

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

**A. PROJECT IDENTIFICATION**

1. Applicant/CON Action Number

**Hospice of Florida, LLC/CON application #10781**

12470 Telecom Drive, Suite 301  
Temple Terrace, Florida 33637

Authorized Representative: Rhonda White, Chief of Operations  
(866) 204-8611

2. Service District/Subdistrict

Service Area 8D (Sarasota County)

**B. PUBLIC HEARING**

No public hearing was requested or held.

**Letters of Support**

**Hospice of Florida, LLC (CON application #10781)** submitted 15 letters of support including:

- Colleen Burton, State Senator, District 12 (part of Polk County)
- John Richards, NHA, Administrator, Sarasota Health & Rehab Center completed a form letter which states interest in "...further collaboration...through a GIP level of care...")
- Thomas J. Trovato, MPH, Executive Director, American House Senior Living Communities Ft. Myers (Lee County – SA 8C)
- Alisha Woods, Estero Financial Navigator, Florida Cancer Specialists & Research Institute (unsigned)
- Alma D. Mendoza, B.S., RMA, Practice Manager/Patient Advocate, Dr. Gusman-Huesca and Dr. Perez Internal Medicine (cites work with CHS affiliate Hope Hospice – SA 8C)
- Kristina Mirabeau-Beale, M.D., with GenesisCare (unsigned letter - cites work with CHS affiliate Hope Hospice – SA 8C)
- Jim Breuler, LNHA, Executive Director, Life Care Center of Estero, (Lee County)

- Cindy Spiezio, RN, CCM, Director Care Coordination, NCH Health Systems cites problems with current hospice for Sarasota residents requiring GIP once discharged from NCH facilities
- Mark Morse, CEO, Enclara Pharmacia cites his pharmacy provider company's long standing relationship and support for CHS
- Lucas Duncan, National Corporate Account Director, Medline Industries, LP (National Medical supplier)
- Brittney Jaskowiak, Senior Vice President, Client Success, StateServ, (National DME vendor)
- Jay Georges, BSN, RN, President, Medtrek Medical Transport, Inc.
- David Pohl, National Business Development Manager, National Mobile X-Ray
- Shea Falanga, RN, Bradenton Florida resident

### **Letters of Opposition**

Geoffrey D. Smith of Smith & Associates on behalf of Affinity Care of Sarasota, LLC, a licensed hospice provider in SA 8D, writes in opposition to the Hospice of Florida, LLC (Chapters) application to establish a new SA 8D program. Mr. Smith argues that there is no need for a new hospice program based on:

1. **Lack of numeric need:** According to the Agency's February 2024 batching cycle Fixed Need Pool projections, Service Area 8D does not have a projected unmet hospice admissions gap of 350 or greater, which is the threshold for approving a new hospice program.
2. **No special or not normal circumstances** that would warrant approval of a new hospice provider, such as a specific terminally ill population being underserved or lack of access to hospice care.
3. **High quality hospice care already available** as Affinity Care of Sarasota and Tidewell Hospice are both established and reputable hospice providers offering high-quality care and services to patients and families.
4. **No need for additional competition** as the addition of a new hospice program would only create competition and duplication of services, rather than filling a need in the community.
5. **No special circumstances based on enhancements in quality of care** because the proposed new hospice program does not offer any significant improvements in quality of care, such as increased visit frequency or specialized programs.
6. **No special circumstances based on length of stay issues -** Affinity Care of Sarasota is already doing a better job than most Chapters programs in getting patients into hospice care earlier in the disease process.

7. **No special circumstances based on service by race/ethnicity** - the combined efforts of Tidewell and Affinity/Continuum have improved the hospice penetration rate for service to Black and Hispanic patients in Sarasota County.
8. **No special circumstances based on outmigration issues** as outmigration (out of the SA) rate for Sarasota County residents is unremarkable and does not indicate a special or not normal circumstance.

Mr. Smith concludes that the approval of the CON application would be unnecessary and potentially detrimental to the existing hospice providers.

Seann M. Frazier, Attorney with Parker Hudson, representing Empath Tidewell Hospice, Inc. also contends there is no need for an additional SA hospice program based on but not limited to:

1. The Agency's long-established need methodology establishes that there is no need for an additional hospice program in SA 8D.
2. In the absence of a numeric need, Hospice of Florida must demonstrate "special circumstances," which it cannot do.
3. Sarasota County is well-served by the existing hospice providers in the area, and Hospice of Florida cannot demonstrate that a county in the service area is not being served.
4. The existing hospice providers have been serving residents well for years, and there is no evidence of a lack of access to hospice care in the area.

Mr. Frasier concludes by urging the denial of Hospice of Florida's application and citing the Agency's rule and previous decisions that support the denial of applications in the absence of a numeric need or special circumstances.

## C. **PROJECT SUMMARY**

**Hospice of Florida, LLC (CON application #10781)** also referenced as HOF or the applicant is a Chapter Health System affiliate proposing to establish a new hospice program in Service Area (SA) 8D. Chapters Health System (CHS) affiliates provide hospice services in SAs 3A, 3B, 3C, 3D, 3E, 5A, 5B, 6A, 6B, 7B, 8C, 9B and 11. CHS will provide full financial, management, and operational support throughout the development, startup, and ongoing operations of the proposed hospice program.

The applicant expects issuance of license on June 20, 2025, and initiation of service on July 1, 2025.

The applicant proposes \$419,309 in total project costs, which includes building, equipment, project development, and start-up costs.

Hospice of Florida, LLC offers 11 Schedule C conditions:

**(A) Special Programs/Services**

1. Chapters VALOR program — implemented within 90 days of opening (licensure) to serve not just the significant veterans population in Sarasota County (9.5% estimated from the 2020 Census), it will also serve other past and present first responders in Law Enforcement, Emergency Medical Providers, Firefighters, and aligned professionals. Honoring these individuals service and selflessness through a program significantly like the We Honor Veterans Program, of which Chapters' hospices were Level 4 members before instituting its own VALOR program. Materials regarding the VALOR program are included in Appendix 2.
2. SAGE Care Certification — achieved during first year of operation to better treat patients and families with compassion and understanding for the LGBT community. Materials regarding the SAGE program are included in Appendix 3.
3. Pet Peace of Mind — program resources available within 90 days of opening to alleviate fear, grief, and guilt regarding patient's pets and to help encourage them to continue to interact with and have present these dear companions. The program provides resources as needed, even as simple as food, as well as pet-sitters/dog-walkers, and ultimately caring homes for these pets after their people are gone. Materials regarding the Pet Peace of Mind Program are included in Appendix 4.
4. No later than eighteen (18) months after initial licensure, HOF shall provide an annual children's bereavement camp to the families of patients in the 8D area. Children's bereavement services will be available from the program's start; however, a camp is more meaningful after more children have been served. These bereavement camp programs assist children with their grief, in part through interaction with other children who have similar experiences. Materials regarding Bereavement services and Camps held by Chapters' hospices are included in Appendix 5.

**(B) Comprehensive, High Quality, Service Delivery**

5. Electronic Medical Records. tele-health and virtual visit services will be utilized beginning from initial licensure. The use of electronic medical records by our staff in the field

releases them from the need to routinely go to a hospice office. This allows them to be more mobile and more efficient in serving patients in the field, or in a facility like a SNF or ALF. Tele-health and virtual visits have greatly enhanced patient services because their concerns or issues can be more quickly addressed, including making visual reviews. Patients find these services to be greatly beneficial, and the patients overcome a natural reluctance to ask about something they may feel is not significant enough to summon a care provider to visit for, and thus these visits make the patient's care more comprehensive.

6. The hospice's office will be located in the Northern part of the County (zip codes 34232, 34234, 34235, and 34237) in order to have a presence in the underserved African American and Hispanic communities identified in the Application in the vicinity of the city of Sarasota. This office also will have easy access to the main thoroughfares in the county, US 41 and 1-75. Again, because of the mobility of hospice staff due to the use of electronic medical records and other means, the location of the office does not control the delivery of services in the county. From this location we will be able to serve all county residents.
7. By the end of the second year of operation, HOF shall have at minimum two (2) local facilities in the County under contract to provide GIP to its hospice patients. General Inpatient Care is a level of hospice care under the Medicare guidelines which should be provided on a temporary basis to a patient whose condition is unstable, or they require intensive monitoring for pain or symptom control. Having at least two available facilities during the early period of operations will ensure 8D residents have access to this level of care within Sarasota County. A listing of the hospitals, and of the skilled nursing facilities which Cornerstone Hospice has in place, and a sample nursing facility agreement are attached at Appendix 6.
8. Comprehensive Patient and Family Care Handbook provided to all Patients and family care givers upon admission. The Handbook will be made available in translation for patients or families for whom English is not their primary language. The Patient & Family Care Handbook is a useful tool to educate the patient and family members about hospice, the services available to them, and somewhat similar to what the popular book "What to Expect When You are Expecting" does for expectant parents to help them understand what is part of the

normal course, and what is not and should be quickly addressed, this is what the Patient & Family guide does, including sections specific to disease processes and other clinical issues which the patient may experience. A copy of the Handbook in English and in Spanish is included in Appendix 7.

**(C) Enhance Service Availability and Quality in Sarasota County (8D)**

9. Collaboratively work with the Senior Friendship Centers of Sarasota to identify segments of the senior community needing greater access to care. As part of this collaboration Hospice of Florida, LLC shall provide an annual grant to the Senior Friendship Centers of Sarasota in the amount of \$25,000 per year during each of the first three (3) years of HOF providing licensed hospice services in 8D.
10. Extend Chapter's educational resources to provide free CEU in-services to the health care community in Service Area 8D. Topics will cover a wide range of both required and hospice related subjects. During the first three (3) years of HOF providing licensed services, HOF shall provide an annual report of the in-person and virtual events, as well as a digest of the total number of courses provided and CEUs earned by local 8D health care professionals. Materials related to Chapters provision of CEUs and its academic partnerships are included in Appendix 8.
11. HOF will provide clinical preceptorship\* extern opportunities. clinical didactics. and clinical workshops to medical professionals and students studying to become medical professionals and aligned providers, such as Chapter's other hospices have established and provided for years. Materials related to Chapters provision of CEUs and its academic partnerships are included in Appendix 8.

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

*required by federal and state law to provide services to everyone requesting them and therefore the Agency would not place conditions on a program to provide legally required services such as palliative radiation and chemotherapy and care to the indigent and charity patients.*

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

*The review of a CON application and ultimate approval or denial of a proposed project is based upon the applicable statutory criteria in the Health Facility and Services Development Act (408.031-408.045, Florida Statutes) and criteria in Chapter 59C-1, Florida Administrative Code. An approved CON does not guarantee licensure of the proposed project. Meeting the applicable licensure requirements and licensure of the proposed project is the sole responsibility of the applicant.*

#### **D. REVIEW PROCEDURE**

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

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

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

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

As part of the fact-finding, consultant Gregory Keeter analyzed the application in its entirety with consultation from financial analyst Derron Hillman of the Bureau of Central Services who evaluated the financial data.

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

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

### **1. Fixed Need Pool**

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

In Volume 50, Number 23 of the Florida Administrative Register, dated February 2, 2024, zero need for a new hospice provider in Service Area 8D (Sarasota County) for the July 2025 hospice planning horizon. There are presently two providers in SA 8D – Empath Tidewell Hospice and Continuum Care of Sarasota LLC, which was licensed effective June 18, 2021. SA 8D’s CYs 2019—2023 hospice admissions by provider are shown in the table below.

**Service Area 8D  
Hospice Admissions CY 2019—CY 2023**

<b>Hospice</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019*</b>
Continuum Care of Sarasota, LLC	535	342	59	0	0
Empath Tidewell Hospice	4,443	4,919	5,046	4,910	4,492
<b>Total</b>	<b>4,978</b>	<b>5,261</b>	<b>5,105</b>	<b>4,910</b>	<b>4,492</b>

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

Note: \*CY 2019 includes 4,908 July-December 2019 admissions which were not published due to the cancellation of the July 2020 batching cycle. Empath Tidewell Hospice had 2,213 admissions during July-December 2019.

HOF believes that the Agency’s need forecast does not accurately reflect the true needs of the local hospice marketplace.



HOF states it identifies three major issues with the current forecast:

- 1. Underestimation of Demand:** The forecast assumes an inappropriate reduction in the percentage of Sarasota County deaths that will be supported by hospice care, leading to an under-forecast of true hospice demand and need in the county.
- 2. Unmet Needs:** The existing hospice program, Continuum Care of Sarasota, is not meeting the needs of all populations, particularly African American, Asian, and Hispanic residents who have limited access to hospice care. The program has failed to address the underserved General Inpatient Care (GIP) population and the out-migration issue, leaving many patients without access to necessary care.
- 3. Lack of Access to Care:** The African American, Asian, and Hispanic populations in Sarasota County have consistently had limited access to hospice care services, with death service ratios (hospice deaths divided by resident deaths) significantly below the White population rates.

To address these challenges, HOF proposes a new hospice program that will focus on providing high-quality, culturally sensitive care to all populations, regardless of race, ethnicity, or socioeconomic status. The program will aim to:

- Increase access to hospice care for all populations, including those who have been underserved
- Provide General Inpatient Care (GIP) services to meet the needs of patients who require this level of care
- Address the out-migration issue by providing care to patients who would otherwise leave the county to receive GIP services

HOF contends it will address these unmet needs, providing high-quality care to all populations and its proposed program will help to improve the overall health and well-being of Sarasota County residents.

- b. Approval Under Special Circumstances. In the absence of numeric need shown under the formula in paragraph (4)(a), the applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Chapter 59C-1.0355(4)(d), Florida Administrative Code.**

**Evidence submitted by the applicant must document one or more of the following:**

- 1. The specific terminally ill population is not being served.**

**2. That a county or counties within the service area of a licensed program are not being served.**

The applicant states, “This Certificate of Need (CON) application is submitted in direct response to the Not Normal & Special Circumstances that exist in Sarasota County, Subdistrict 8D that have been identified by the applicant and supported by extensive hospice constituents in the

Service Area.” HOF contends that the Not Normal & Special Circumstances identified, herein, on their own, and in aggregate, are sufficient to warrant the approval of an additional hospice in Subdistrict 8D.

The applicant cites Rule 59C-1.0355(3)(b), Florida Administrative Code and emphasizes that a new Hospice program shall not be approved in the absence of a numeric need indicated by the formula in paragraph (4)(a) of this rule, *unless other criteria in the rule and in Sections 408.035 and 408.043(2), Florida Statutes, outweigh the lack of a numeric need. The reviewer notes reference to s. 408.043(2) Florida Statutes has been changed to s. 408.043 (1) Florida Statutes with the 2019 statutory revisions.*

HOF contends that Sarasota County faces a critical shortage of hospice care options, prompting it to propose a new program. Current forecasts significantly underestimate the need for hospice care, leaving many residents without access and the existing programs prioritize assisted living facilities, neglecting in-home care and complex inpatient needs. This creates gaps for residents requiring specialized care settings.

Furthermore, African American, Asian, and Hispanic communities have consistently lower hospice utilization rates compared to the white population. Hospice of Florida, LLC aims to bridge these gaps by:

- Expanding capacity to serve more residents.
- Offering comprehensive care in various settings, including in-home and complex inpatient facilities.
- Prioritizing improved access to hospice care for underserved minority communities.

HOF contends that approval of its program will ensure all Sarasota County residents receive appropriate end-of-life care, regardless of their background or care needs. HOF cites the hospice need forecast for Sarasota County predicts 7,308 deaths between July 2025 and June 2026, with 5,254 residents projected to utilize hospice services during that same period. This translates to a need for 276 additional hospice patients compared to current numbers.

A crucial factor in this forecast is the assumption that a specific percentage of projected deaths will involve hospice care. This percentage is based on comparing 2023 hospice admissions to 2022 resident deaths. The current forecast, however, assumes a lower percentage (71.9 percent) of future deaths needing hospice compared to the actual current percentage of deaths where hospice is utilized in Sarasota County.

The applicant argues that the fixed need forecast underestimates the need for hospice care in SA 8D.

HOF compared CY 2023 hospice admissions (4,978) to CY 2022 resident deaths (6,747) in SA 8D and found that 73.8 percent of deaths are currently supported by hospice care. The fixed need forecast, however, uses a lower percentage (71.9 percent) to project future need, resulting in a lower number of projected hospice patients (5,254) than the applicant believes is accurate (5,393).

The applicant argues that using the actual percentage (73.8 percent) would result in a more accurate forecast and highlights the unmet need for hospice services in SA 8D (415 patients).

HOF contends that using provisional 2023 death data from Florida Charts for Sarasota County allows for a more current comparison (2023 deaths and 2023 hospice admissions) which, according to the applicant, better reflects the current situation in Sarasota County. With this data, the applicant calculates that 78.0 percent of deaths in Sarasota County in 2023 were supported by hospice care. The applicant argues that this updated information indicates an even greater unmet need for hospice services.

Using the current 2023 data, the applicant estimates the gross projected need for Service Area 8D to be even higher, at 5,700 patients. This would result in an unmet need of 722 patients, compared to the previously identified need of 415. The applicant's initial assessment of unmet need (415 patients) assumed a constant percentage of deaths supported by hospice. However, HOF argues that introducing its hospice program to Sarasota County will expand access to hospice services. HOF contends its program will further increase the percentage of resident deaths supported by hospice care. As a result, the applicant anticipates an even larger future pool of hospice patients in Sarasota County.

The applicant contends that Continuum Care of Sarasota, the newly approved hospice provider, is failing to adequately serve the entire hospice population in Sarasota County on two key areas:

- Continuum Care was approved to address a service gap, specifically the lack of General Inpatient Care (GIP) and in-home hospice services for Sarasota County residents. The applicant argues that Continuum Care has not addressed this outmigration issue.
- Data from Medicare Cost Reports and Hospice Claims show that Continuum Care provides zero percent of its patients with GIP care, which is significantly lower than the statewide average of 2.8 percent. Continuum Care also serves a high percentage of patients (56.6 percent) in Assisted Living Facilities (ALFs) compared to the statewide average (28.5 percent). The applicant argues that this focus on ALF settings indicates a prioritization of patients with less intensive care needs, essentially avoiding offering a real alternative to Tidewell's facility-based care model.

To support these claims, the applicant presents several data points:

- Continuum Care reportedly provides no GIP care and focuses primarily on serving patients in ALFs.
- Semi-Annual Reports to AHCA supposedly show no patients served in hospitals or freestanding hospice facilities by Continuum Care.
- Data from Medicare Cost Reports and Hospice Claims show zero percent of patients served in GIP settings.
- Continuum Care serves a high percentage of patients in ALFs (56.6 percent) compared to the statewide average (28.5 percent).
- Empath Tidewell data supposedly shows outmigration of Sarasota County hospice patients for facility-based care continues.

HOF contends that a significant number of Sarasota County residents requiring General Inpatient Care (GIP) hospice services are still being forced to leave the county for treatment. Empath Tidewell's Medicare claims data from 2018 to 2022 is cited to estimate the average daily number of Sarasota County residents receiving GIP care (around 24 patients). HOF factored in a typical occupancy rate of 80 percent for inpatient hospice beds and based on this, HOF estimates that Empath Tidewell's 18 inpatient hospice beds in Sarasota County can effectively serve around 14 patients daily. By comparing the estimated daily GIP patient need (24 patients) to the effective bed capacity (14.4 patients), the applicant argues that Empath Tidewell is shifting a substantial portion, roughly 40 percent, of its Sarasota County GIP patients out of the county for care.

HOF highlights Chapters Health System, which operates hospices across Florida and same source used for Empath Tidewell shows that Chapters' hospices provide GIP care at a higher average rate than the statewide average of 2.8 percent. In contrast, HOF contends that Continuum Care, the newly approved hospice provider in Sarasota County, offers no GIP care services.

The applicant concludes its program will address this gap in GIP care services, by contracting for GIP care to Sarasota County residents in contracted inpatient hospital beds and skilled nursing facilities distributed throughout the county. As a condition of approval, HOF would have at least two inpatient care contracts established by the end of its second year of operation. HOF included a letter from Sarasota Health and Rehabilitation Center demonstrating their willingness to contract with HOF for hospice inpatient services.

The applicant identifies a gap in the current hospice care landscape in SA 8D, where a significant proportion of patients do not receive end-of-life care at home. The importance of providing hospice care in the home setting is highlighted, as patients and their families value the comfort, familiarity, and control that comes with dying at home. Home-based care allows patients to maintain control over their environment, routines, and traditions, which can positively impact their emotional wellbeing.

HOF notes that choosing to pass away at home enables patients to be surrounded by loved ones, fostering a sense of intimacy and closeness that may be difficult to achieve in a clinical setting. Research suggests that when a person passes away at home, their family members experience less intense grief. CHS's "Home for Good" program aims to facilitate more patients accessing care at home by providing extended Hospice Health Aide services to patients transitioning from the hospital to their home.

The extended Hospice Health Aide services will enable caregivers to:

- Prepare the home for the patient's arrival
- Assist with settling the patient in
- Educate and demonstrate how to assist with ADLs (Activities of Daily Living)
- Educate and demonstrate on patient positioning and equipment use
- Educate on hospice services and how to contact them
- Provide light housekeeping services as needed

HOF emphasizes the importance of providing patients with the option to receive end-of-life care at home, allowing them to maintain control over their environment and experience a sense of peace during a challenging period.

The applicant presents a point-in-time analysis of the patient caseload at Empath Tidewell and Continuum of Sarasota compared to Cornerstone, a CHS hospice operation. The data shows that Cornerstone's hospice patients have a 19 percent higher likelihood of being cared for at home compared to Empath Tidewell. In contrast, Continuum of Sarasota

treats only 30 percent of its patients in a home setting, which is a significant deviation from its operations in other parts of Florida. HOF notes that this disparity is consistent with the data reported to Medicare and the Place of Death report from FLHealthCharts.gov. HOF aims to improve access to hospice care for terminally ill patients in Sarasota County, allowing them to die at home with dignity. This requires education and confidence-building among referral sources to make placements for patients at home instead of facilities.

HOF contends its "Home for Good" program will support patients upon discharge from facilities to their homes. This program will provide intensive staffing to assist patients with the transition, familiarize them with hospice and HOF's programs and services, and help instill confidence in the patient and family. The program will also focus on educating caregivers and families on care routines, medical equipment, and resources.

The applicant emphasizes that this initiative will help resolve the out-migration of residents of Sarasota County for hospice services, particularly among the African American, Asian, and Hispanic populations who have been underserved. Hospice of Florida highlights the underserved population groups in Sarasota County, including African American, Asian, and Hispanic populations, who have limited access to hospice care services. The data shows that these populations have a lower death service ratio compared to the White population, indicating a lower rate of hospice care utilization. This disparity is not a one-year issue but has been consistently observed over the past five years. The death service ratio is a metric used to measure hospice penetration and is calculated by dividing hospice deaths by total deaths in each area. The data shows that the African American population has a 19 percent lower death service ratio than the white population, while the Asian and Hispanic populations have a more than 10 percent lower rate.

HOF plans to address this issue by leveraging the successful racial and ethnic hospice services resources available within its parent group, Chapters Health affiliated Florida hospice operations. The applicant will use these resources to enhance access to and increase usage of hospice services within the underserved populations. HOF contends that the ability to enhance hospice services in these populations is important today, but with higher population growth forecast for these underserved populations, the impact on them will continue to grow. The applicant plans to work within these populations to expand hospice awareness, education, acceptance, and usage.

HOF highlights the “growing underserved population groups” in Sarasota County, including African American, Other Races, and Hispanic populations, who are expected to experience significant population growth. The data shows that the African American, Other Races, and Hispanic populations are expected to have an average annual growth rate of 4.2-7.3 percent in the 65+ population, which is higher than the 3.0 percent average annual growth rate forecast for the white 65+ population. This data shows that there is a large and growing pool of underserved county residents who are underutilizing hospice services.

HOF plans to address this issue by leveraging its parent group, Chapters Health affiliated Florida hospice operations to enhance access to and increase usage of hospice services within these underserved populations.

The applicant states Chapters Health has a proven track record of working within underserved communities to expand hospice care and services and it will use similar approaches to establish relationships with senior organizations and civic and religious groups targeting minority populations and health disparities in Sarasota County. Specifically, HOF will focus on the African American underserved community, which experiences barriers in accessing and utilizing health services, including hospice care. HOF's outreach liaisons will forge relationships with organizations serving the African American community in Sarasota County stating Chapters Health has strong relationships with churches and other religious organizations within the African American community in its existing operations.

HOF plans to establish linkages with the African American faith communities in Sarasota County, including outreach and education programs, to enhance hospice care and services within this community. HOF will also educate its staff on the values and cultural experiences unique to African Americans, which will help to connect with this community. HOF will locate its office in the northwest sector of the county, where most African American deaths occur.

For the Hispanic underserved community, HOF will place special emphasis on outreach, utilizing Chapters' successful Spanish-language programming and community development initiatives. HOF will provide culturally sensitive care, including Spanish language education and outreach activities, and use local bilingual volunteers to help serve this population. The Hispanic population is made up of a variety of cultures, each with an individualized approach to end-of-life care. To address this, HOF will educate its staff on the unique cultural differences within these populations, which will help to build trust and provide individualized patient care.

Chapters Health System has implemented successful Hispanic outreach programs, including Tertulia Con Café, ENLACE group platform, and participation in Hispanic Clergy Meetings. HOF will take a similar approach in working with the Sarasota County Hispanic population. Tertulia Con Café is an educational outreach program created to reach Hispanic and Latino communities, which involves informal meetings to discuss educational resources and current affairs. ENLACE is a platform to promote Cornerstone services and programs within the community, and Cornerstone organizes monthly meetings with health care professionals serving the Hispanic community. The Hispanic Clergy Meetings involve gathering feedback and assessing local communities' needs.

The proposed HOF office location will be strategically situated in an area with a high concentration of Hispanic deaths, providing enhanced access to HOF's office-based resources to a large portion of the Hispanic underserved population.

In conclusion, HOF's proposed SA 8D hospice program will provide support to the large and growing underserved minority populations in Sarasota County by leveraging Chapters' existing programs, services, initiatives, and success. This will enhance care within the Sarasota minority populations, addressing the unique needs and cultural differences of these communities.

## **2. Agency Rule Criteria and Preferences**

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

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

Hospice of Florida, LLC states its SA 8D program aims to provide access to hospice services for all individuals, regardless of their financial situation. The applicant cites Chapters' "strong track record" of delivering high-quality hospice care to patients with limited financial resources. Chapters provision of over \$6.7 million in charity care and additional underfunded and unfunded services in 2022 is cited. The proposed program will offer non-covered supportive services and provide a \$25,000 annual grant to the Senior Friendship Centers of Sarasota for the first three years of operations. CHS's charity care policy is outlined in Appendix 14.



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

Hospice of Florida, LLC plans to provide inpatient care through partnerships with existing health care facilities in Sarasota County. Specifically, HOF will contract with hospitals and skilled nursing facilities throughout the county to provide local access to inpatient care. The applicant states negotiations are ongoing with these providers, HOF expects to have several contracts in place to support its inpatient care needs, which is outlined in the Conditions of this Application, with the goal of establishing at least two contracted inpatient settings within Sarasota County by the end of year two of operations. The applicant cites its Sarasota Health and Rehabilitation Center support letter writer's expressed interest in providing General Inpatient Care (GIP) for HOF. Appendix 6 includes a list of hospitals and skilled nursing facilities contracted for GIP services with by CHS' Cornerstone Hospice.

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

*Pertinent to this rule preference, the Agency notes the following:*

- *Section 400.6095 (1) Florida Statutes requires hospice programs to make its services available to all terminally ill persons and their families without regard to... diagnosis, cost of therapy, ability to pay or life circumstances*
- *Section 400.6095 (5) (a) Florida Statutes requires the hospice to identify the patient's primary care giver, or an alternative plan of care in the absence of the primary care giver, to ensure the patient's needs will be met*
- *Section 400.6095(5) (c) Florida Statutes requires the hospice to assess patient and family needs, identify the services required to meet those needs, and plans for providing those services through the hospice care team, volunteers, contractual providers, and community resources*

Hospice of Florida, LLC states it will provide hospice services to patients without primary caregivers, the homeless, and those with AIDS, just as Chapters has done. To address the issue of limited caregiver availability, HOF will develop individualized plans of care that prioritize the patient's safety and values. HOF will include a

caregiver program designed to support patients with inadequate caregiver services. This program will connect patients and families with community resources to provide caregiving services. Any member of the HOF's Interdisciplinary Group can identify the need for supplemental caregiver support, including situations where there is no caregiver, a fragile caregiver, or only a part-time caregiver. HOF will utilize proven approaches for homeless patients, such as working with local hospitals, shelters, and community organizations to identify potential patients in need and find appropriate solutions. HOF will develop individualized plans of care that meet the patient's unique needs and values. Chapters' "No One Dies Alone" program is cited as supporting patients without a primary caregiver. This program offers companionship and support to patients nearing death but who have no family or close friends to sit with them at the end-of-life.

Patients with an HIV or AIDS diagnosis will receive the same level of care and attention as patients with any other diagnosis. The applicant cites Chapters' policy of offering all patients access to hospice services if appropriately indicated. Further, no patient will be refused service due to age, race, color, creed, religion, disability, diagnosis, sexual orientation, national origin, or ability to pay.

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

Not applicable, as SA 8D is comprised of a single county – Sarasota County, Florida.

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

HOF states CHS is a not-for-profit organization that provides a range of services that are not covered by private insurance, Medicaid, or Medicare at its existing hospice operations and it will continue this commitment. Chapter's Open Access Program, which allows hospice patients to continue receiving aggressive palliative treatments, such as chemotherapy, radiation therapy, and dialysis, without having to choose between enrolling in hospice and ending the treatment, while expensive to operate, will be utilized. HOF will also offer a range of unfunded services and support programs designed to support patients, families, and caregivers throughout the community.

These programs include:

- Extensive bereavement and grief support services for individuals and families
- CareConnect services providing a 24/7 centralized intake function for all Chapters interactions
- Caregiver support services that permit patients to remain in their homes
- “No One Dies Alone” program offering companionship and support to patients nearing death
- Complementary therapy services including aromatherapy, pet volunteers, and visitation
- Education programs for medical, nursing, social work, and allied health students
- Hospice and Palliative Medicine Fellowship Program at the University of South Florida
- Ongoing community education activities

HOF notes it also partner with the Senior Friendship Centers in Sarasota, providing an annual \$25,000 grant to support the Centers' mission to empower older adults to live active, healthy lives. The applicant asserts this community investment will target the real Sarasota County senior population's wellness, nutrition, and social isolation issues within the service area.

- (6) Consistency with Plans. An applicant for a new Hospice program shall provide evidence in the application that the proposal is consistent with the needs of the community and other criteria contained in local health council plans and the State Health Plan. The application for a new Hospice program shall include letters from health organizations, social services organizations, and other entities within the proposed service area that endorse the applicant's development of a Hospice program.**

Hospice of Florida, LLC states, “There are no applicable Local Health Council Plans or State Health Plans to be used in the review of this CON application.

However, CHS/HOF staff did review local Health Department community assessments and evaluations in the preparation for this CON application, with the health access and minority health issues identified included in this overall project proposal to best meet community end-of-life needs.

HOF did not provide of letters of support from the service area (except the NH letter).

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

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

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

HOF's Schedule 6A shows the project will have 22.84 FTEs in year one and 10.81 FTEs will be added for the year two total of 33.65 FTEs. Year two's additional 1.5 FTE "Sales Team Reps" is the only year two increase that is not based on direct care staffing. The applicant indicates staffing standards used in this forecast are based on Chapters' current staffing approaches, modified to reflect the unique SAs needs. Schedule 6A's note 3 indicates HOF's home office/shared CHS resources. The reviewer notes no Volunteer Coordinator FTE is shown. The applicant notes that volunteers are an important part of the hospice care provided by Chapters and will be an important part of HOF's SA 8D operation.

HOF indicates it is important to note that Chapters already employs several Sarasota County residents to provide care and support at its current operations. The applicant states this existing staffing, along with additional staff to be brought on board, will provide strong and necessary care and support to serve Sarasota County hospice patients.

Chapters history of attracting area residents who wish to make a meaningful contribution to their community is cited and HOF believes this will continue to be reflected in its SA 8D program. In 2023, more than 3,000 volunteers provided a wide range of services in Chapters' existing operations, including patient and family support, bereavement support, administration, and fundraising. Materials related to Chapters' volunteer programs are included in the application's Appendix 17.

**(b) Expected sources of patient referrals.**

Hospice of Florida, LLC states Chapters currently receive referrals from following sources: physicians, hospitals and hospital discharge planners, social workers, nursing facilities, ALFs, Home Health Agencies, managed care organizations, Veterans, families with prior experience with Chapters, community health care programs and social services agencies, and churches/faith communities. Further, these sources are expected to generate patient volume for the new SA 8D hospice program. Chapters' CareNU program, which serves Sarasota County patients such generate additional referrals.

HOF will conduct community and physician outreach activities, providing educational materials in both English and Spanish. The applicant states intent to focus on enhanced emphasis on the county's religious, cultural and community based infrastructure to expand hospice usage for the African American and Hispanic populations.

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

**Hospice of Florida, LLC  
Projected Admissions by Payer**

<b>Payer</b>	<b>Year One</b>	<b>Year Two</b>
Medicare	166	333
Medicaid	20	40
Commercial	10	20
Self-Pay	5	10
Charity	5	10
<b>Total</b>	<b>207</b>	<b>414</b>

Source: CON application #10781, page 92, - table partially reproduced.

The applicant also includes the projected patient days by level of care table on page 93 in support of its contention the existing providers are not doing this as well as it will in reference to GI. HOF's proposed level of care mix is stated to be based on Chapters' care mix experience. See the table below.

**Projected Patient Days by Level of Care for Hospice of Florida  
(SA 8D, program starts July 1, 2025)**

Level of Care	Unduplicated Data			
	Medicare	Medicaid	Other	Total
Year One				
Routine Home Care	11,328	477	475	12,280
General Inpatient Care	327	33	33	393
Continuous Home Care	64	2	5	71
Respite	35	1	1	37
<b>Total Hospice Days</b>	<b>11,754</b>	<b>514*</b>	<b>514</b>	<b>12,781</b>
Year Two				
Routine Home Care	22,755	953	949	24,657
General Inpatient Care	657	66	66	789
Continuous Home Care	128	5	9	143
Respite	71	2	2	75
<b>Total Hospice Days</b>	<b>23,611</b>	<b>1,026</b>	<b>1,026</b>	<b>25,663*</b>

Source: CON application #10781, page 93 from Legacy Consulting Group analysis.

Note: The reviewer notes total days for Medicaid for year one computes to 513 and year two's total hospice days to 25,664, probably due to rounding.

HOF states it important to note it is expected to provide three percent of its patient days to GIP patients in hospital and/or nursing home settings within Sarasota County, which is a significant difference from Continuum Care of Sarasota's experience, as reflected in their 2021 and 2022 Medicare Cost Reports.

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

**Projected Admissions by Disease Group**

Disease Group	Year One	Year Two
Cancer	58	117
Non-Cancer	148	298
Total	*207	*414

Source: CON application #10781, page 93

\*HOF states the minimal discrepancy in the column totals is due to rounding.

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

Projected Admissions by Age Group		
Age Group	Year One	Year Two
Under 65	15	30
65+	192	384
<b>Total</b>	<b>207</b>	<b>414</b>

Source: CON application #10781, page 94.

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

*Pertinent to this rule preference, the Agency notes the following:*

- **Section 400.609 (1) (a) & (b) Florida Statutes,** states (a):
  - *The hospice care team shall directly provide the following core services: nursing services, social work services, pastoral or counseling services, dietary counseling, and bereavement counseling services. Physician services may be provided by the hospice directly or through contract. A hospice may also use contracted staff if necessary to supplement hospice employees in order to meet the needs of patients during periods of peak patient loads or under extraordinary circumstances*
- (b):
  - *Each hospice must also provide or arrange for such additional services as are needed to meet the palliative and support needs of the patient and family. These services may include, but are not limited to, physical therapy, occupational therapy, speech therapy, massage therapy, home health aide services, infusion therapy, provision of medical supplies and durable medical equipment, day care, homemaker and chore services, and funeral services*

Hospice of Florida, LLC lists the following core services that will be delivered directly by the HOF program and states these are consistent with other Chapters hospice operations:

- Routine Home Care
- Continuous Care
- Respite Care

- Hospice Inpatient Care
- Nursing services
- Hospice Aide services
- Volunteer services
- Pediatric services
- Veterans services
- Case management
- Social work services
- Pastoral & counseling services
- Dietary/nutrition counseling
- Bereavement Services
- Physician Services
- Patient and Family Education/Support.

HOF states the following patient care services will also be provided by an affiliate of Chapters Health System (e.g., pharmacy, DME, infusion medications, nonhospice palliative care, Chapters Health Staffing).

Evening and Weekend Care

- HospiceHelp24
- Pharmacy
- DME/Medical Supplies
- Therapy Services (PT, ST, OT)
- Infection Control
- Integrative Therapies
- Professional/Community Outreach and Education
- Patient/Family Surveys
- Palliative Care

HOF also lists 26 specific administrative services that will be supported by Chapters Health System's existing corporate resources including but not limited to Billing and Collections, Finance, Human Resources, Staffing, Recruitment, Education and Training, Benefits, etc.

HOF states it will provide and retain responsibility for managing non-core services to patients as needed, which may be arranged with other providers and these services delivered in accord with the attending physician's orders, incorporated into the patient's Plan of Care, and reviewed at IDG meetings.

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

Hospice of Florida, LLC proposes to provide inpatient care services through contractual arrangements with existing



Sarasota County health care facilities, which is supported by a condition of this CON application, which requires HOF to contract with at least two inpatient providers in Sarasota County by the end of year two. Negotiations are currently underway with hospitals and nursing homes to support the program's inpatient needs, and HOF expects to have several contracts in place by the time the program is operational. The applicant notes Sarasota Health and Rehabilitation Center has already expressed its willingness to contract with HOF to provide inpatient hospice services.

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

HOF states this is not applicable and it plans to partner with existing hospitals and nursing homes in Sarasota County to provide GIP services to its patients.

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

Hospice of Florida, LLC states that according to Medicare guidelines, patients can be admitted to inpatient care when they have severe symptom control issues or a medical crisis that cannot be managed at home. This includes situations where patients are nearing the end-of-life and require complex care. HOF states the following factors are also considered for admission to inpatient care:

- Pain and symptom control
- Imminent death requiring frequent medical intervention
- Medical-surgical procedures or therapies aimed at alleviating symptoms; and
- Family education needs to support the patient's care plan at home.

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

Hospice of Florida, LLC notes most hospice patients prefer to stay in their own homes, but there are cases where patients lack adequate caregiver support. To address this, HOF will offer a caregiver program specifically designed for patients without a suitable primary caregiver at home. This program will provide resources to support caregiving services and

ensure that all hospice patients and families receive adequate support. An individualized plan of care will be developed to meet the patient's specific needs, considering their values and preferences. HOF indicates that the "No One Dies Alone" program will provide companionship and support to patients nearing the end-of-life who have no family or close friends to be with them.

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

*Pertinent to this rule preference, the Agency notes the following:*

- *Section 400.609 (1) (a) Florida Statutes indicates the hospice care team shall directly provide bereavement counseling services*
- *Section 400.609(5) Florida Statutes states this must be a comprehensive program, under professional supervision, that provides a continuum of formal and informal support services to the family for a minimum of one year after the patient's death*

Hospice of Florida, LLC states it will adopt CHS's established policies and procedures for bereavement services. Chapters' practice is to evaluate family members for grief and bereavement services, and to refer patients and families to a Bereavement Specialist for support before the patient's death. This includes providing assistance to patients and families who are struggling with the dying process or have a short prognosis.

After the patient's death, a condolence phone call is made to the family, and a visit is encouraged by team members who had significant involvement with the patient. Family members are evaluated for bereavement follow-up needs, and those who require additional support are provided with services. All services are available to both children and adult family members.

Family members receive a monthly mailing with information about support groups, memorial services, and other resources to help them cope with grief and bereavement. Services are provided for at least 12 months after the patient's death, but family members can request services at any time. If a survivor requires continued bereavement care, services do not stop after 12 months.

In addition to bereavement services, Chapters provides Grief Centers in its service areas, which offer a place of hope and healing for those grieving. HOF's program will categorize survivors based on their bereavement risk level. Details of the categories –High Risk, Medium Risk and Low Risk are provided.

Any family member can request individual counseling or support group services at any time after the patient's death. The hospice program also offers bereavement intervention services to the community in general.

The program recognizes the special needs of grieving children and offers annual grief/bereavement camps for children of hospice families and the larger community. The goal of the camps is to help children share their feelings of grief and learn tools to navigate their lifelong journey. HOF will establish a similar program in SA 8D, with the goal of providing children's grief/bereavement camps within the first 18 months after program licensure.

**(I) Proposed community education activities concerning hospice programs.**

Hospice of Florida, LLC states CHS existing hospice programs have a strong track record of community outreach and education programs in each of the counties they serve and it will use these in its program. Further, Chapters' staff members are knowledgeable and experienced in delivering presentations, seminars, and educational units to a wide range of audiences, including churches, civic groups, and community support entities. CHS provides targeted educational programs to specific groups, such as African American and Hispanic underserved communities. Topics include traditional hospice care, open access, palliative care, and end-of-life issues. Chapters also distributes informational materials to health care personnel and community members to help them identify patients and families who may need hospice care.

The proposed program will also provide focused, customized educational programs to underserved populations in Sarasota County. Overall, the program aims to increase

community awareness and understanding of hospice care and services, with the expectation that more patients will be supported by hospice care at their time of death.

**(m) Fundraising activities.**

Hospice of Florida, LLC states its program will allow Chapters Health Foundation to expand its operations to include Sarasota County. The Foundation conducts various fundraising activities in each community it serves, considering the unique giving capacities and opportunities found within each community. The Foundation's Corporate Honor Roll Program (CHRP) is designed to build mutually beneficial relationships with businesses, civic groups, and individuals. CHRP provides benefit amenities to supporters of the Foundation and Chapters Health System, allowing partners to leverage marketing opportunities for business development. Examples of Foundation events and activities are described with HOF indicating these activities are designed to support the end-of-life and hospice care programs and services and consider the unique needs and wants of the community.

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

Hospice of Florida, LLC notes all Chapters programs comply with reporting requirements and will also.

**3. Statutory Review Criteria**

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

As previously stated in item E.1.a. of this report, per Volume 50, Number 23 of the Florida Administrative Register, dated February 2, 2024, zero need for a new hospice provider in Service Area 8D (Sarasota County) for the July 2025 hospice planning horizon. There are presently two providers in SA 8D – Empath Tidewell Hospice and Continuum Care of Sarasota LLC, which was licensed effective June 18, 2021.

In reference to the existing 8D providers quality of care - the reviewer notes that during the 36 months ending April 24, 2024, Continuum Care (22960126) had none and Empath Tidewell (22910034) two substantiated complaints with two categories cited - one resident/patient/client rights and one administration/personnel.

Sarasota County has seven hospitals with 1,528 licensed beds, 29 SNFs with 3,062 beds, 89 ALFs with 6,278 licensed beds, and seventy-five home health agencies.

In reference to availability and accessibility, the reviewer notes that Continuum Care of Sarasota (22960126) has its main office in Sarasota as does Empath Tidewell (22910034). Empath Tidewell also has inpatient facilities in Sarasota (12 beds) and Venice (six beds), and a satellite office in Venice.

SA 8D utilization is detailed in Item E. 1. a. of this report.

Hospice of Florida, LLC contends that the proposed hospice project will increase the availability, quality, efficiency, and accessibility of hospice services for Sarasota County residents and will fill current service gaps and provide more options for patients with varying medical conditions, cultures, and religions.

In reference to availability, HOF contends project addresses the identified gap in open access care for Sarasota residents and will provide more options for patients who need aggressive palliative treatments. The proposed program will also ensure that all portions of the County's hospice patient pool have ready availability of care.

**Quality:**

HOF cites Chapters Health System's "strong commitment to providing quality care in every aspect of its hospice programs" investing significant resources in establishing quality assessment and performance improvement initiatives, which will be used in its Sarasota hospice.

**Efficiency:**

The applicant contends its program will benefit from Chapters' existing operations and resources, including billing and collections, finance, human resources, staffing, recruitment, and more which will give HOF a significant advantage to the start-up and operation efficiency.

**Accessibility:**

HOF contends its program will enhance access to hospice care by removing financial barriers and providing a broad array of palliative care and services. Chapters' "Open Access Program" will also allow patients to continue receiving aggressive palliative treatments without having to choose between hospice care and other treatment options.

HOF discussed the Agency's Health Care Access Criteria, as outlined in Rule 59C-1.030, Florida Administrative Code and discusses hospice licensure standards in Rule 59A-38 Florida Administrative Code, demonstrating their understanding of these standards.

**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.**

Hospice of Florida, LLC states CHS is a well-established, not-for-profit organization with a proven track record of providing high-quality hospice care in its seven existing hospices and HOF will have access to skilled personnel to ensure it meets all state licensing and certification standards. CHS's existing policies and procedures are cited as providing a strong foundation.

HOF will function as an integrated component of CHS, offering patients a comprehensive range of post-acute care services. This includes hospice care, palliative care, home health, pharmacy, durable medical equipment (DME), and staffing. This integrated approach allows for several advantages:

- High-Quality Care: CHS's experience and resources ensure qualified staff are available to address patients' specific needs, regardless of complexity.
- Seamless Care Transitions: Patients can receive care in the most suitable setting, eliminating unnecessary transitions between providers and ensuring timely access to services like pharmacy and DME.
- Cost-Effective Care: CHS's expertise allows for efficient management of key cost components like medication and equipment expenses.

HOF will benefit from CHS's established corporate infrastructure, leading to significant cost savings. CHS's existing systems and resources will reduce the incremental costs of implementing the programs, such as a health information system. Further, shared services allow HOF to focus more resources on direct patient care and CHS's strong financial management will ensure long-term sustainability for both organizations.

HOF contends Sarasota County residents will gain access to a sophisticated, cost-effective hospice program delivered by a well-established, not-for-profit organization focused on serving local community needs.

HOF provides more discussion CHS's "Open Access" approach that allows patients to continue receiving these treatments while enrolled in hospice, better meeting patient and family needs. Open Access empowers patients and families to choose a more personalized care plan that combines palliative care for comfort with curative treatments that may improve quality of life. It also allows for better symptom management through continued access to treatments like blood transfusions and artificial nutrition or hydration. Further, CHS chooses to invest its revenue in providing Open Access care, prioritizing patient needs over profit maximization. Examples of treatment options/services include:

- Radiation therapy and chemotherapy for cancer
- Blood transfusions to manage fatigue and shortness of breath
- Artificial nutrition or hydration for patients with difficulty eating
- Cardiac infusions to improve heart function and address symptoms

Chronic heart failure (CHF) and chronic obstructive pulmonary disease (COPD) patients often experience symptoms that can lead to hospitalization or re-hospitalization. These readmissions can be caused by factors like medication issues, lack of follow-up care, and social or emotional challenges. To address these challenges and improve patients' quality of life, Chapters Health System (CHS) has developed "At Home" programs for CHF and COPD patients. These programs aim to:

- Reduce hospital readmissions
- Improve symptom management
- Allow patients to remain comfortably at home

#### Program Components

- Education: Patients and families receive ongoing education on managing symptoms and disease progression.
- Symptom Monitoring:
  - CHF: Daily weight checks and monitoring for changes in symptoms.
  - COPD: Daily calls to assess symptoms and needs.
- 24/7 Support: Patients have access to a nurse hotline ("HospiceHelp24@") for immediate assistance with symptom changes.
- Medication Management: Nurses ensure medications are taken correctly.

- Anxiety Management: COPD patients receive education to manage anxiety and breathlessness.
- Alternative to 911: Patients are encouraged to call the "Code Heart" hotline before dialing 911, allowing for potential at-home interventions.

Palliative care is a medical specialty focused on relieving suffering for patients with serious illnesses. Unlike hospice, palliative care does not require patients to forego curative treatments. Chapters Health offers both hospice and palliative care services, providing a broader continuum of care. Benefits of Chapters Palliative Care are stated to include:

- Pain & Symptom Management: A specialized team addresses pain and other symptoms to improve quality of life.
- Patient-Centered Care: Collaboration with primary care physicians ensures a comprehensive care plan that respects patients' values and preferences.
- Expanded Disease Education: Patients and families receive education about their illness to make informed decisions.
- Assistance with Advance Directives: The palliative care team helps patients navigate advance directives and care planning.
- Emotional & Spiritual Support: The program provides emotional and spiritual support for patients and families.
- Community Services Coordination: Chapters help patients access necessary community services.

HOF states Chapters began offering non-hospice palliative care in 2006, initially in hospital settings and has expanded to include nursing homes and outpatient clinics, now serving over 4,000 patients annually. Chapters' palliative care program emphasizes shared decision-making and patients and families receive clear information about their illness to participate in treatment decisions based on their individual values and goals. The applicant cites Chapters successful partnerships with hospitals and nursing homes. HOF contends CHS's program demonstrates a reduction in in-hospital mortality, 30-day readmission rates, and earlier initiation of palliative care consultations and access to hospice services has increased for patients who transition from palliative care.

The HOF program will benefit from CHS established governance structure. A Board of Directors, comprised of community members including residents of Sarasota County, will provide strategic oversight of the program. This local representation ensures the Board understands the unique needs of the community and can tailor services accordingly.



An experienced Administrative Officer, appointed by the Board, will manage the day-to-day operations of HOF. CHS's existing policies and procedures, detailed in Appendix 21, provide a proven framework to guide HOF's operations, ensuring consistent high-quality care delivery in a cost-effective manner.

HOF will implement CHS's proven Quality Assessment and Performance Improvement (QAPI) program. This program involves regular meetings and reporting to ensure high-quality care delivery. Appendix 11 describes the program in detail. HOF states Chapters actively participates in the National Partnership for Healthcare and Hospice Innovation (NPHI), a non-profit organization focused on improving hospice care through innovation, patient-centered care, and collaboration. HOF states Chapter's reflects the value of delivering care based on individual needs, not dictated by financial concerns.

Hospice care provided by Chapters utilizes an Interdisciplinary Group (IDG) approach (as will the project). This team-based model ensures comprehensive care for each patient, from admission to the end-of-life or discharge. IDG members collaborate to develop and update the patient's Plan of Care, addressing all aspects of their needs.

The core IDG team includes:

- Physician (MD or DO)
- Registered Nurse
- Social Services Specialist
- Pastoral or other Counselor

Depending on individual needs, the IDG can be expanded to include:

- Patient's Attending Physician
- Pharmacist
- Trained Volunteers
- Hospice Aides
- Bereavement Counselors
- Other specialists with relevant expertise

The IDG team is responsible for:

- Creating, implementing, reviewing, and revising the patient's Plan of Care
- Coordinating and providing care and services as outlined in the Plan of Care
- Documenting all care provided
- Supporting patient self-acceptance and recognition of strengths
- Communicating regularly with the patient's attending physician

- Addressing the emotional and spiritual needs of both the patient and caregiver, including facilitating reconciliation, expressions of love and forgiveness, and finding meaning in the care experience.

The applicant state CHS boasts extensive medical expertise relevant to the proposed HOF program. Dr. Tara Friedman, Chief Medical Officer at CHS, will oversee the program's medical services. A description of Dr. Friedman's qualifications and achievements is provided. The applicant states CHS places a strong emphasis on research and education, ultimately benefiting patients and the hospice field. This focus ensures patients have access to the latest advancements in end-of-life care and future generations of health care professionals are well-trained in hospice and palliative care. A description of CHS's Research Expertise, and investment in future generation is provided. The applicant plans to expand educational opportunities in Sarasota County through CHS's existing relationships with universities and colleges to provide educational opportunities for students interested in hospice and palliative care. This includes potential partnerships with Sarasota County-based programs at State College of Florida, USF, and FSU.

Continuing Education is discussed with HOF stating CHS offers a variety of continuing education (CEU) courses for its staff and the broader community that will also be available to staff and health care professionals in the HOF program. HOF states CHS has extensive experience in providing high-quality hospice and palliative care services since its founding in 1983 and has grown to serve over 18,000 patients and families annually. Further, this program represents the latest chapter in CHS's ongoing commitment. HOF lists key milestones from 1983 to the 2020's. The applicant cites CHS' long history of quality hospice care which it will bring to Sarasota County.

Agency records indicate that for the three-year period ending April 23, 2024, Chapter's affiliates have one substantiated complaint in the Quality of Care/Treatment category.

**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.

<b>10781 - Chapters Health System, Inc. &amp; Affiliates</b>		
	<b>Dec-22</b>	<b>Dec-21</b>
Current Assets	\$74,881,904	\$58,132,166
Total Assets	\$321,110,817	\$252,871,903
Current Liabilities	\$35,196,363	\$26,827,067
Total Liabilities	\$86,388,263	\$54,814,649
Net Assets	<b>\$234,722,554</b>	<b>\$198,057,254</b>
Total Revenues	\$263,937,124	\$186,495,449
Excess of Revenues Over Expenses	<b>(\$15,878,743)</b>	<b>(\$7,878,459)</b>
Cash Flow from Operations	\$14,652,090	\$7,248,954
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	2.1	2.2
Cash Flow to Current Liabilities (CFO/CL)	41.63%	27.02%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	21.8%	14.1%
Total Margin (ER/TR)	-6.02%	-4.22%
<b>Measure of Available Funding</b>		
Working Capital	<b>\$39,685,541</b>	<b>\$31,305,099</b>

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

### **Capital Requirements and Funding:**

On Schedule 2, the applicant indicates capital projects totaling \$444,309, which includes this project (\$419,309) & capital expenditures (\$25,000). The applicant indicates on Schedule 3 of its application that

funding for the project will be by related company financing. With \$13.9 million in cash & cash equivalents, the parent has sufficient resources to fund this project and the entire capital budget.

**Conclusion:**

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

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

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

Most hospice days are paid by Medicare (Medicaid is the next largest payer with similar reimbursement rates). As such, revenue is predictable by day and service type. Schedule 7 includes revenue by service type. We have divided the applicant's projected revenues by the estimated Medicare reimbursement rates for each level of service in year two to estimate the total patient days that would be generated by that level of revenue. The results were then compared to the applicant's estimated number of patient days. Calculated patient days that approximate the applicant's projected patient days are considered reasonable and support the applicant's assumptions of feasibility. Calculated patient days below the applicant's projections suggest an understatement of revenue which is a conservative assumption. Calculated patient days above the applicant's projections suggest an over statement of revenue and call into question the applicant's profitability assumptions and feasibility. The results of the calculations are summarized below.

**CON Action Numbers: 10781**

<b>CON 10781</b>	<b>Hospice of Florida, LLC</b>				
<b>Sarasota</b>	<b>Wage Component</b>	<b>Wage Index</b>	<b>Adjusted Wage Amount</b>	<b>Unadjusted Component</b>	<b>Payment Rate</b>
<b>Base Rate Calculation</b>					
Routine Home Care 1-60 days	\$144.10	0.9161	\$132.01	\$74.23	\$206.24
Routine Home Care 61+ days	\$113.75	0.9161	\$104.21	\$58.60	\$162.81
Continuous Home Care	\$1,177.23	0.9161	\$1,078.46	\$388.23	\$1,466.69
Inpatient Respite	\$309.70	0.9161	\$283.72	\$198.01	\$481.73
General Inpatient	\$727.27	0.9161	\$666.25	\$418.04	\$1,084.29
<b>Year Two Comparison</b>	<b>Inflation Factor Year Two</b>	<b>Inflation Adjusted Payment Rate</b>	<b>Schedule 7 Revenue Year 2</b>	<b>Continuous Service Hours Provided</b>	<b>Calculated Patient Days</b>
Routine Home Care 1-60 days	1.129	\$232.93	\$3,646,245		15,654
Routine Home Care 61+ days	1.129	\$183.87	\$1,365,556		7,427
Continuous Home Care	1.129	\$1,656.46	\$137,046	24	83
Inpatient Respite	1.129	\$544.06	\$34,116		63
General Inpatient	1.129	\$1,224.59	\$887,149		724
		<b>Total</b>	<b>\$6,070,112</b>		<b>23,951</b>
			Days from Schedule 7		25,663
			<b>Difference</b>		<b>1,712</b>
			<b>Percentage Difference</b>		<b>6.67%</b>

As such, the applicant's projected patient days are 6.67 percent or 1,712 days more than the number of patient days calculated by staff. Revenues appear to be understated, which is a conservative position. Operating profits from this project are expected to increase from a net loss of \$867,966 in year one to a net profit of \$112,150 in year two.

**Conclusion:**

This project appears to be financially feasible.

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

Strictly, from a financial perspective, the type of price-based competition that would result in increased efficiencies, service, and quality is limited in health care in general and in hospice specifically. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in hospice, price-based competition is almost non-existent. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited.

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

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

There is no construction involved in this project.

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

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108). Hospice care also must be provided regardless of ability to pay and regardless of age, race, religion, sexual orientation, diagnosis, payer source or financial status. Therefore, the Agency will not impose a charity care or Medicaid patient day condition on an applicant.

Hospice of Florida, LLC states CHS provided over \$6.7 million of charity care in 2022. The applicant projects four percent of the project's year one and year two patient days will be provided to Medicaid patients. Charity care and self-pay each are projected to be one percent in the project's years one and two.

## **F. SUMMARY**

**Hospice of Florida, LLC (CON application #10781)** is a Chapters Health System subsidiary. CHS will provide full financial, management, and operational support throughout the development, startup, and ongoing operations of the proposed hospice program.

The applicant expects issuance of license on June 20, 2025, and initiation of service on July 1, 2025.

The applicant proposes \$419,309 in total project costs, including building, equipment, project development, and start-up costs. HOF offers 11 Schedule C conditions.

**Need/Access:**

The applicant contends that the Not Normal & Special Circumstances identified, herein, on their own, and in aggregate, are sufficient to warrant the approval of an additional hospice in SA 8D.

The applicant contends the Agency's FNP forecast underestimates the need for hospice care in SA 8D. Sarasota County's underserved groups include African American, Asian, and Hispanic communities and patients in need of GIP care.

The applicant does not document sufficient need to approve an additional program in SA 8D.

**Quality of Care:**

The applicant demonstrates the ability to provide quality care.

HOF cites CHS's proven track record in its seven existing hospices have demonstrated established compliance records and CHS's existing policies and procedures will provide a strong foundation for its program.

**Financial Feasibility/Availability of Funds:**

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

The project appears to be financially feasible.

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

**Medicaid/Indigent/Charity Care:**

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108).

HOF discussed CHS's history of care to Medicaid and medically indigent patients and projects that four percent of year one and year two patient days will be provided to Medicaid patients. Charity care and self-pay is projected to be one percent of the patient days in years one and two.

**G. RECOMMENDATION:**

Deny CON #10781.

**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: June 21, 2024



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**Certificate of Need**





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