, 2023.

Mercy Center OPCO, LLC's Exhibit 1 of the application includes a signed notarized letter from Jacob Bengio, authorized representative of North Dade SNF Operating Company, LLC d/b/a North Dade Nursing and Rehabilitation Center, agreeing to voluntarily delicense five community nursing home beds at his facility for the project.

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

- Population Demographics and Dynamics
- Availability, Utilization, and Quality of Services in the Subdistrict
- Medical Treatment Trends
- Market Conditions
- Service Area Utilization and Impact
- Mercy Center OPCO Forecast of Utilization

When discussing Population Demographics and Dynamics, Mercy uses the Agency’s Florida Population Estimates and projections by AHCA District 2018 to 2030, published January 2023, showing that as of January 2023, Miami-Dade County had a total population of 2,779,262 with those aged 65 and older having a population of 491,944 residents which is the largest number of seniors residing in any Florida county. Further, as of January 2028, Miami-Dade County will add 72,431 persons at a rate of 14.72 percent aged 65 and older residents.

Mercy next provides a table (see below) to show projected population growth by 64 and under and 65 and over age cohorts from January 2023 to January 2028 for Miami-Dade County and Florida overall.

**Current and Projected Population by Age Cohort  
Miami-Dade County and Florida**

Area	January 2023 Population Estimates			January 2023 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Miami-Dade	2,287,318	491,944	2,779,262	82.30%	17.70%	100%
Florida	17,662,850	4,674,295	22,487,016	78.37%	21.63%	100%
Area	January 2028 Population Estimates			January 2028 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Miami-Dade	2,314,618	564,375	2,878,993	80.40%	19.60%	100.00%
Florida	18,281,793	5,636,261	23,918,054	76.44%	23.56%	100.00%
Area	Five Year Increase			Five Year Growth Rate		
	65+	Total	0-64	65+	Total	
Miami-Dade	27,300	72,431	99731	1.19%	14.72%	3.59%
Florida	658,943	772,095	1,431,038	3.74%	15.87%	6.36%

Source: CON application #10755, page 1-2, Table 1-1, from AHCA and Projections by AHCA District 2018 to 2030, published January 2023.

Mercy notes that as of January 2023, the age 65 and over population represents 17.7 percent of the total population in Miami-Dade County. By 2028, the projected 564,375 seniors will represent 19.6 percent of the total population of Miami-Dade County. Mercy concludes that the increase in seniors indicates future need for residential and health care services for that population.

CON application #10755, page 1-3, Figure 1-1 shows the projected elderly population age 65 and over by ZIP Code for 2028. The application’s Figure 1 used dots showing Miami-Dade existing nursing homes and acute care hospitals. The applicant’s now closed Mercy Center, Mercy’s replacement facility location and three proposed skilled nursing facilities under development-Florida International Medical Center, Health Resort Network, and RSBRM Operator LLC are named.

Figure 1-3, page 1-4 includes an aerial view of the proposed replacement site for The Nursing Center at Mercy at 7109 SW 61<sup>st</sup> Court, South Miami, showing that it is directly across from Larkin Community

Hospital and two blocks from South Miami Hospital. Mercy contends the project location will provide ease of access to rehabilitation for patients following an acute care episode.

Mercy cites AHCA's Florida Nursing Home Bed Need Projections by District and Subdistrict and Florida Population Estimates for July 1, 2023 to show that:

- Miami-Dade is the largest county in the state in terms of population (2,779,262 residents)
- Subdistrict 11-1 has the largest nursing home capacity with 8,255 licensed beds, representing 10 percent of total beds in the state
- There are only 16 beds per thousand seniors aged 65 and over [8,255/(498,453/1,000)], compared to the state with 17 beds per thousand [86,110/(4,941,825/1,000)]

Mercy Center OPCO, LLC concludes that the persistent high use of the beds reflects the necessity of retaining the beds in the subdistrict. Mercy notes the subdistrict had a temporary drop in utilization during the 2020 COVID-19 pandemic, yet occupancy remained high in Miami-Dade County. Further, the most recent data shows that utilization is once again on the rise for inpatient skilled nursing care, with Miami-Dade nursing homes averaging 87.02 percent, compared to Florida at 79.67 percent for the 12 months ending June 30, 2023. Mercy concludes that utilization patterns are returning to pre-pandemic levels and will continue to rise at least in proportion to the senior population growth rates, placing further demand on nursing homes for rehabilitation and long-term skilled nursing care.

Mercy contends that the project will promote quality through a new physical plant built to today's standards which includes 28 private rooms and 71 semi-private rooms for a total of 170 beds, including the five sought in this application. The applicant notes that the semi-private rooms share a bath but have wall separation between each resident's personal space and each bed has a window view, maximizing independence and privacy which facilitates resident centered care.

Regarding medical treatment trends, Mercy cites the physical plant design, having more private rooms that will allow better infection control when isolation is required. Further, larger resident rooms provide more space for medical equipment and mobility devices which promotes best practices in skilled nursing care. The applicant contends that the state recognizes the need to replace aging facilities citing s. 408.036(3)(e), Florida Statutes which allows replacement facilities to add up to 25 percent of their licensed bed capacity. Mercy contends that the project provides the best use of available beds and that with more beds, quality is improved through operating efficiencies in the delivery of care and outcomes.

Mercy concludes that the project will enhance access by redistributing beds where they are needed most citing the replacement facility’s location, further south in the county than North Dade Nursing and Rehabilitation Center and away from most existing facilities but with more acute care hospitals nearby. The applicant contends that since there is no increase in total licensed beds, existing facilities will not be impacted. Further, given the projected elderly population increase of 15 percent over the next five years and the need for hospital services often requiring short-stay rehabilitation in a skilled nursing facility, frail seniors with chronic conditions that will continue to need care.

**Miami-Dade County Patient Days, Use Rates and Occupancy,  
For the 12 Months Ending June 30, 2020, 2021, 2022, and 2023**

	<b>6/30/2020</b>	<b>6/30/2021</b>	<b>6/30/2022</b>	<b>6/30/2023</b>
Resident Days	2,666,382	2,412,029	2,500,568	2,621,839
Average Daily Census	7,305	6,608	6,851	7,183
Miami-Dade County Population 65+	469,612	476,914	488,496	498,453
Days per 1,000 Persons, 65+	5,678	5,058	5,119	5,260
Current Existing Community Beds	8,281	8,281	8,375	8,255
<b>Occupancy</b>	<b>87.62%</b>	<b>79.80%</b>	<b>83.29%</b>	<b>87.02%</b>

Source: CON application #10755, page 1-7, Table 1-3

Mercy notes the table above shows utilization prior to the pandemic and during the months immediately following the outbreak and contends this is evidence that occupancy rates for nursing homes are back on the rise following an unusual period of decline due to the pandemic.

Mercy provides the table using the Miami-Dade County July 1, 2022 - June 30, 2023, nursing home use rate to project nursing home occupancy in Miami-Dade County for the first and second year of operations for the proposed project. Mercy concludes that the result is 2,968,613 patient days for the year ending June 30, 2028, with after deducting the anticipated patient days for the replacement facility of 170 beds, the occupancy in the remaining beds is 90.02 percent for the planning area.

**Miami-Dade County  
Projected Patient Days and Occupancy  
Years One & Two of the Project**

<b>Projected Year Ending:</b>	<b>6/30/2027</b>	<b>6/30/2028</b>
Miami Dade Midpoint (January) Population 65+	547,881	564,375
Forecasted Resident Days	2,881,854	2,968,613
Average Daily Census	7,895	8,133
Mercy Center OPCO Days @ 41.8% & 86.05%	25,938	53,542
Deduct Mercy Center OPCO from Forecast	2,855,916	2,915,071
Average Daily Census, Remaining Days	7,824	7,986
Expected Community Licensed Beds*	8,872	8,872
<b>Expected Occupancy, Remaining Beds</b>	<b>88.19%</b>	<b>90.02%</b>

Source: CON application #10755, page 1-8, Table 1-4, from AHCA’s Florida Population Estimates and Projections by AHCA District 2018 to 2030, published January 2023, Florida Nursing Home Bed Need Projections by District and Subdistrict, Background Information for Use in Conjunction with the July 2026 Planning Horizon, September 29, 2023.

Note: \* Licensed and approved beds as of August 11, 2023, less the project’s 170 beds.

Mercy concludes that with increasing occupancy and assumptions based on previous years, Miami-Dade County can be expected to see increased nursing home utilization for years to come, which demonstrates the growing need for nursing home beds in the surrounding area that it will serve and the need to retain use of all beds within the subdistrict.

The applicant notes that its forecast shows a fill-up period during the first two years for the proposed 170-bed facility, consistent with fill rates of recent nursing home openings in the market.

Mercy Center OPCO, LLC’s projected total admissions and patient days for the 170-bed facility’s first two years of operations are shown below.

**Projected Utilization for the 170-Bed Facility  
First Two Years of Operation**

Year	Total Facility (N=170)			
	Admits	Patient Days	Occupancy Rate	ADC
Year 1 (7/01/2026-06/30/2027)	161	25,938	41.80%	71.1
Year 2 (7/01/2027-06/30/2028)	304	53,542	86.04%	146.7

Source: CON application #10755, page 1-9, Table 1-5

Mercy shares that its Schedule 5 shows the initial occupancy rate in the first quarter of July through September 2026 will rise from 7.17 percent to 71.64 percent in the fourth quarter ending June 30, 2027, with the facility averaging 41.80 percent occupancy for the first year. Further, in the second year, the facility’s occupancy rate increases to 93.99 percent in the fourth quarter and will average 86.05 percent occupancy at the end of year.

In conclusion, Mercy Center OPCO, LLC contends its analysis provides the basis for approving the addition of five beds to the approved 165-bed replacement nursing home due to continued population growth in the age 65 and older, expected increases in nursing home utilization for the planning area; and the project’s replacing an outdated facility with limited space as part of a “next-generation” skilled nursing facility.

**2. Agency Rule Preferences**

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

Chapter 59C-1.036 of the Florida Administrative Code does not contain preferences relative to community nursing home beds nor does the Agency for Health Care Administration publish specific preferences for

these facilities. However, the rule does contain standards the Agency utilizes in assessing the applicant's ability to provide quality care to the residents.

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

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

- Physical therapy
- Occupational therapy
- Speech therapy
- Orthopedic rehabilitation
- Neurological rehabilitation
- Pulmonary rehabilitation
- Medical management
- Memory care
- Palliative care
- Hospice care
- Wound care

Sixteen other services and amenities that Mercy indicates provide support, comfort and security include:

- Full-time medical director
- 24-hour registered nurse coverage
- On site x-rays and clinical lab testing
- Ostomy care
- Enteral care
- Foley catheter care, changes, and teaching
- Diabetic care and management
- Medication management
- Bowel and bladder training
- IV therapy
- Dialysis support
- Structured activities seven days a week
- Pet therapy
- Security system
- Daily transportation
- Beauty/barber shop



Ventura Services Florida policies and procedures used at affiliate facilities that will serve the new facility, including admissions, care planning and discharge procedures which are briefly described on CON application #10755 pages 2-4 through 2-7.

Regarding admissions, Mercy points out that a multidisciplinary team, consisting of the facility administrator, medical director, and other health care professionals, evaluates the needs of each resident. Further, decisions to transfer are based on consultation with the care team, as well as with the resident and his/her family and physician. Mercy states that each resident receives an admission packet which details the agreement between the facility representative and the resident, his/her legal representative or other responsible party.

Regarding care planning, the applicant comments that developing a resident care plan is the single most important task undertaken for that resident and further comments that the care plan affects every aspect of his/her life in the facility, as well as the perception of the quality of life. Mercy bullets 11 staff members responsible for the development and/or implementation of the resident's care plan and states that ongoing monitoring through the Quality Assurance and Performance Improvement (QAPI) process provides feedback to enhance care toward improvement and recovery and to avoid hospital readmissions. Further, information addressed during the initial evaluation by the admitting nurse includes but is not limited to:

- Medical diagnosis
- Description of skin condition
- Current level of activity/mobility
- Cognitive status
- Diet orders
- Weight
- ADL performance
- Physical impairments

Mercy indicates that upon admission it must recognize the potential of each resident for discharge and explains that this approach makes placement into a nursing home a last resort, as the facility environment does reduce the independence of individuals. An initial length of stay will be estimated, particularly for Medicare beneficiaries, after which date the expectation will be for discharge and discharge plans begin with the initial assessment. Medically related social service or home-based services and home health eligibility factors are cited on the application's page 2-6.

Mercy indicates that discharge plans involve an interdisciplinary team approach: dietary, all therapies, nursing, family, patient, caregiver, and third-party payer sources to provide the best care after the patient is discharged from the facility. The interdisciplinary discharge plan/aftercare plan is discussed by the director of nursing and social services director with all relevant parties, along with a written plan, is provided to all relevant parties, including the attending physician. A listing and description of key personnel, recruitment and retention is included on the application’s pages 5-1 through 5-6.

Mercy states that the facility will have short-term and long-term patients, accepting a variety of payers including Medicare, Medicaid, and private insurance. The applicant notes that the project’s five beds are projected to contribute 1,574 patient days in year two and admissions and patient days by payer are identified on Schedule 7. Staffing by department is included on Schedule 6, which Mercy indicates is reflective of the staffing level necessary to care for a variety of facility residents which will meet or exceed staffing standards.

**Projected Admissions, Patient Days, Average Length of Stay and Average Daily Census  
First Two Years of Operation for the 170-Bed Facility**

<b>Factor</b>	<b>Year One</b>	<b>Year Two</b>
Admissions	161	304*
Patient Days	25,938	53,542
ALOS	161.1	176.1
ADC	71.1	146.7

Source: CON application #10755, page 2-7, Table 2-1.

Note: \*The applicant’s Schedule 7 shows 307 projected year two admissions.

The applicant indicates that admissions and patient days for the facility indicate an average length of stay of 30 days in the second year of operation, representing a mix of both short-term and long-term residents. However, the chart above does not support the ALOS of 30 days. Mercy projects that the facility will achieve an ADC of 71.1 in the first year and 147 in year two. Year two occupancy is projected to be 86.05 percent using the 307 admissions shown in the application’s Schedule 7, which is similar to the subdistrict average.

Mercy next examined the Agency’s CY 2022 Hospital Patient Discharge Data to nursing homes for Miami-Dade County residents aged 65 and over, to determine the level of need for specific services nursing home residents require identifying a total of 24 separate major diagnostic categories (MDCs). Four MDCs accounted for 60 percent of Miami-Dade residents aged 65 and older discharges to SNFs and briefly describes these MDCs (CON application #10755, pages 2-9 through 2-10). The top four MDCs are MDCs 08, 04, 05 and 18—musculoskeletal system and connective tissue, respiratory system, circulatory system, and infectious and parasitic diseases. Mercy notes that these categories have much in

common with respect to restorative and normalizing activities designed to improve functional capabilities. The reviewer partially reproduces Mercy’s MDC discharge table below, showing the four most frequently occurring and combining the others in the “*Remaining 20 MDCs*”.

**CY 2022 Miami-Dade Residents Age 65 and Over  
Hospital Discharges by MDC to Skilled Nursing Facilities**

MAJOR DIAGNOSTIC CATEGORY	CY 2022	
	Cases	Percent
08 Diseases & Disorders of the Musculoskeletal System and Conn Tissue	3,272	20.62%
04 Diseases & Disorders of the Respiratory System	2,272	13.67%
05 Diseases & Disorders of the Circulatory System	2,239	14.21%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	1,794	11.17%
<i>Remaining 20 MDCs</i>	6,447	40.23%
<b>Grand Total</b>	<b>16,024</b>	<b>100%</b>

Source: CON application #10755, page 2-8, Table 2-2 (partially reproduced)

Note: Total percent is 99.9 using the applicant’s estimates and the reviewer’s ‘remaining 20’ estimate.

The reviewer notes that the applicant’s percentages contain errors in that 2,272 cases compute to 14.18 percent and 2,239 computes to 13.97 percent of the reported 16,024 total cases. There are slight differences in with the 3,272 cases computing to 20.42 and the 1,794 cases 11.19 percent of the 16,024 total. Regardless, Mercy provides the top four MDC discharges conditions for CY 2022 admissions to skilled nursing facilities, which it indicates will determine what services are appropriate.

Mercy states it will offer a variety of specialized programs and continue to innovate to best meet residents' needs and that the replacement design with 28 private rooms and 71 semi-private rooms will have the capability of converting the private rooms to semi-private to accommodate future demand. Private rooms will also allow the facility to accommodate patients with contagions or conditions that require isolation and monitoring. The facility design also includes a large therapy suite equipped for rehabilitation and occupational therapy for activities of daily living with contracted personnel to deliver therapies.

Schedule 6 indicates 130.20 FTEs in total year one (ending June 30, 2027) and 193.4 FTEs in year two (ending June 30, 2028). Schedule 6A indicates the five-bed project will add 1.50 total FTEs in year one and 3.10 total FTEs in year two. The total facility’s year one and two FTE counts are shown in the table below.

**Mercy Center OPCO, LLC/CON application #10755  
Projected Year One and Year Two Staffing**

	<b>Year One Ending June 30, 2027 FTEs</b>	<b>Year Two Ending June 30, 2028 FTEs</b>
<b>Administration</b>		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions	1.00	1.00
Bookkeeper	2.00	2.00
Secretary	3.00	3.00
Medical Records Clerk	1.00	1.00
Other: Human Resources	1.00	1.00
Other: Central Supply/Staffing Coordinator	1.00	1.00
Other: MDS Coordinator	3.00	3.00
Other: Assistant DON	1.00	1.00
<b>Physicians</b>		
Medical Director	Contracted	Contracted
<b>Nursing</b>		
RNs	15.80	32.90
Nurses' Aides	41.30	85.30
<b>Ancillary</b>		
Physical Therapist	4.50	5.50
Speech Therapist	1.40	1.70
Occupational Therapist	3.70	4.50
Other: Therapy Program Manager	1.50	1.50
<b>Dietary</b>		
Cooks	7.60	7.60
Dietary Aides	8.40	8.40
<b>Social Services</b>		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Activities Assistant	1.00	1.00
Other: Driver	2.00	2.00
<b>Housekeeping</b>		
Housekeepers	14.00	14.00
<b>Laundry</b>		
Laundry Aides	5.00	5.00
<b>Plant Maintenance</b>		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	3.00	3.00
Security	3.00	3.00
<b>Total</b>	<b>130.20</b>	<b>193.4</b>

Source: CON application #10755, Schedule 6

Schedule 6 notes indicate that staffing estimates are based on the experience of management in operating a comparable facility and is consistent with the required licensure staffing standards and the costs and staffing for contractual services are based on existing contracts with providers of these services at a facility managed by an affiliated company.

- b. Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to s. 408.035(3), Florida Statutes, the Agency shall evaluate the following facts and circumstances:**
- 1. Whether the applicant has had a Chapter 400, Florida Statutes, nursing facility license denied, revoked, or suspended within the 36 months prior to the application.**

Mercy Center OPCO, LLC responds that it has not had a nursing facility licensed denied, revoked, or suspended within the past 36 months.

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

Mercy Center OPCO, LLC states that it has not had a nursing facility placed into receivership within the past 36 months.

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

This does not apply as no conditions are identified above.

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

This does not apply as no conditions are identified above.

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

This does not apply as no conditions are identified above.

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

Mercy indicates that it will provide required data to the Health Council of South Florida and the Agency for Health Care Administration.

**3. Statutory Review Criteria**

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

As of August 11, 2023, Subdistrict 11-1 had 53 community nursing homes with 8,255 licensed and 787 approved community nursing home beds. The subdistrict's nursing homes reported 87.02 percent for the 12 months ending June 30, 2023, and 87.73 percent total occupancy during the six-month period ending June 30, 2023. As previously stated, the project is not in response to published need as Mercy proposes to use five existing licensed community nursing home beds.

Mercy Center OPCO, LLC maintains that availability often refers to how much of a service exists, such as how many beds or facilities are in the market and reiterates District 11-1's licensed community nursing home beds and CON approved beds and occupancy rate for the 12-month period ending June 30, 2023 (see the report's Item E.1.a.).

Quality of care is addressed in item E.3.b. of this report. Mercy states that access is defined as how potential users obtain a service or gain admittance or entry to a facility providing the service. Components of access include eligibility criteria, financial criteria, location of facilities or admission centers, geographical features, travel time—or travel distance that users experience and specific services or programs. Mercy assures that quality is improved by moving the beds from an older existing facility to a newer replacement nursing home that will be built to current standards and can foster resident centric care.

Regarding accessibility, Mercy's Figure 3-1 provides a visual map of the location of the seven acute care hospitals and five nursing homes within a five-mile radius of the replacement site. Mercy's Table 3-1 below provides the facility names and bed counts.

**Hospitals and Nursing Homes within Five Miles of the Project**

<b>Hospital</b>	<b>Beds</b>
Baptist Hospital of Miami	902
Doctors Hospital	281
Keralty Hospital	125
Larkin Community Hospital	146
Nicklaus Children's Hospital	299
South Miami Hospital	432
Steward Coral Gables Hospital	245
<b>Total Hospital Beds</b>	<b>2,430</b>
<b>Nursing Home</b>	
Coral Gables Nursing and Rehabilitation Center	87
Harmony Health Center	203
Palmetto Subacute Care Center	95
Riviera Health Resort	223
West Gables Health Care Center	60
<b>Total Nursing Home Beds</b>	<b>668</b>

Source: CON application #10755, page 3-3.

Mercy contends this project ensures access to those previously utilizing The Nursing Center at Mercy, while improving access through a redistribution of five beds from an area that is over-bedded to one that has fewer nursing homes and better access to acute care hospitals.

Regarding service access, Mercy reiterates the hospital discharge data and proposed facility’s programs discussed in item E.1.a. of this report. Mercy states that it will make every effort to remove any financial barriers that could impede access to nursing home care, working closely with hospital discharge planners and those who may make direct admissions. Further, there are multiple insurers offering Medicare Advantage plans within the subdistrict, including Aetna, Humana, Cigna, and Wellcare and it plans to accept a variety of these plans to maximize access to care.

Mercy reiterates its response on District 11-1 utilization and emphasizes that the proposed five bed project in addition to the 165-bed replacement beds will contribute to overall service utilization with minimal impact on existing facilities. Health Care Access Criteria is addressed on CON application #10755 pages 3-7 through 3-9.

- b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality care? Is the applicant a Gold Seal Program nursing facility that is proposing to add beds to an existing nursing home? Section 408.035(3) and (10), Florida Statutes.**

As stated previously, Mercy Center OPCO, LLC will contract with Ventura Services Florida to assure that the program implements the latest in ongoing quality improvements and financial requirements. This project adds an additional five beds resulting in a 170-bed nursing home. The project does not involve a Gold Seal facility.

Mercy comments that the importance of continuity of care and staff training and development provide the basis for tracking progress and developing ongoing monitoring of the care within each nursing home. Further, management's philosophy encourages continuous quality improvement (CQI) through the institution of uniform standards and guidelines, the creation of quality improvement goals, and the recognition and use of evidence-based clinical pathways to achieve desired patient outcomes. The applicant bullets the 12 steps in the Centers for Medicare and Medicaid Services (CMS) *QAPI at a Glance* (CON application #10755, page 4-2) and maintains that these 12 steps establish a foundation for QAPI in nursing homes. Mercy states it stays up to date on all state and federal requirements for QAPI.

The applicant includes a Quality Assurance and Assessment Program (QAAP), which it states assures that the facility will meet or exceed the needs, expectations and requirements of the patients while maintaining good patient outcomes and exceptional person-centered care where the residents are involved in their own care and their needs are addressed individually. Further, Mercy states that a Risk Management/Quality Assurance Committee (RM/QAC), which will meet monthly and plans of correction for areas that need improvement will be developed. The applicant explains that the goal is to prevent failure of those core processes that could cause substandard quality of care and place the facility in danger of regulatory non-compliance.

Mercy's QAPI guiding principles addressed on CON application #10755, pages 4-2 through 4-4 topics include: Purpose, Guiding Principles (4) and Procedures. A narrative explanation/description of the following activities and initiatives provided includes:

- Emergency Management and Hurricane Preparedness - The proposed facility that the five beds will be relocated to will:
  - be constructed and equipped with a generator to ensure residents have a safe, comfortable environment during times of power outages
  - have a comprehensive emergency management plan that provide a detailed plan for natural disasters, including hurricanes, cover preparation protocols, monitoring, reports, and evacuation protocols which include procurement and storage of sufficient supplies, including food, water, pharmaceuticals, and nursing supplies
- Resident Rights- assures residents' rights and coordinates with the Ombudsman to assure that all proper interactions are guided by the policies which includes within the quality assurance review in which aspects of residents' rights receive evaluation, and any breach or concerns addressed in the continuous quality improvement cycle.



- A residents' rights brochure provided by Florida's Long-Term Care Ombudsman Program is given to each admission
- Every employee is given their own copy of the residents' rights and receives education upon hire during the first day of orientation and annually thereafter
- Activities and Resident Council - assures that residents have areas of interests to pursue and can develop friendships, interpersonal interactions, and gain information.
  - Activities director plans the range of activities based on the individual care plans and resident requests in which residents have opportunities to participate in various forms of recreation for both for mind and body
  - Family is always encouraged to participate with residents and staff
  - Activities are designed to promote physical, as well as mental stimulation and social interaction and include regular daily programs and special events are structured such that residents' interests are a priority, promoting social interaction and entertainment
  - Community outing and involvement are incorporated into the offerings to keep residents engaged and active.
  - Activities sometimes include movies, shopping, special events, dinner out, providing residents with community interactions, etc.

Mercy Center OPCO, LLC does not operate the facility, nor has it operated other facilities; however, it will contract with Ventura Services Florida, an established clinical and administrative services consulting company. Ventura Services affiliated nursing home utilization for the 12-month periods ending on June 30, 2022, and June 30, 2023, is shown in the table below.

**Florida Skilled Nursing Facilities  
Affiliated with Ventura Services Florida**

Facility Name	Licensee since	Beds	7/21-6/22		7/22-6/23	
			Patient Days	Occup.	Patient Days	Occup.
Harmony Health Center (District – 11)	5/13/19	203	71,357	81.46%	71,456	96.44%
Miami Springs Nursing & Rehab Center (District – 11)	6/17/19	269	50,717	51.65%	62,136	63.28%
Sierra Lakes Nursing & Rehab Center (District – 11)	9/30/19	180	60,809	92.56%	64,218	97.74%
South Dade Nursing & Rehab Center (District – 11)	10/7/19	180	62,373	94.94%	63,369	96.45%
North Dade Nursing & Rehab Center (District – 11)	10/14/19	245	68,408	76.50%	78,044	87.27%
Regents Park At Aventura (District – 11)	11/8/21	180	61,213	93.17%	63,576	96.77%
Claridge House Nursing & Rehab Center (District – 11)	11/8/21	240	71,357	81.46%	87,600	88.97%
Martin Coast Center for Rehabilitation & Healthcare* (District – 9)	2/1/22	120	41,819	95.48%	40,171	91.71%
Okeechobee Health Care Facility (District – 9)	3/1/22	210	53,686	74.07%	64,793	84.53%
Olive Branch Health and Rehab Center (District – 1)	4/1/22	90	15,083	45.91%	29,824	90.79%
De Luna Health and Rehab Center (District - 1)	4/1/22	90	20,023	60.95%	29,643	90.24%
Waterford Nursing and Rehab Center* (Healthcare Center of Waterford – (District - 11)	10/26/22	214	59,253	75.86%	63,052	80.72%
Washington Rehab and Nursing Center* (District - 2)	10/26/22	180	43,099	65.60%	48,014	73.08%
<b>Total</b>		<b>2,401</b>	<b>679,197</b>	<b>76.12%</b>	<b>765,896</b>	<b>87.54%</b>

Source: CON application #10755, page 4-6, Table 4-1 from AHCA Florida Nursing Home Bed Need Projections by District and Subdistrict for the periods indicated.

Notes: Miami Springs was f/k/a Fair Havens Center and Sierra Lakes was f/k/a Golden Glades Nursing & Rehab.

\*Martin Coast Center for Rehabilitation & Healthcare is pending issuance of license for change of ownership.

Mercy notes that all of these facilities experienced a significant increase in occupancies compared to the previous year. Further, high occupancy rates are often an indicator of quality, and its facilities are in high demand and play an important role in the health care delivery system of Miami-Dade County.

Mercy contends that when acquiring facilities, particularly older facilities that may have life safety issues due to aging physical plants and equipment, it takes time to improve quality deficiencies. The applicant notes that the pandemic has put added stress on facilities, facing many challenges from staffing shortages to the impact of soaring inflation on operational expenses. Further, two of its facilities (Miami Springs and Sierra Lakes) were purchased out of bankruptcy. Mercy contends that quality is expected to improve under its management.

Mercy states that it is affiliated with an experienced group of managers and experienced leaders that have the ability to initiate quality improvement, implement timely corrective action plans, and turnaround facilities through its quality initiatives. Further, its leadership has the knowledge and skills to operate the proposed facility, providing a variety of services required by residents.

The following table summarizes Ventura affiliated nursing homes star ratings according to the star ratings of the Centers for Medicare and Medicaid Services (CMS). Mercy includes these reports in the application’s Exhibit 3 and states that its responses demonstrate the capability to implement a program of quality assurance with elements that lead to continuous quality improvement in the federal and state rating systems and achieve national recognition for quality improvement.

**CMS Overall Ratings (Out of Five Stars) for Florida Nursing Facilities  
Affiliated with Ventura Services Florida**

<b>Facility Name</b>	<b>Subdistrict</b>	<b>CMS Star Rating</b>
Olive Branch Health and Rehab Center	1-1	4
De Luna Health and Rehab Center	1-1	5
Washington Rehabilitation and Nursing Center	2-1	4
Martin Coast Center for Rehabilitation & Healthcare	9-2	2
Okeechobee Health Care Facility	9-3	5
Harmony Health Center	11-1	4
Miami Springs Nursing and Rehabilitation Center	11-1	2
Sierra Lakes Nursing & Rehab Center*	11-1	2
South Dade Nursing & Rehab Center	11-1	1
North Dade Nursing & Rehab Center Regents Park at Aventura	11-1	2
Claridge House Nursing & Rehab Center	11-1	2
Waterford Nursing and Rehab Center (Healthcare Center of Waterford- 111341)	11-1	3
<b>Average</b>		<b>3</b>

Source: CON application #10755, page 4-7, Table 4-2.

Ratings are issued on a performance measure (star basis), with SNFs being issued stars ranging from one to five stars, with five stars being the highest rating.

**Skilled Nursing Facilities Affiliated with Ventura Service Florida  
Nursing Home Guide Inspection Ratings**

<b>Facility Name</b>	<b>Agency File Number</b>	<b>HF Overall Inspection Star Rating</b>	<b>CMS Overall Rating</b>
Claridge House Nursing and Rehabilitation Center	111306	★★★★	★★
De Luna Health and Rehabilitation Center	35961086	★★★★★	★★★★★
Harmony Health Center	111314	★★★	★★★★
(HF)Healthcare Center of Waterford / (CMS) Waterford Nursing and Rehabilitation Center	111341	★	★★★
Martin Coast Center for Rehabilitation and Healthcare	94301	★★★	★★
Miami Springs Nursing and Rehabilitation Center	111309	★★★	★★
North Dade Nursing and Rehabilitation Center	111324	★	★★
Okeechobee Health Care Facility	94701	★★★★★	★★★★★
Olive Branch Health and Rehab Center	35961064	★★	★★★★
Regents Park at Aventura	111345	★★	★★
Sierra Lakes Nursing & Rehabilitation Center	11310	★★★	★★
South Dade Nursing and Rehabilitation Center*	111313	★★★	★
Washington Rehabilitation and Nursing Center	26701	★★★	★★★★
<b>Average</b>		<b>2.92</b>	<b>2.92</b>

Source: <https://quality.healthfinder.fl.gov> and <https://www.medicare.gov/care-compare>

CMS Last Updated: December 6, 2023.

\*CMS cites this facility with abuse.

The reviewer notes that none of the facilities listed above are Gold Seal Award facilities. De Luna Health and Rehabilitation Center, Martin Coast Center for Rehabilitation and Healthcare, North Dade Nursing and Rehabilitation Center, Olive Branch Health and Rehabilitation Center, Regents Park at Aventura, South Dade Nursing and Rehabilitation Center, and Washington Rehabilitation and Nursing Center are on the Agency Watch List. The Watch List identifies nursing homes that are operating under bankruptcy protection or met the criteria for a conditional status during the past 30 months.

During the 36 months ending December 20, 2023, Ventura Services affiliated nursing homes had a total of 28 substantiated complaint categories cited. This does not include complaints that occurred prior to Ventura Services Florida operating the facility (see the table below).

**Mercy Center OPCO, LLC Affiliates  
Substantiated Complaint History by Category  
36 Months Ending December 20, 2023**

<b>Complaint Category</b>	<b>Number Substantiated</b>
Administration/Personnel	3
Admission, Transfer & Discharge Rights	1
Dietary Services	1
Infection Control	1
Misappropriation of property	1
Pharmaceutical Services	1
Physical Environment	3
Quality of Care/Treatment	8
Resident/Patient/Client Abuse	4
Resident/Patient/Client Neglect	2
Resident/Patient/Client Rights	3
<b>Total</b>	<b>28</b>

Source: AHCA Substantiated Complaint History.

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

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance on the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to benchmarks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The applicant provided a development stage audit, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON 10755 Mercy Center OPCO, LLC	
	Dec-22
Current Assets	\$74,431
Total Assets	\$3,258,633
Current Liabilities	\$13,985
Total Liabilities	\$13,985
Net Assets	\$3,244,648
Total Revenues	\$0
Excess of Revenues Over Expenses	(\$2,497)
Cash Flow from Operations	(\$1,090,212)
<b>Short-Term Analysis</b>	
Current Ratio (CA/CL)	5.3
Cash Flow to Current Liabilities (CFO/CL)	-7795.58%
<b>Long-Term Analysis</b>	
Long-Term Debt to Net Assets (TL-CL/NA)	0.0%
Total Margin (ER/TR)	NA
<b>Measure of Available Funding</b>	
Working Capital	\$60,446

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 \$39,603,093, which includes this project (\$146,518), other CONs, and capitalization.

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$9,904) and non-related company financing (\$136,614). The applicant provided a letter of commitment, dated 12/12/2023, from Waterstone stating their commitment in providing construction financing. In addition, Greystone provided a letter of interest to fund up to \$45,000,000 for the project.

**Conclusion:**

Funding for this project should be available as needed.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our

analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (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	728,110	463	757	387	335
Total Expenses	442,139	281	545	404	322
Operating Income	285,971	182	166	-5	-70
Operating Margin	39.28%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	1,574	86.01%	95.59%	75.70%	59.28%
Medicaid	930	59.09%	88.28%	80.44%	75.27%
Medicare	473	30.05%	17.81%	7.14%	2.28%

**Staffing:**

Section 400.23(3)(b)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.0 hours of direct care per resident per day, a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day, and 3.6 hours of total direct care staffing. Based on the information provided in Schedule 6, the applicant’s projected staffing meets this requirement.

The projected NRPD falls within the group range and is considered reasonable. CPD is below the group range. Expenses may be understated. Profit is above the group range. This may be because of the understated expenses. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

**Conclusion:**

This project appears to be financially feasible based on the projections provided by the applicant.

**e. Will the proposed project foster competition to promote quality and cost-effectiveness? Section 408.035 (5) and (7), Florida Statutes.**

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in the nursing home industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The publication of need in this area suggests that there is an unmet and untapped customer base for a new entrant to absorb. Since nursing home services are limited to available beds and the need formula suggest excess capacity in the market to fill those beds, the impact on market share would be limited. The combination of the existing health care system's barrier to price-based competition via fixed price payers and the existence of unmet need in the district's limits any significant gains in cost effectiveness and quality that would be generated from competition.

**Conclusion:**

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

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

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the applicant



owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

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

Mercy Center OPCO, LLC - as a newly formed entity, does not have a history of providing care to Medicaid patients and the medically indigent. Ventura Services affiliated Miami-Dade skilled nursing facilities provided 488,684 (71.95 percent Medicaid occupancy) and 517,495 (67.57 percent Medicaid occupancy) Medicaid patient days, from the fiscal years ending on June 30, 2022, and June 30, 2023, respectively. The applicant adds that this is higher than the subdistrict's average Medicaid occupancy of 68.3 percent and 67.36 percent for the same time periods.

The 170-bed facility is projected to have 10,561 Medicaid Managed Care patient days (40.72 percent of year one's total patient days) during the 12 months ending June 30, 2027, and 31,656 (59.12 percent of year two's total patient days) ending June 30, 2028.

**F. SUMMARY**

Mercy Center OPCO, LLC (CON application #10755), proposes the addition of five beds to its approved 165-bed replacement community nursing home through the relocation of five beds from North Dade Nursing and Rehabilitation Center, located in Miami-Dade County.

Total project cost is \$146,518. The project includes 2,760 GSF of new construction. Total construction cost is \$50,000.

Mercy Center OPCO, LLC proposes no conditions to the approval of the project.

The applicant expects issuance of license in June of 2026 and initiation of service in July of 2026.

**Need/Access:**

- The application was not filed in response to published need
- The project will not change the number of licensed and approved nursing home beds in the subdistrict

- The proposal:
  - will add five beds to the planned replacement facility resulting in a facility of 170 beds
  - is located further south in the county than North Dade Nursing and Rehabilitation Center, away from most existing facilities and with more (seven) nearby acute care hospitals therefore, enhancing access by redistributing beds where they are needed most, and
  - will continue existing referral patterns and complementary support services.
- Mercy's major need justifications include:
  - the population growth of Miami Dade's age 65 and older cohort
  - Miami Dade's increasing nursing home utilization, and
  - the 15-bed addition is a positive alternative to maintaining the beds at the current outdated facility with its limited space.
- Specific patient/resident services planned for the project are consistent with the four most commonly occurring CY 2022 MDC discharges to SNFs from Miami-Dade County hospitals and will address:
  - Orthopedic rehabilitation
  - Cardiac rehabilitation
  - Respiratory care
  - Private bedrooms to better accommodate/assure safe isolation measures when necessary.
- The 170-bed facility is projected to have 41.80 percent total occupancy in year one ending June 30, 2027, and 86.05 percent in year two ending June 30, 2028.

**Quality of Care:**

- The applicant provided a detailed description of the ability to provide quality care.
- Agency records indicate that for the three-year period ending December 20, 2023, Ventura Services Florida affiliated nursing homes had 28 substantiated complaint categories cited.

**Financial Feasibility/Availability of Funds:**

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

**Architectural**

- The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria.
- The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable.
- A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule
- Site selection criteria provided did not include Disaster Preparedness

**Medicaid/Indigent Care**

- Ventura Services Florida affiliated facilities have a history of providing care to the Medicaid population.
- The 170-bed facility is projected to provide 40.72 percent of year one and 59.12 percent of year two total annual patient days to Medicaid HMO patients.
- The five-bed project is projected to provide 40.70 of percent year one and 59.09 of percent year two total annual patient days to Medicaid HMO patients.

**G. RECOMMENDATION**

Approve CON #10755 to add five community nursing home beds to the approved 165-bed replacement community nursing home located in District 11, Subdistrict 1, Miami-Dade County, through the transfer of five beds from North Dade Nursing and Rehabilitation Center. The total project cost is \$146,518. The project involves 2,760 GSF of new construction and a total construction cost of \$50,000.

**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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