

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

De Luna Operating Investments LLC d/b/a De Luna Health and Rehabilitation Center /CON #10794

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

Authorized Representative: Mr. Jacob Bengio VP of Finance and CEO,
Ventura Services – Florida
(954)300-3878, Ext. 102

2. Service District/Subdistrict

District 1/Subdistrict 1-1 (Escambia and Santa Rosa Counties)

B. PUBLIC HEARING

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

C. PROJECT SUMMARY

De Luna Operating Investments LLC d/b/a De Luna Health and Rehabilitation Center (CON application #10794) also referenced as De Luna Ops, or the applicant proposes to add 60 community nursing home beds to its existing Escambia County 90-bed facility, resulting in a facility of 150 beds in Subdistrict 1-1 (Escambia and Santa Rosa Counties). De Luna Operating Investments LLC is an affiliate of and states that it will contract with Ventura Services Florida LLC, which manages 13 Florida nursing homes, including Olive Branch Health and Rehabilitation Center, which is also located in Escambia County.

Total project cost, which includes land, building, equipment, project development, and financing costs is \$13,102,494. The 60-bed addition includes 13,300 gross square feet (GSF) with 12,800 GSF of new

construction and 500 GSF of renovation. Total construction cost is \$7,215,000. The facility presently consists of 90 private rooms. De Luna Ops indicates the project will add 30 private rooms to the facility but will result in 108 beds in private rooms and 42 in semi-private rooms for the 150-bed total.

The applicant expects issuance of license in December of 2026 and initiation of service January 2027.

De Luna Operating Investments LLC does not propose any Schedule C conditions to the project.

Issuance of a CON is required prior to licensure of the project. The review of a CON application and ultimate approval or denial of a proposed project is based upon the applicable statutory criteria in the Health Facility and Services Development Act (408.031-408.045, Florida Statutes) and applicable rule criteria within Chapters 59C-1 and 59C-2, Florida Administrative Code. An approved CON does not guarantee licensure of the proposed project. Meeting the applicable licensure requirements and licensure of the proposed project is the sole responsibility of the applicant.

D. REVIEW PROCEDURE

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

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

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

As part of the fact-finding, the consultant, Sarah Zimmerman, analyzed the application with consultation from Financial Analyst Ryan Fitch 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 50, Number 63 of the Florida Administrative Register dated March 29, 2024, a fixed need pool of 60 community nursing home beds was published for Subdistrict 1-1 for the January 2027 planning horizon. As of February 9, 2024, Subdistrict 1-1 had 19 community nursing homes with 2,258 licensed community nursing home beds and 120 CON approved beds pending licensure. The subdistrict's nursing homes averaged 88.18 percent occupancy during the six months ending December 31, 2023, and 84.12 percent occupancy in CY 2023.

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

- Population Demographics and Dynamics
- Availability
- Utilization
- Quality
- Market Conditions
- Implementation of the Project

When discussing Population Demographics and Dynamics, De Luna Ops uses the Agency's 'Florida Population Estimates and projections by AHCA District 2020 to 2030', published January 2024. The applicant notes that currently (July 1, 2023), the subdistrict has a senior population (age 65 and over) of 102,291 residents, making up 19.07 percent of the total population in the Subdistrict 1-1 noting that Escambia County has a

slightly larger proportion of residents age 65 years and older, at almost 20 percent while Santa Rosa has 35,498 senior residents, or 17.56 percent of the total county population.

By July 1, 2028, Escambia County's senior population will have increased by 8,530 residents, making up almost 22 percent of the total population and Santa Rosa County has a projected increase of 7,394 senior residents, comprising 19.5 percent of the total projected population. The subdistrict's senior population is projected to increase at a rate of 15.57 percent over the five-year period, while the age 64 and younger cohort is projected to have 2.99 percent growth. Further, the total population for Escambia and Santa Rosa Counties combined is expected to have a 13 percent increase in residents by 2028. See the applicant's table below.

**Current and Projected Population by Age Cohort,
Subdistrict 1-1, and Florida**

Area	January 2023 Population Estimates			January 2023 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Escambia	267,312	66,793	334,105	80.01%	19.99%	100.00%
Santa Rosa	166,699	35,498	202,197	82.44%	17.56%	100.00%
Subdistrict 1-1	434,011	102,291	536,302	80.93%	19.07%	100.00%
Florida	17,700,178	4,985,405	22,685,583	78.02%	21.98%	100.00%
Area	January 2028 Population Estimates			January 2028 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Escambia	269,773	75,323	345,096	78.17%	21.83%	100.00%
Santa Rosa	177,215	42,892	220,107	80.51%	19.49%	100.00%
Subdistrict 1-1	446,988	118,215	565,203	79.08%	20.92%	100.00%
Florida	18,352,969	5,787,109	24,140,078	76.03%	23.97%	100.00%
Area	Five Year Increase			Five Year Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Escambia	2,461	8,530	45,150	0.92%	12.77%	13.51%
Santa Rosa	10,516	7,394	24,496	6.31%	20.83%	12.11%
Subdistrict 1-1	12,977	15,924	69,646	2.99%	15.57%	12.99%
Florida	652,791	801,704	1,458,189	3.69%	16.08%	6.43%

Source: CON application #10794, page 1-4, Table 1-1, from AHCA and Projections by AHCA District 2020 to 2030, published January 2024.

De Luna Ops concludes that the age 65 and over cohort growth demonstrates future need for residential and health services for this population.

CON application #10794, page 1-5, Figure 1-1 shows the projected elderly population age 65 and over by ZIP Code for 2028 as well as the distribution of existing nursing homes and acute care hospitals in Subdistrict 1-1. The application's Figure 1-1 used blue circles for acute care hospitals and red circles for the locations of nursing home in relation to De Luna Health and Rehabilitation Center.

Table 1-2, page 1-6 uses 2023 Claritas Zip Code Population Data to show that the five-year growth rate for the senior population ranges from 8.5 percent to 85.3 percent within each Zip Code. De Luna Health and Rehabilitation Center’s location within Zip Code 32534 is expected to see a 15.7 percent five-year increase within this cohort with a total population growth rate averaging 4.6 percent across all Zip Codes in Subdistrict 1-1 with the senior population averaging a 17.8 percent growth rate.

**Subdistrict 1-1 Current (2023) and Projected (2028)
Population by Zip Code**

2023 Pop Age 65+	2023 Pop, Age 65+	2028 Pop, Age 65	Age 65+ Increase	Age 65+ Growth Rate	2023 Total Pop	2028 Total Pop	Total Pop Increase	Total Pop Growth Rate
32534 Escambia	3,038	3,516	478	15.7%	16,074	16,617	543	3.4%
SD 1-1 Total	95,256	112,176	16,920	17.8%	521,979	546,102	24,123	4.60%

Source: CON application #10794, page 1-6, Table 1-2, partially recreated.

The applicant reiterates that Subdistrict 1-1 has 1,848 community nursing home beds distributed across 19 facilities, adding that availability can be measured by examining the number of nursing home beds in proportion to the number of seniors. See the table below.

Current (2023) and Projected (2028) Bed Availability

Area		July 2023 (Before Project)	July 2028 (Without Project)	July 2028 w/ CON Approved Beds*
Subdistrict 1-1	Beds	2,258	2,258	2,438
	Pop (65+)	102,291	118,215	118,215
	Beds/1000	22	19	21
Florida	Beds	82,939	82,939	85,530
	Pop (65+)	4,985,405	5,787,109	5,787,109
	Beds/1000	17	14	15

Source: CON application #10794, page 1-7, Table 1-3, from AHCA Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024 & AHCA’s Florida Nursing Home Utilization by District and Subdistrict January 2023 — December 2023

*Includes 120 previously approved beds plus 60 added by this project.

De Luna Ops indicates that the subdistrict’s 22 beds per 1,000 population age 65 and over will decrease by 2028 to 19 beds per thousand without the project and 21 beds per thousand with the 60-bed project. The applicant concludes that as the elderly population increases the bed inventory decreases and its project increases the supply in an area with high age 65 and over population growth.

De Luna Ops’ Table 1-4 on page 1-8 proving its historical utilization data from CYs 2020-2023 compared with the utilization of Subdistrict 1-1, District 1, and Florida and concludes that it has seen an overall positive trend in occupancy since opening, surpassing the state, District 1, and Subdistrict 1-1 occupancy levels in 2023.

**Historical Nursing Home Utilization for De Luna Health & Rehab,
Subdistrict 1-1, District 1, and Florida, 2020-2023**

Patient Days	2020	2021	2022	2023
De Luna	6,704	16,814	25,508	29,275
Subdistrict 1-1	662,412	532,264	677,283	726,716
District 1	1,005,618	854,817	986,741	1,044,954
Florida	23,280,683	22,175,075	23,891,583	24,545,223
Occupancy	2020	2021	2022	2023
De Luna	23.65%	51.18%	77.65%	89.12%
Subdistrict 1-1	80.60%	64.58%	82.18%	88.18%
District 1	80.30%	68.20%	78.72%	83.37%
Florida	77.54%	73.46%	79.12%	81.26%

Source: CON application #10794, page 1-8, Table 1-4, partially recreated.

The applicant states that it will address Quality in Section 4, Quality of Care, regarding its approach to achieving quality services and improving performance and contends that it has the experience and ability to assure quality care within its facility in accordance with the Centers for Medicare and Medicaid Services (CMS) regulations and state licensing regulations. Further, De Luna Ops states that this project includes 108 private rooms and 21 semi-private rooms for a total of 150 beds adding it provides a wide range of skilled nursing services, including short-term and post-acute specialties, including orthopedic rehabilitation. Further, the applicant notes it has state-of-the-art therapy equipment and software systems to manage a variety of conditions and return patients to their home.

Regarding medical treatment trends, De Luna Ops shares that its programs and services include:

- Cardio-Pulmonary
- IV Therapy
- Orthopedic Rehabilitation
- Pain Management
- Parenteral Nutrition (TPN)
- Post-Surgical Care
- Stroke Recovery
- Tracheostomy Care Therapy
- Wound Care Management

The applicant presents Figure 1-5 on page 1-10 showing the three hospitals within the five and 10-mile radius of its facility that offer acute care services: Ascension Sacred Heart Pensacola, Baptist Hospital, and HCA Florida West Hospital as well as the surrounding nursing homes.

Figure 1-6 on page 1-12 provides a summary of the discharges to nursing homes from Escambia and Santa Rosa hospitals for residents aged 65 and older for the past three 12-month periods ending on June 30th, 2024 that shows:

- The top three hospitals discharging patients to nursing homes were Ascension Sacred Heart Pensacola, HCA Florida West Hospital, and Baptist Hospital and are located within its 10-mile radius with HCA Florida West Hospital being approximately four miles away
- The majority of the hospitals in Subdistrict 1-1 saw an increase in patients discharged to skilled nursing facilities in the most recent 12-month period ending on June 30, 2023

De Luna Ops' Table 1-6, page 1-13 provides that for the most recent twelve months ending December 31, 2023, nursing facilities in Subdistrict 1-1, reported 726,716 patient days of care, for an average daily census of 1,991 and an average occupancy rate of 88.18 percent.

Subdistrict 1-1 Patient Days, Use Rates and Occupancy, CY 2023

	CY 2023
Patient Days	726,716
Average Daily Census	1,991
Escambia & Santa Rosa Population 65+ Days per 1,000 Persons, 65+	102,291
Current Existing Community Beds	2,258
Occupancy	88.18%

Source: CON application #10794, page 1-13, Table 1-6, from AHCA Florida Nursing Home Utilization by District and Subdistrict, for the year indicated; AHCA's Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024.

The applicant states that utilization rates applied to future population estimates retain the existing balance of beds (including any previously CON approved beds), avoiding over-bedding the subdistrict adding that the recent average occupancy rate within the subdistrict of 88.18 percent over the 12 months for 2023 demonstrates that existing facilities will not be negatively impacted.

De Luna Ops provides that in Table 1-7, page 1-13, the 2023 use rate of 7,104 patient days per thousand residents aged 65 and over results in 839,846 patient days and an occupancy rate of 94.12 percent for the planning area by the end of 2028, the second year of the project excluding the projected utilization of De Luna Health and Rehab at 88

percent occupancy in its 150 beds which it contends demonstrates the growing need for nursing home beds in the surrounding area that the applicant will serve.

De Luna Ops states the calendar year 2023 use rate is the basis for the projected utilization in CY 2028, the proposed second year of the bed addition shown below.

Projected Subdistrict 1-1 Patient Days and Occupancy for Year 2, CY 2028

	CY 2023
Subdistrict 1-1 Population 65+, July 1, 2028	118,215
Resident Days Forecasted for CY 2028	839,846
Average Daily Census, CY 2028	2,295
De Luna Health & Rehab @ 87.94%	48,279
Deduct De Luna Health & Rehab from Forecast	791,567
Average Daily Census, CY 2028, Remaining Days Expected Community Licensed Beds (1,848+120+60)	2,438
Expected Occupancy	94.12%

Source: CON application #10794, page 1-13, Table 1-7, from AHCA Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024.

De Luna Ops’ Schedule 5 forecast of its utilization for the 60-bed addition and the total 150-bed facility shows a fill-up period during the first year ending December 2027, which is consistent with similar projects around the state. The applicant expects it will return to its average occupancy level of approximately 89 percent by the second year of operations following the bed addition (see the table below).

Year	60-Bed Addition				Total Facility (N=150)			
	Admits	Patient Days	Occup. Rate	ADC	Admits	Patient Days	Occup. Rate	ADC
Year One (CY 2027)	315	9,678	44.19%	27	1,327	38,953	71.15%	107
Year Two (CY 2028)	436	19,003	86.54%	52	1,436	48,278	87.94%	132

Source: CON application #10794, page 1-14, Table 1-8.

The applicant states that during its first quarter of operation of the bed addition (January - March 2027), it is projected to experience 8,222 patient days at an occupancy rate of 60.90 percent and by the end of the first year, is projected to reach 71.15 percent with an ADC of 107. Year two will have 87.94 percent occupancy and 132 ADC. The 60-bed project is projected to be 44.19 percent utilization (ADC of 27) in year one and 86.54 percent (ADC=52) in year two.

De Luna Ops concludes it has addressed the benefits associated with implementing the 60-bed addition, has established need consistent with the published fixed need pool, and that its proposal responds to the

statutory criterion, demonstrating need and enhances both access and availability of skilled nursing care within the service area. Further, through its affiliation with Ventura Services Florida, De Luna Health and Rehab will expand capacity, improve operational efficiency and service to the community.

2. Agency Rule Preferences

**Does the project respond to preferences stated in Agency rules?
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.

1. 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 patterns, patient characteristics, expected average length of stay, ancillary services, patient assessment tools, admission policies and discharge polices.

De Luna Ops indicates that in order to determine the level of need for specific services to be offered, it analyzed acute care and rehabilitation hospital discharges to nursing homes for Subdistrict 1-1 residents age 65+, by Major Diagnostic Categories (MDCs) to determine the types of conditions and disorders that would be admitted to a SNF. Twenty-three MDCs discharges were identified from acute and long-term care hospitals to SNFs during the 12 months ending June 30, 2023. See the table below.

**Acute Care Hospital Discharges from SD 1-1 Hospitals for SD 1-1 Patients
Age 65+ Discharged to a Skilled Nursing Facility, July 1, 2022- June 30, 2023**

MDC	Volume	Percent	Cuml. %
08 Diseases & Disorders of the Musculoskeletal System and Conn Tissue	1,027	21.61%	21.61%
05 Diseases & Disorders of the Circulatory System	662	14.07%	35.68%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	661	14.06%	49.74%
11 Diseases & Disorders of the Kidney & Urinary Tract	490	10.18%	59.91%
04 Diseases & Disorders of the Respiratory System	471	9.79%	69.70%
01 Diseases & Disorders of the Nervous System	470	9.93%	79.63%
06 Diseases & Disorders of the Digestive System	286	5.93%	85.56%
10 Endocrine, Nutritional and Metabolic Diseases & Disorders	216	4.40%	89.96%
07 Diseases & Disorders of the Hepatobiliary System & Pancreas	78	1.67%	91.63%
09 Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	75	1.69%	93.33%
16 Diseases & Disorders of the Blood, Blood-Forming Organs, Immun. Disorders	61	1.26%	94.58%
21 Injuries, Poisonings & Toxic Effects of Drugs	52	1.14%	95.72%
23 Factors Influencing Health Status & Other Contacts with Health Status	41	0.81%	96.53%
19 Mental Diseases & Disorders	36	0.78%	97.31%
00 Pre MDC	30	0.63%	97.94%
24 Multiple Significant Trauma	27	0.54%	98.48%
03 Diseases & Disorders of the Ear, Nose, Mouth & Throat	16	0.32%	98.80%
20 Alcohol/Drug Use & Alcohol/Drug-Induced Organic Mental Disorders	16	0.32%	99.13%
13 Diseases & Disorders of the Female Reproductive System	15	0.30%	99.43%
17 Myeloproliferative Diseases & Disorders, Poorly Differentiated Neoplasms	11	0.20%	99.63%
12 Diseases & Disorders of the Male Reproductive System	9	0.19%	99.82%
02 Diseases & Disorders of the Eye	7	0.16%	99.98%
25 Human Immunodeficiency Virus Infections	1	0.02%	100.0%
Grand Total	4,758	100.0%	

Source: CON application #10794, page 2-3, Table 2-1 from AHCA Hospital Patient Discharge Data July 1, 2022—June 30, 2023.

De Luna Ops’ table indicates that the top two MDCs account for approximately 36 percent and the top five account for almost 70 percent of the age 65 and over discharges to nursing homes. Subdistrict 1-1 acute care and rehabilitation hospitals discharged 4,758 elderly patients to nursing homes and the three top (MDC 8, MDC 5, and MDC 18) account for approximately half or 2,350 hospital discharges to nursing homes. The applicant provides a brief description of the top four MDC categories, noting that its facility is equipped with a therapy gymnasium for contracted personnel to deliver therapies and that it provides innovative technologies that allow programing for each individual as functional improvements occur. De Luna Ops states its overall objective is to provide restorative programs that focus on avoiding hospital admission or readmission with protocols to ensure health and quality of life.

The applicant notes De Luna Health and Rehab is dually certified for both Medicare and Medicaid and provides a broad range of nursing and restorative care to manage short-term rehabilitation, long-term care, and complex medical conditions. Services include, but are not limited to:

- Rehabilitation Programs
 - Physical, occupational and speech therapies

- Wound care
- IV Therapy
- Cardio-Pulmonary
- Pain Management
- Parenteral Nutrition (TPN)
- Post-Surgical Care
- Stroke Recovery
- Tracheostomy Care Therapy

De Luna Ops indicates that a physician's order at hospital discharge determines the post-acute placement and that a physician, physician assistant, nurse practitioner or clinical nurse specialist must provide orders for the resident's needs. Upon admission, staff provide an orientation to the facility and its policies to the resident and his or her family or designee while also providing an initial assessment with each resident receiving an admission packet detailing the agreement between the facility and the resident. The resident receives a comprehensive assessment utilizing the CMS assessment tool incorporating the "Minimum Data Set" elements as well as those elements specific to Florida. The resident must participate in the assessment and completion of a Pre-Admission Screen and Resident Review (PASRR), which identifies serious mental illness and intellectual disabilities that may preclude a specific type of SNF placement. Residents are reassessed as their condition changes and if there is no demonstrable change, staff completes a portion of the assessment quarterly with the full assessment completed annually.

De Luna Ops confirms that it is aware of Florida's Long-Term Care Ombudsman Program and resident rights and that upon admission, program information is given to residents addressing their rights at the facility. Staff receive appropriate training to delineate nursing home federal requirements for resident rights which ensures that all staff is prepared and trained to provide all residents the highest measure of dignity, courtesy, and good care that is expected by the residents, the families, and by the community.

Regarding care planning, the applicant indicates that when admitted, the facility develops a baseline care plan within 48 hours of admission. De Luna Ops notes that resident-centered comprehensive care plans require completion within seven days and that an interdisciplinary team prepares the care plan, with orders from the physician, dietician, therapist, and social worker. The applicant points out that the resident "becomes the director" and can make changes. The resident's individualized care plan must include measurable objectives and timetables that meet the resident's medical, nursing, mental and

psychosocial needs. The care plan builds on the resident’s strengths and discharge goals, while incorporating identified problems and risk factors. De Luna Ops indicates that a member from social services notifies the resident’s family or representative of care plan meetings.

Regarding discharge, a resident-specific discharge plan begins when the resident is admitted and this plan incorporates a summary of prior treatment, diagnosis, medications and any indications or issues associated with the resident as well as goals for care, treatment preferences and needs associated with reducing preventable readmissions. The De Luna Health and Rehab team reviews and finalizes the discharge plan and discusses it with the resident, the resident's representative and the resident’s physician. The resident's attending physician is also consulted concerning the discharge plan.

De Luna Ops notes that the plan includes an assessment of caregiver needs along with whether the resident has access to a caregiver or support capable of providing the type of care needed. The post-discharge plan of care indicates where the resident will reside, the arrangements already made for follow-up care, and medical/non-medical services needed. Staff follow-up with agencies to which a resident was referred to ensure the resident is receiving necessary services after discharge.

De Luna Ops states that it accepts a variety of payers including Medicare, Medicaid, and private insurance. The applicant refers to its Schedule 7 for its admissions and patient days by payer and its Schedule 6A for its staffing by department noting that it meets or exceeds staffing standards as well as its Section 5, Resources for further detail of its staffing patterns and utilization.

The applicant’s Schedule 6A shows a total of 192.40 FTEs in year one (CY 2027) which includes 28.40 FTEs added by the 60-bed addition and 216 FTEs in year two (CY 2028) with 52 FTEs for the project.

**Projected Admissions, Patient Days,
Average Length of Stay and Average Daily Census
First Two Years of Operation for the 60-Bed Addition and 150-Bed Facility**

Factor	60 Beds		150 Beds	
	Year One	Year Two	Year One	Year Two
Admissions	315	436	1,327	1,436
Patient Days	9,678	190,03	38,953	48,278
ALOS	31	44	29	34
ADC	27	52	107	132

Source: CON application #10794, page 2-9, Table 2-2.

De Luna Ops notes that the 60 new beds reflect a shorter average length of stay than the total facility because the 30 beds are projected to serve the growing demand for Medicare patients, who have a shorter length of stay than Medicaid residents.

2. Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to 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.

De Luna Ops responds that it has not had a nursing facility license denied, revoked, or suspended.

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

The applicant responds that it has not had a nursing facility placed into receivership.

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

De Luna Ops responds that this provision does not apply.

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.

The applicant responds that no conditions are identified in subparagraph 3 therefore this item does not apply.

5. **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.**

De Luna Ops responds that no conditions are identified above therefore this item does not apply.

3. **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.**

The applicant confirms that it will provide the required data to the Northwest Florida Health Council, Inc. that serves Health Planning District 1 and to the Agency for Health Care Administration and that these data include the above-cited utilization reports as well as required licensure and financial requirements attendant to operating a licensed nursing facility.

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)(5), Florida Statutes.**

As previously stated, as of February 9, 2024, Subdistrict 1-1 had 19 community nursing homes with 2,258 licensed community nursing home beds and 120 CON approved beds pending licensure. The subdistrict's nursing homes averaged 84.12 percent for the six months and 88.18 percent for the 12 months ending December 31, 2023.

De Luna Ops reiterates the majority of its Fixed Need response, item E.1.a. and quality of care is addressed in item E.3.b. of this report. The applicant included additional information that was not previously provided. De Luna Ops Figure 3.1 on page 3-4 (map) is provided in support of its statement that it will have the ability to provide access to

the subdistrict's most densely population areas. Escambia and Santa Rosa Counties significant 15.57 percent age 65 and over population growth during the next five years is stated in support of the demand on area nursing homes. De Luna Ops concludes that its proposal will improve access.

The top five Major Diagnostic Categories as a collective accounted for about 70 percent of all skilled nursing facility discharges from Subdistrict 1-1 hospitals for Escambia and Santa Rosa residents aged 65 and older are as follows:

- MDC 5 - Diseases and Disorders of the Circulatory System
- MDC 18- Infectious and Parasitic Diseases, Systemic or Unspecified Sites
- MDC 11- Disease and Disorders of the Kidney and Urinary Tract
- MDC 04 - Diseases and Disorders of the Respiratory System.

The applicant provides that it analyzed Escambia and Santa Rosa senior resident discharges to SNFs from all Florida acute care and rehabilitation hospitals and presents Table 3-1 on page 3-6 below showing a total of 4,858 discharges from Florida hospitals to nursing homes for Escambia and Santa Rosa residents aged 65 and older in during the 12-month period ending June 30, 2023. Further, the top three hospitals discharging Subdistrict 1-1 senior residents to nursing homes are also those previously listed that are within both the 10-mile radius and the 15-mile drive time contour surrounding the applicant facility. These three hospitals collectively account for 81 percent of the hospital discharges to skilled nursing facilities for senior residents of the service area. Five other hospitals in Subdistrict 1-1 were responsible for the majority of the discharges to nursing homes for area residents making the proposed bed addition critical to accessibility. The applicant's Table 3-1 on CON application #10794 was provided in support of the above statements.

De Luna Ops confirms that it participates in both Medicare and Medicaid programs and contracts with managed care providers and commercial insurance companies as shown on its Schedule 7. Further, the applicant ensures that the facility is sufficiently sized to provide a wide range of services such as short-term rehabilitation, complex care, and long-term care needs and 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.

De Luna Ops provided responses to Rule 59C-1.030 Florida Administrative Code., Health Care Access Criteria on the application's pages 3-9 through 3-11.

- 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)(10), Florida Statutes.**

De Luna Operating Investments LLC restates it will contract with Ventura Services Florida and this affiliation will ensure support services and comprehensive policies and procedure to assure consistency and uniformity. The project adds 60 beds resulting in a 150-bed nursing home. The project does not involve a Gold Seal facility.

De Luna Ops 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. Management's philosophy encourages continuous quality improvement 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 12 steps in the Centers for Medicare and Medicaid Services (CMS) *QAPI at a Glance* are bulleted on CON application #10794, page 4-2. De Luna Ops maintains that these 12 steps establish a foundation for QAPI in nursing homes and states it "stays up to date on all state and federal requirements for QAPI". Further, its Quality Assurance Performance Improvement Plan and Quality Assurance and Assessment Program 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."

De Luna Health and Rehab Center's Risk Management/Quality Assurance Committee meets 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".

De Luna Ops guiding principles addressed on CON application #10794, page 4-3 topics include: Purpose, Guiding Principles (4) and Procedures. A narrative explanation/description of activities and initiatives include Emergency Management and Hurricane Preparedness, Resident Rights, Privacy, and Advisory Committee, and Activities and Resident Council.

The applicant notes that:

- A data review is performed annually to provide a process for feedback, data systems, and monitoring
- Each Performance Improvement Plan subcommittee will utilize Root Cause Analysis and Performance Improvement Plan (PIP) to improve existing processes
 - Data is collected during this process and then analyzed to determine the effectiveness of change. Upon conclusion of each PIP, the subcommittee provides the QAPI Committee with a summary report, analysis of activities, and recommendations
- The facility utilizes the Five Whys as its root cause analysis method to identify the root cause of the problem so that appropriate approaches can be planned

De Luna Health and Rehabilitation Center provides:

Short-term and post-acute specialties

- Cardio-Pulmonary
- IV Therapy
- Orthopedic Rehabilitation
- Pain Management
- Parenteral Nutrition (TPN)
- Post-Surgical Care
- Stroke Recovery
- Tracheostomy Care Therapy
- Wound Care Management

Clinical Approach

- Discharge Planning individualized Care
- Lab and X-Rays
- Life Enrichment Program
- Occupational Therapy
- Pharmacy Services
- Physical Therapy
- Respite Care
- Specialty Physicians
- Speech Therapy

The applicant provides a brief licensure history noting that De Luna Health and Rehab holds Joint Commission Accreditation and a Five-Star CMS rating. De Luna Ops restates that it will contract with Ventura Services Florida and Ventura affiliated skilled nursing facilities utilization in CYs 2022 and 2023, is included on the application's page 4-7. De Luna Ops notes that Ventura facilities have maintained or experienced significant increase in occupancies since 2022.

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

Facility Name	Licensee since	Beds	CY 2022		CY 2023	
			Patient Days	Occup.	Patient Days	Occup.
Harmony Health Center (D-11)	5/13/2019	203	71,357	81.46%	71,456	96.44%
Miami Springs Nursing & Rehab Center (D-11)	6/17/2019	269	50,717	51.65%	62,136	63.28%
Sierra Lakes Nursing & Rehab Center (D-11)	9/30/2019	180	60,809	92.56%	64,218	97.74%
South Dade Nursing & Rehab Center (D-11)	10/7/2019	180	62,373	94.94%	63,369	96.45%
North Dade Nursing & Rehab Center (D-11)	10/14/2019	245	68,408	76.50%	78,044	87.27%
Regents Park At Aventura (D-11)	11/8/2021	180	61,213	93.17%	63,576	96.77%
Claridge House Nursing & Rehab Center (D-11)	11/8/2021	240	71,357	81.46%	87,600	88.97%
Martin Coast Center for Rehabilitation & Healthcare* (D- 9)	2/1/2022	120	41,819	95.48%	40,171	91.71%
Okeechobee Health Care Facility (D- 9)	3/1/2022	210	53,686	74.07%	64,793	84.53%
Olive Branch Health and Rehab Center (D-1)	4/1/2022	90	15,083	45.91%	29,824	90.79%
De Luna Health and Rehab Center (D-1)	4/1/2022	90	20,023	60.95%	29,643	90.24%
Waterford Nursing and Rehab Center* (Healthcare Center of Waterford (D-11)	10/26/2022	214	59,253	75.86%	63,052	80.72%
Washington Rehab and Nursing Center* (D-2)	10/26/2022	180	43,099	65.60%	48,014	73.08%
Total		2,401	679,197	76.12%	765,896	87.54%

Source: CON application #10794, page 4-7, 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.

The following table summarizes Ventura affiliated nursing homes star ratings according to the star ratings of the Centers for Medicare and Medicaid Services (CMS).

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

Facility Name	Subdistrict	CMS Star Rating
Claridge House Nursing & Rehab Center	11-1	3
De Luna Health and Rehab Center	1-1	5
Harmony Health Center	11-1	4
Healthcare Center of Waterford	11-1	3
Martin Coast Center for Rehabilitation & Healthcare	9-2	2
Miami Springs Nursing & Rehab Center	11-1	2
North Dade Nursing & Rehab Center	11-1	2
Okeechobee Health Care Facility	9-3	5*
Olive Branch Health and Rehab Center	1-1	4
Regents Park At Aventura	11-1	2
Sierra Lakes Nursing & Rehab Center	11-1	2
South Dade Nursing & Rehab Center	11-1	2
Washington Rehab and Nursing Center	2-1	5
Average		3.2**

Source: CON application #10794, page 4-8, Table 4-2 from <https://www.medicare.gov/care-compare>.

Note: * Reviewer notes that that the current CMS rating is three stars.

**Average is 3.15, so 3.2 likely due to rounding.

De Luna Ops concludes its quality-of-care discussion stating that its responses “demonstrate the capability to implement a program of quality assurance with elements that lead to continuous quality improvement. The applicant states its “ability to attain high quality ratings within the federal and state rating systems and achieve national recognition for quality improvement.”

The reviewer produced the table below showing the Ventura affiliated facilities most recent state and CMS ratings. 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.

Facility Name	Agency File Number	HF Overall Inspection Star Rating	CMS Overall Rating
Claridge House Nursing and Rehabilitation Center	111306	★★★	★★★
De Luna Health and Rehabilitation Center	35961086	★★★★★	★★★★★
Harmony Health Center	111314	★★★★★	★★★★
Healthcare Center of Waterford (HF)/Waterford Nursing and Rehabilitation Center (CMS)	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	★★★	★★★★★
Average		2.69	3

Source: <https://quality.healthfinder.fl.gov> Rating Time Period: October 2021 - March 2024. Last Updated: May 2024 and <https://www.medicare.gov/care-compare> CMS Last Updated: Update July 11, 2024.

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 June 20, 2024, Ventura Services affiliated nursing homes had a total of 27 complaints with 32 substantiated complaint categories cited. This does not include complaints that occurred prior to Ventura Services Florida operating the facility (see the table below).

Complaint Category	Number Substantiated
Quality of Care/Treatment	11
Misappropriation of property	1
Administration/Personnel	3
Admission, Transfer & Discharge Rights	2
Infection Control	1
Physical Environment	3
Resident/Patient/Client Rights	5
Resident/Patient/Client Abuse	4
Pharmaceutical Services	1
Resident/Patient/Client Neglect	1
Total	32

Source: AHCA Substantiated Complaint History.

Agency records indicate that De Luna Health and Rehabilitation Center had no substantiated complaints during the three-year period ending June 20, 2024. The facility is currently rated as a Five-Star facility per the Agency and CMS websites.

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

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

be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

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

CON 10794 - Ventura Pensacola Group (Parent)		
	Current Year	Previous Year
Current Assets	\$6,905,186	\$10,728,301
Total Assets	\$40,799,821	\$46,914,328
Current Liabilities	\$6,466,923	\$6,148,851
Total Liabilities	\$44,833,239	\$49,111,015
Net Assets	(\$4,033,418)	(\$2,196,687)
Total Revenues	\$30,270,491	\$22,546,717
Excess of Revenues Over Expenses	(\$1,644,731)	(\$1,840,194)
Cash Flow from Operations	\$1,681,508	(\$4,263,042)
Short-Term Analysis		
Current Ratio (CA/CL)	1.1	1.7
Cash Flow to Current Liabilities (CFO/CL)	26.00%	-69.33%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-951.2%	-1955.8%
Total Margin (ER/TR)	-5.43%	-8.16%
Measure of Available Funding		
Working Capital	\$438,263	\$4,579,450

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%

Based on the analysis above the overall financial position of the applicant's parent entity is relatively weak.

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$13,102,494, which includes this project.

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand of \$330,807 and the remaining balance funded by non-related company financing. The applicant provided a letter of interest, dated 6/18/24, from Greystone

Funding Company, LLC stating their interest in providing financing of up to \$15 million for construction. A letter of interest is not considered a firm commitment to lend.

Conclusion:

Given the relatively weak financial position of the parent entity and a lack of a firm commitment to lend funding for this project is in question.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (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	29,262,217	606	642	476	400
Total Expenses	24,047,885	498	562	449	366
Operating Income	5,214,332	108	76	18	-52
Operating Margin	17.82%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	48,280	88.18%	87.17%	81.28%	77.84%
Medicaid	6,222	12.89%	66.82%	53.91%	5.67%
Medicare	40,865	84.64%	44.91%	25.70%	21.02%

Staffing:

Section 400.23(3)(b)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.0 hours of direct care per resident per day, a minimum licensed nursing staffing of 1.0 hour of direct resident care

per resident day, and 3.6 hours of total direct care staffing. Based on the information provided in Schedule 6, the applicant's projected staffing meets this requirement.

The projected NRPD, CPD, and profit falls within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum staffing required. Although the level of profit projected is above the group range, 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(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? Section 408.035(8), Florida Statutes; Chapter 59A-4, Florida Administrative Code.

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The applicant did not specify the Florida Building Code or National Fire Protection Association (NFPA) construction types, but the narrative did provide sufficient information to make an informed inference. 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, however, there are notable deficiencies in the plans that will require major revisions that will likely have a major impact on the project cost.

The facility's plan includes the conversion of 30 existing private resident rooms to semi-private rooms. The layout of these converted rooms does not comply with current code requirements. Additionally, it is unclear whether the existing dining and recreation spaces provided are sufficient to meet the code minimum requirements when the new beds are considered.

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? Section 408.035(9), Florida Statutes.

De Luna Ops states that it currently provides service to Medicaid residents and will continue to do so with the 60-bed project. De Luna Health and Rehab provided 1,971 patient days or 6.73 percent of the facility's total CY 2023 patient days to Medicaid residents. The applicant's CYs 2020-2023 table shows CY 2023 was the facility's highest amount of its care for Medicaid residents.

Schedule 7 indicates that the project will not serve Medicaid/Medicaid HMO residents in year one (CY 2027). Medicaid/Medicaid HMO is projected to be 30 percent of the 60 beds and 12.89 percent of the 150-bed facility's CY 2028 patient days.

F. SUMMARY

De Luna Operating Investments LLC d/b/a De Luna Health and Rehabilitation Center (CON application #10794), proposes to add 60 community nursing home beds to its existing Escambia County 90-bed facility in Subdistrict 1-1 (Escambia and Santa Rosa Counties).

The 60-bed addition is projected to be licensed in December of 2026 and initiation of service January 2027.

The total project involves 13,300 GSF with 12,800 GSF of new construction and 500 GSF of renovation. Total project cost is \$13,102,494.

De Luna Operating Investments LLC does not propose any conditions for the project's approval.

Need:

In Volume 50, Number 63 of the Florida Administrative Register dated March 29, 2024, a fixed need pool of 60 community nursing home beds was published for Subdistrict 1-1 for the January 2027 planning horizon. The applicant's project is in response to the projected need.

De Luna Ops also contends that the

- additional beds will improve quality and access to nursing home care by adding bed capacity to a newer facility reporting significant increased occupancy, especially compared to with the county, district, and state
- subdistrict's increase in the age 65 and over cohort demonstrates future need for residential and health services

Quality of Care:

- The applicant described in detail its ability to provide quality care
- The facility is affiliated with Ventura Services Florida LLC
 - During the 36 months ending June 20, 2024, De Luna Health and Rehabilitation Center had no substantiated complaints and Ventura Services affiliated nursing homes had 27 complaints with 32 substantiated complaint categories cited.
- De Luna Health and Rehabilitation Center is a Five-Star rated facility

Financial Feasibility/Availability of Funds:

- Given the relatively weak financial position of the parent entity and a lack of a firm commitment to lend, funding for the project is in question
- The project appears to be financially feasible based on the projections provided by the applicant
- The project is not likely to have a material impact on competition to promote quality and cost-effectiveness

Architectural:

- The applicant 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, however, there are notable deficiencies in the plans that will require major revisions that will likely have a major impact on the project cost
- A review of the architectural plans, narratives and other supporting documents revealed that the facility's plan includes the conversion of 30 existing private resident rooms to semi-private rooms. The layout of these converted rooms does not comply with current code requirements. Additionally, it is unclear whether the existing dining and recreation spaces provided are sufficient to meet the code minimum requirements when the new beds are considered

Medicaid/Charity Care:

- The applicant provided De Luna Health and Rehab Medicaid utilization for CYs 2020—2023
- Schedule 7 shows the 60-bed project will have zero year one and 30 percent of year two total annual patient days provided to Medicaid/Medicaid HMO residents.
- Medicaid/Medicaid HMO represents 690 (1.77 percent) of the 150-bed facility's year one and 6,222 (12.89 percent) of year two's total patient days

G. RECOMMENDATION

Approve CON #10794 to add 60 community nursing home beds in District 1, Subdistrict 1, Escambia County. The total project cost is \$13,102,494. The project involves 12,800 GSF of new construction, 500 GSF of renovation and a total construction cost of \$7,215,000.

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: August 9, 2024



James B. McLemore
Operations and Management Consultant Manager
Certificate of Need



Certificate of Need
2727 Mahan Drive
Building 2
Tallahassee, FL 32308
Ph: 850-412-4401