

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Oak Hammock at the University of Florida, Inc./CON #10795

5100 S.W. 25th Blvd.
Gainesville, Florida 32608

Authorized Representative: Mr. Kevin Ahmadi, President and CEO
(352) 548-1012

2. Service District/Subdistrict

District 3/Subdistrict 3-2 (Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties)

B. PUBLIC HEARING

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

C. PROJECT SUMMARY

Oak Hammock at the University of Florida, Inc. (CON application #10795) also referenced as Oak Hammock, or the applicant proposes to convert 39 sheltered nursing home beds to 39 community nursing home beds in response to published need for 39 beds in Subdistrict 3-2. The applicant's Alachua County facility presently has 34 community beds and 39 sheltered beds, so project will result in a 73-bed community nursing home. The facility has a sheltered bed extension to allow non-CCRC holders use of 30 of its sheltered beds pursuant to s. 651.118 (7) Florida Statutes, that expires on August 31, 2024.

Oak Hammock states that it has an affiliation agreement with the University of Florida (UF) that provides Oak Hammock the right to use the phrase "at the University of Florida" in its corporate name and its residents to have limited access to certain events and services of UF, and UF to have access to Oak Hammock residents and facilities for research,

teaching, and service purposes. However, the applicant adds that UF is not responsible for the financial or contractual obligations of Oak Hammock. The applicant agrees to condition award of this CON by making a nursing home bed available at its nursing home to any Lifecare contract holder residing on the Oak Hammock at the University of Florida campus that requires it.

Total project cost is \$58,213 and includes building and project development costs. Since this is a bed conversion, no construction or renovation is required. The facility is a 73-bed facility comprised of all private rooms.

The applicant expects issuance of license in December of 2024 and initiation of service January 2025.

The applicant proposes the following condition to the application's approval:

The applicant will make a nursing home bed available at its nursing home facility to any Lifecare contract holder residing on the Oak Hammock at the University of Florida campus and requiring a nursing home.

Measurement of this condition will be demonstrated by reporting the total annual resident patient days and non-resident patient days.

The proposed condition and measure is as stated by the applicant. However, as Oak Hammock is a CCRC it is obligated to admit its CCRC residents to the nursing home and this will not be imposed as a condition. Since all beds will be community beds, the facility is to report the total facility utilization in its 73 beds.

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 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; Chapters 59C-1 and 59C-2 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 48 community nursing home beds was published for Subdistrict 3-2 for the January 2027 planning horizon.

As of February 9, 2024, Subdistrict 3-2 had 16 community nursing homes with 1,914 licensed community nursing home beds and zero CON approved beds pending licensure. The subdistrict's nursing homes averaged 85.66 percent for the six months and 84.35 percent for the 12 months ending December 31, 2023.

Oak Hammock states that its proposal provides the following advantages:

- Improves access to skilled nursing care by utilizing sheltered beds that can be placed into service quickly
- Improves quality of skilled nursing care by placing community beds into service at a 5-star rated facility
- Promotes culture change by placing the community beds into service in private rooms built to current code that exceed minimum square feet requirements and into service at a facility that is operated under the close scrutiny of its members, where resident directed care is the norm
- Provides a financially viable project that can be implemented with minimal costs
- Allows flexibility for admissions, serving both community and life care residents at the facility

Oak Hammock submits a need assessment within the context of the following characteristics which are briefly described:

- Population Demographics and Dynamics
- Availability of Beds and Services
- Forecast of Utilization

The applicant's Figure 1-2, page 1-7, CON application #10795, provides an aerial map showing the location of Oak Hammock at the University of Florida and UF Health Shands Hospital at the University of Florida locations and proximity. Figure 1-3 (map) on CON application #10795, page 1-8, shows the current population age 65 and older by Zip Code for Alachua County showing the lower population concentrations in yellow, with higher concentrations ranging from orange to red, hospital locations shown as green triangles, assisted living facilities as blue dots, and nursing homes are shown as red dots. Oak Hammock argues that residents within Subdistrict 3-2 may also seek care outside of their subdistrict but most often gravitate toward Gainesville for health care services. Oak Hammock states that the proposed conversion offers the following benefits:

- ✓ Elders experience directly the constellation of services and life style choices available in retirement
- ✓ Receive care that often may transition from the nursing center to home care, experiencing a smooth transition to a less institutional environment
- ✓ Experience and become familiar with options to maintain health and fitness through assisted living, memory care support, and onsite activity centers for recreation, learning, and fostering friendships

The applicant contends that the area's population growth within Alachua County and the nation "drives interest in entering into continuing care contracts at Oak Hammock" as it offers multiple housing options and services to those looking to relocate and to current residents looking to stay in the community. Further, the applicant provides an excerpt from Traci d' Auguste, MBA, MSHA, UF Health Shands, Chief Operating Officer on page 1-9 supporting that this proposal "alleviate these pressures and ensure that more seniors can receive the care they need within our community."

When discussing Population Demographics and Dynamics, Oak Hammock uses the Agency's Florida Population Estimates and projections by Agency District 2020 to 2030, published January 2024, showing that currently, Alachua County had a total population of 291,459 of which 45,545 (16.3 percent) were age 65 or over. The reviewer notes that the actual percentage is 15.63 percent. Oak Hammock notes that within this specific area, the elderly population is lower than the subdistrict which spans seven counties because of the University's location. Alachua County's senior population represents 61.3 percent of the total 77,527 aged 65 and over for the subdistrict. The current 2023 and projected 2026 population estimates (for the second year of the project) appear in the table below.

**Current and Projected Population Estimates by Elderly Age Cohort
For Subdistrict 3-2 by County, District 3, and Florida**

County	July 1, 2023 Population			July 1, 2026 Projected Population		
	0-64	65+	Total	0-64	65+	Total
Alachua	243,914	47,545	291,459	249,313	52,412	301,725
Bradford	21,044	5,628	26,672	21,562	6,191	27,753
Dixie	12,718	4,454	17,172	12,657	4,803	17,460
Gilchrist	14,717	4,663	19,380	14,703	5,067	19,770
Lafayette	6,353	1,474	7,827	6,443	1,586	8,029
Levy	33,550	11,362	44,912	33,798	12,238	46,036
Union	13,291	2,401	15,692	13,882	2,712	16,594
Subdistrict 3-2	345,587	77,527	423,114	352,358	85,009	437,367
District 3	1,398,638	556,248	1,954,886	1,437,850	605,948	2,043,798
Florida	17,700,178	4,985,405	22,685,583	18,118,506	5,466,190	23,584,696
County	2023 Percent of Total Population			2026 Percent of Total Population		
	0-64	65+	Total	0-64	65+	Total
Alachua	83.70%	16.30%	100.0%	82.60%	17.40%	100.0%
Bradford	78.90%	21.10%	100.0%	77.70%	22.30%	100.0%
Dixie	74.10%	25.90%	100.0%	72.50%	27.50%	100.0%
Gilchrist	75.90%	24.10%	100.0%	74.40%	25.60%	100.0%
Lafayette	81.20%	18.80%	100.0%	80.20%	19.80%	100.0%
Levy	74.70%	25.30%	100.0%	73.40%	26.60%	100.0%
Union	84.70%	15.30%	100.0%	83.70%	16.30%	100.0%
Subdistrict 3-2	81.70%	18.30%	100.0%	80.60%	19.40%	100.0%
District 3	71.50%	28.50%	100.0%	70.40%	29.60%	100.0%
Florida	78.00%	22.00%	100.0%	76.80%	23.20%	100.0%

Source: CON #10795, Table 1-1, page 1-10 from Agency Florida Population Estimates and Projections by Agency District 2018 to 2030, published January' 2024.

Subdistrict 3-2’s senior population is projected to increase by 7,482 at a rate of approximately 9.7 percent over the two-year period, while the age 64 and younger cohort is only expected to have an approximate two percent growth rate during the same period. Further, the applicant states that the elderly population and “will represent 19.4 percent of the Alachua County population” by 2026. The reviewer notes that the actual percentage increase for Alachua County is 17.37 percent. Oak Hammock provides a table (see below) to show projected population growth by 64 and under and 65 and over age cohorts from July 1, 2023 to July 1, 2026 for Subdistrict 3-2, District 3, and Florida overall.

**Three-year Population Growth for Subdistrict 3-2 by County, District 3 and Florida
From July 1, 2023 to July 1, 2026**

County	3 Year Increase in Population			3 Year Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Alachua	5,399	4,867	10,266	2.2%	10.2%	3.5%
Bradford	518	563	1,081	2.5%	10.0%	4.1%
Dixie	-61	349	288	-0.5%	7.8%	1.7%
Gilchrist	-14	404	390	-0.1%	8.7%	2.0%
Lafayette	90	112	202	1.4%	7.6%	2.6%
Levy	248	876	1,124	0.7%	7.7%	2.5%
Union	591	311	902	4.4%	13.0%	5.7%
Subdistrict 3-2	6,771	7,482	14,253	2.0%	9.7%	3.4%
District 3	39,212	49,700	88,912	2.8%	8.9%	4.5%
Florida	418,328	480,785	899,113	2.4%	9.6%	4.0%

Source: CON #10795, Table 1-2, page 1-11 from Agency Florida Population Estimates and Projections by Agency District 2018 to 2030, published January 2024.

The applicant concludes that the increase in the age 65 and over cohort demonstrates future need for residential and health services that cater to the senior population.

Oak Hammock notes the subdistrict has 1,914 community nursing home beds distributed across 16 facilities, plus 39 sheltered beds at Oak Hammock for a total of 1,953 beds. The applicant argues that its conversion will increase capacity and ability to admit residents from the general population, thereby improving access noting that currently Subdistrict 3-2 has a supply of 24 community beds per 1,000 which will decrease to 23 (1,953 beds and a population of 83,900) by 2026. Oak Hammock also notes that it can immediately implement its project which is cost-effective as well as efficient as the beds can be available by January 1, 2025.

The applicant contends that Subdistrict 3-2 shows a high utilization rate with Alachua County being slightly higher than the state. Further, Subdistrict 3-2’s occupancy rate for the most recent 12-month period ending December 31, 2023 was 84.19 percent, with five of the 17 community nursing homes having occupancy rates over 90 percent.

Oak Hammock confirms that it reported 11,387 patient days for the calendar year 2023, with an overall average occupancy rate of 91.76 percent, which it states is higher than Subdistrict 3-2 at 84.35 percent, District 3 at 87.27 percent, and the state at 81.26 percent. Oak Hammock reiterates that its project allows for quick implementation and ensures its continued service to all residents.

The applicant argues that considering the state's calculated need, the subdistrict shows strong demand for nursing homes and presents the table below showing the nursing home utilization for CY 2023.

**Subdistrict 3-2 Community Nursing Homes
CY 2023 Utilization**

Name	County	Community Beds	Bed Days	Patient Days	Occupancy
Aspire at North Florida f/k/a North Florida Rehab & Specialty Care	Alachua	120	43,800	34,118	77.89%
Gainesville Health & Rehabilitation	Alachua	120	43,800	39,194	89.48%
Magnolia Ridge Health and Rehabilitation Center	Alachua	223	81,395	44,720	54.94%
Oak Hammock at the University of Florida Inc	Alachua	34	12,410	11,387	91.76%
Palm Garden of Gainesville	Alachua	150	54,750	49,229	89.92%
Park Meadows Health and Rehabilitation Center	Alachua	148	54,020	50,202	92.93%
Parklands Care Center	Alachua	120	43,800	40,939	93.47%
Plaza Health and Rehab	Alachua	180	65,700	58,654	89.28%
Terrace Healthcare & Rehabilitation Center	Alachua	138	50,370	43,333	86.03%
Alachua Subtotal		1,233	450,045	371,716	82.61%
Riverwood Healthcare & Rehabilitation Center	Bradford	120	43,800	36,875	84.19%
Windsor Health and Rehabilitation Center	Bradford	120	43,800	38,477	87.85%
Cross City Nursing and Rehabilitation Center	Dixie	60	21,900	18,868	86.16%
Ayers Health and Rehabilitation Center	Gilchrist	120	43,800	36,153	82.54%
Tri-County Nursing Home	Gilchrist	81	29,565	27,456	92.87%
Lafayette Nursing and Rehabilitation Center	Lafayette	60	21,900	19,155	87.47%
Williston Care	Levy	120	43,800	40,549	92.58%
Other Subdistrict 3-2 Subtotal		681	248,565	217,533	87.52%
Subdistrict 3-2 Total		1,914	698,610	589,309	84.35%
District 3 Total		8,679	3,167,385	2,764,479	87.27%

Source: CON #10795, Table 1-3, page 1-12 from Florida Nursing Home Bed Need Projections by District & Subdistrict published March 29, 2024.

Oak Hammock informs that for the last six months of 2023, it reached 100 percent occupancy in its community beds, outpacing rates for the subdistrict and the state with Subdistrict 3-2 facilities outpacing the statewide average. The applicant concludes that this upward trend in occupancy within Subdistrict 3-2 indicates the growing demand for skilled nursing beds in the region. The table below shows the community patient days and occupancy rates for Oak Hammock, Subdistrict 3-2, and Florida by quarter during CY 2023.

Community Nursing Home Beds, Patient Days and Occupancy Rates for Oak Hammock, Subdistrict 3-2, and Florida Most Recent Four Quarters (CY 2023)

	1/1/23- 3/31/2023	4/1/23- 6/30/2023	7/1/23- 9/30/2023	10/1/23- 12/31/2023
Oak Hammock				
Community Beds	34	34	34	34
Bed Days	3,060	3,094	3,128	3,128
Patient Days	2,497	2,634	3,128	3,128
Occupancy	81.60%	85.13%	100.00%	100.00%
Subdistrict 3-2				
Community Beds	1,914	1,914	1,914	1,914
Bed Days	172,260	174,174	176,088	176,088
Patient Days	142,518	145,127	149,172	152,492
Occupancy	82.73%	83.32%	84.71%	86.60%
Florida				
Community Beds	82,939	82,939	82,939	82,939
Bed Days	7,454,046.00	7,529,613	7,612,356	7,610,091
Patient Days	5,936,571	5,930,582	6,318,518	6,359,552
Occupancy	79.64%	78.76%	83.00%	83.57%

Source: CON #10795, Table 1-5, page 1-15 from Agency publication, Florida Nursing Home Bed Need Projections by District & Subdistrict published March 29, 2024.

Oak Hammock contends the increasing demand for community beds supports the need for this project as quarterly community bed occupancy rates rise compared to sheltered bed occupancy rates. Further, the applicant ensures that its focus is to serve the needs of life care residents of the Oak Hammock retirement community and conditions this application by making a nursing home bed available at its nursing home to any Lifecare contract holder residing on the Oak Hammock at the University of Florida campus that requires it.

Oak Hammock Sheltered and Community Bed Quarterly Occupancy Calendar Year 2023

	Beds	1/1/23- 3/31/23	4/1/23- 6/30/23	7/1/23- 9/30/23	10/1/23- 12/31/23	2023 Total
Community Bed Patient Days	34	2,497	2,634	3,128	3,128	11,387
Sheltered Bed Patient Days	39	3,004	2,662	2,843	3,019	11,528
Total Patient Days	73	5,501	5,296	5,971	6,147	22,915
Community Bed Occupancy		81.60%	85.13%	100.0%	100.0%	91.76%
Sheltered Bed Occupancy		85.58%	75.01%	79.24%	84.14%	80.98%
Total Occupancy		83.73%	79.72%	88.91%	91.53%	86.00%

Source: CON #10795, Table 1-6, page 1-16 from Agency publication, Florida Nursing Home Bed Need Projections by District & Subdistrict, published March 29, 2024; Agency Sheltered Bed Data.

Addressing quality, Oak Hammond states it is one of the two Alachua County nursing homes with a 5-star rating with three facilities receiving a 1-star rating, three receiving a 2-star rating and one receiving a 3-star rating on their most recent inspections. The applicant notes that Oak Hammock also has a 5-star rating from CMS compared to the 5-star Alachua County facility's 2-star CMS rating.

The applicant touts that its facility has a “modern design” with all private rooms that is “unparalleled” within Subdistrict 3-2 and that the conversion of its 39 sheltered beds to community status will allow the facility to meet both the needs of its CCRC residents and the community at large.

The applicant uses the subdistrict’s CY 2023 use rate of 7,601 days per thousand seniors to project utilization for the subdistrict during calendar years 2026 and 2027 and provides its projected patient days and occupancy below.

Protections based on use rate from: Subdistrict 3-2	CY 2026	CY 2027
Subdistrict 3-2 Population 65+ (July Midpoint)	85,009	87,168
Forecasted Resident Days	646,182	662,594
Average Daily Census	1,770	1,815
Existing Licensed Community Beds*	1,914	1,914
Projected Occupancy without the Project	92.5%	94.8%
Projected Community Beds WITH the Project	1,953	1,953
Projected Occupancy WITH the Project	90.6%	93.0%

Source: CON #10795, Table 1-8, page 1-17 from the Agency’s Florida Population Estimates and Projections by District 2020 to 2030, published January 2024.

The applicant notes that the above projections show that these remain constant and that applying this rate to the projected population yields a projected subdistrict occupancy rate exceeding 92 percent, the target occupancy threshold in the rule. Further, adding the project’s 39 community beds, Subdistrict 3-2 achieves an average occupancy rate of 90.6 percent in 2026 but by 2027 “community bed occupancy reaches 94.8 percent, reaching levels when availability is diminished”. Oak Hammock states that if its proposed 39-bed conversion is included, Subdistrict 3-2 community bed occupancy is at 93 percent. The applicant cites the demand for skilled nursing beds and states its project maximizes available community beds without negatively impacting existing facilities.

Oak Hammock refers to its Schedule 5 adding that its most recent quarter shows an occupancy rate of 91.5 percent that it expects that it will maintain high and average approximately 92 percent in the second year of operations following the redesignation of beds. The applicant provides its projected utilization for the first two years of the project below.

**Projected Utilization for the 39-Bed Addition and Total 73-Bed Facility
First Two Years of the Bed Conversion**

Years 1 & 2	39-Bed “Addition”				Total Facility (N=73)			
	Admits	Patient Days	Occup. Rate	ADC	Admits	Patient Days	Occup. Rate	ADC
CY 2025	274	12,675	89.0%	35	771	23,725	89.0%	65
CY 2026	284	13,116	92.1%	36	797	24,551	92.1%	67

Source: CON #10795, Table 1-9, page 1-18.

The applicant notes that the initial occupancy rate in the first quarter of January through March 2025 will increase from 87.5 percent to 89 percent by the end of the first year and to 92.1 percent in the second year. Further, the proposed 73-bed facility shows an average daily census of 65 residents is expected in the first year and 67 residents in the second year with the 39-bed addition contributing an average daily census of 35 residents and 36 residents, respectively, for the first and second years.

Oak Hammock at the University of Florida, Inc. concludes that it has addressed the benefits associated with implementing this 39-bed conversion, has established need consistent with the published fixed need pool, and that its proposal demonstrates enhanced access and availability of skilled nursing care within the service area.

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 policies.

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

- Proposed Services
- Utilization And Staffing
- Patient Characteristics
- Admissions
- Care Planning
- Discharge Planning

Oak Hammock maintains that it will participate in the Medicare and Medicare Managed Care programs and provides long-term care to life care members and private pay nonmembers. The following services are provided at the facility:

- Rehabilitation Programs
 - Physical, occupational and speech therapies
 - Orthopedic, neurological, and pulmonary
- Medical Management
- Palliative Care
- Hospice Care
- Wound care
- Psychosocial Assessment

Oak Hammock lists 21 other services and amenities it indicates provide resident support comfort and security. The applicant states that it has policies and procedures in place as required during the normal course of business, including care planning, admission and discharge procedures referring to its Section 4, Quality response for additional information which it states includes key staff information and a discussion regarding quality nursing care, admission and discharge planning, physician services, dietary services, activities and resident rights.

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 56.5 FTEs in years one and two ending December 31, 2025 and December 31, 2026, respectively. The applicant notes that the converted beds are allocated under the current staff and that no additional staff hires are necessary to implement the project.

Oak Hammock confirms that it provides care for both short-term and long-term patients, primarily for life care residents, while also accepting Medicare and provides its utilization, average length of stay (ALOS) and average daily census for the first two years in the table below.

**Projected Admissions, Patient Days, Average Length of Stay and Average Daily Census
First Two Years of Operation for the Proposed 39 Beds and the 73-Bed Facility**

Factor	39 Beds		73 Beds	
	Year One	Year Two	Year One	Year Two
Admissions	274	284	771	797
Patient Days	12,675	13,116	23,725	24,551
ALOS	46	46	31	31
ADC	35	36	65	67

Source: CON #10795, Table 2-1, page 2-4.

Oak Hammock states the 39-bed project has a shorter ALOS than the total facility because the 39 beds are projected to serve the growing demand for Medicare patients.

The applicant indicates that in order to determine the level of need for specific services to be offered, it analyzed acute, rehabilitation, and long-term care hospital discharges to nursing homes for Subdistrict 3-2 residents age 65+, by Major Diagnostic Categories (MDCs) to determine the types of conditions and disorders that would be admitted to a SNF. The applicant identified 24 MDCs discharges from acute and long-term care hospitals to SNFs during the 12-month period ending June 30, 2023. See the table below.

**Subdistrict 3-2 Hospital Discharges to Skilled Nursing Facilities
By MDC For Residents Aged 65 and over
July 1, 2022 — June 30, 2023**

08 Diseases & Disorders of the Musculoskeletal System and Conn. Tissue	1,159	21.01%	21.01%
05 Diseases & Disorders of the Circulatory System	754	13.67%	34.68%
04 Diseases & Disorders of the Respiratory System	608	11.02%	45.70%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	596	10.80%	56.51%
01 Diseases & Disorders of the Nervous System	579	10.50%	67.01%
11 Diseases & Disorders of the Kidney & Urinary Tract	533	9.66%	76.67%
06 Diseases & Disorders of the Digestive System	388	7.03%	83.70%
10 Endocrine, Nutritional and Metabolic Diseases & Disorders	207	3.75%	87.45%
09 Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	107	1.94%	89.39%
07 Diseases & Disorders of the Hepatobiliary System & Pancreas	94	1.70%	91.10%
19 Mental Diseases & Disorders	82	1.49%	92.59%
21 Injuries, Poisonings & Toxic Effects of Drugs	66	1.20%	93.78%
23 Factors Influencing Health Status & Other Contacts with Health Status	66	1.20%	94.98%
16 Diseases & Disorders of the Blood, Blood-Forming Organs, Immune Disorders	59	1.07%	96.05%
24 Multiple Significant Trauma	55	1.00%	97.04%
00 Pre MDC	50	0.91%	97.95%
03 Diseases & Disorders of the Ear, Nose, Mouth & Throat	26	0.47%	98.42%
20 Alcohol/Drug Use & Alcohol/Drug-Induced Organic Mental Disorders	22	0.40%	98.82%
17 Myeloproliferative Diseases & Disorders, Poorly Differentiated Neoplasms	20	0.36%	99.18%
12 Diseases & Disorders of the Male Reproductive System	17	0.31%	99.49%
22 Burns	10	0.18%	99.67%
02 Diseases & Disorders of the Eye	9	0.16%	99.84%
13 Diseases & Disorders of the Female Reproductive System	6	0.11%	99.95%
25 Human Immunodeficiency Virus Infections	3	0.05%	100.0%
Total	5,516	100.00%	100.0%

Source: CON #10795, Table 2-2, page 2-5 from Agency Hospital Patient Discharge Data July 1, 2022 — June 30, 2023
(Includes acute, comprehensive medical rehabilitation, and long-term care hospitals.)

Oak Hammond's table indicates that the top four MDCs account for 56.51 percent and the top five account for almost 70 percent of the discharges to nursing homes for the Subdistrict 3-2's elderly. Further, during this time, the second ranked MDC (MDC 5, Circulatory System) accounted for 13.67 percent, the third ranked MDC (MDC 4, Respiratory System) accounted for 11.02 percent of total discharges from acute care and rehabilitation hospitals to nursing homes. Regarding the fourth ranked MDC (MDC 18, Infectious & Parasitic Diseases), Oak Hammock notes its facility consists of all private rooms which can accommodate patients with contagions or conditions that require isolation as well as monitoring for and care of pressure ulcers is also required for residents with infectious diseases or other conditions that limit mobility.

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 programming for each individual as functional improvements occur. Oak Hammock confirms that its overall objective is for restorative programs that focus on avoiding hospital admission or readmission with protocols to ensure health and quality of life.

Regarding admissions, Oak Hammock states that a multidisciplinary team, consisting of its administrator, medical director and other health care professionals, evaluates the needs of each resident and that decisions to transfer are based on consultation with the Care Team as well as with the resident and his or her family and physician. Further, each resident receives an admission packet which details the agreement between the facility representative and the resident, his legal representative, or other responsible party. Care planning development "is the single most important task undertaken" for a resident in a long-term care facility and will be coordinated and continuously monitored by its interdisciplinary team with each individual discipline sharing the responsibility for that resident reaching his maximum potential for the highest quality of life possible.

Oak Hammock provides that its following staff is responsible for the development and/or implementation of the resident's care plan.

- Attending physician
- Director of Nursing
- The Charge Nurse responsible for resident care
- Registered Nurse assigned to the resident
- Nursing Assistants responsible for the resident's care
- Dietary Manager
- Social Services Manager
- Activities Director
- Therapists, as appropriate
- Consultants, as appropriate
- Others, as appropriate or necessary to meet the needs of the resident

Further, upon admission the admitting nurse uses the following criteria to evaluate each resident's special needs and develop a care plan. This includes, but is not limited to:

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

Oak Hammond states that the discharge planning process begins upon admission with patient and family needs and attributes assessed specifically for the patient's admission diagnosis. Further, through this assessment, conducted by the multidisciplinary team, an initial length of stay will be estimated, particularly for Medicare beneficiaries, after which date the expectation will be for discharge and relayed to the social services director. The applicant ensures that its staff will then meet with the person, family, spouse, or responsible party, to develop potential aftercare plans which will serve as goals for the plan of care. Oak Hammock presents the medically related social service or home-based services it will provide:

- Making arrangements for obtaining adaptive equipment
- Making referrals and obtaining services from outside entities, e.g., home health, private duty referral, community services, Meals on Wheels, Transportation
- Follow up appointment with physician
- Prescriptions written or called in for (1) medications, (2) outpatient therapy, (3) labs
- Home evaluation by Therapy
- Discharge meeting with family, patient, and/or caregivers
- Home health guidelines for eligibility:
 1. Reside within service area
 2. Is homebound when required by the third-party payer source
 3. Is in an environment which allows for safe and effective care
 4. Has an available and willing caregiver when indicated
 5. Is in need of a level of service provided and needs can be adequately met in the specific environment
 6. Is receptive to agency services and complies with recommended treatment
 7. Is under the supervision of a Doctor of Medicine, dentistry, podiatry, or osteopathy, who is duly licensed to practice in the State of Florida

Oak Hammock contends that discharge plans involve an interdisciplinary team approach: dietary, all therapies, nursing, family, patient, caregiver, and third-party payer source to provide the best care after the patient is discharged from its facility. The applicant includes that at time of discharge, a record is made of the resident's care with an appropriate discharge summary of prior treatment, diagnosis, rehabilitation potential, physician orders for immediate care, and other pertinent information noting that a resident will be discharged only on the orders of the attending physician, or in the rare instance, by resident choice.

The director of nursing and social services director will review and finalize the discharge plan and discuss it with the resident, his or her responsible party, and any other aftercare provider, as appropriate and will then provide a written plan to person, to his or her responsible party, and to the attending physician. Follow-up will occur with the referral agent to acknowledge that the person has begun the aftercare program. Oak Hammond's Exhibit 3 is Facility Assessment information.

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

Oak Hammock at the University of Florida, Inc. responds that it has not had a nursing facility license denied, revoked, or suspended within the past 36 months.

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

The applicant responds that it has not had a nursing facility placed into receivership within the past 36 months.

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

This provision does not apply as no conditions are identified in subparagraph 3.

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

This provision 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.**

This provision 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 Well Florida Council that serves Health Planning District 3 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 3-2 had 16 community nursing homes with 1,914 licensed community nursing home beds and zero CON approved beds pending licensure. The subdistrict's nursing homes averaged 85.66 percent for the six months and 84.35 percent for the 12 months ending December 31, 2023.

Oak Hammock 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's response to these criteria is provided in the context of availability, quality of care, access (geographical, service and financial) hospital discharges to SNFs, and extent of utilization. Regarding geographical access the applicant notes that its location is easily accessible to residents within surrounding counties, most of which are within a 35 - 45-minute driving distance and that its project not only increases access to Alachua County residents, but to the rest of the subdistrict as well.

Oak Hammock reiterates that Subdistrict 3-2 currently has 17 community nursing home beds per 1,000, elderly aged 65+ adding that this number is 25 in Alachua County where more than half the senior population resides and the most hospital beds and other health services are provided. The applicant contends that its project will ensure a continued supply of community beds where they are most needed.

The applicant contends that all but four Subdistrict 3-2 facilities have occupancy rates exceeding 85 percent and that the subdistrict average occupancy rate is 84.35 percent which is higher than the statewide rate of 81.01percent which shows the need for its project "as an option for long term care under the aging in place concept of the CCRC."

Regarding quality, Oak Hammock presents Table 3-1 and 3-2 on pages 3-3 and 3-4 showing the Agency's and CMS ratings for Alachua County as of June 7, 2024 stating that "No other facility within Subdistrict 3-2 holds both a 5-star AHCA inspection rating in conjunction with a 5-star CMS rating" and "three of the facilities received a 1-star rating on their most recent licensure inspection, three received a 2-star rating and one received a 3-star rating." The reviewer restates that Florida Health finder and CMS websites show that Ayers Health and Rehabilitation Center, Cross City Nursing and Rehabilitation Center, Lafayette Nursing and Rehabilitation Center and Tri-County Nursing Home all currently are rated five-star as of July 19, 2024.

Alachua County Facilities	Applicant's HF Table Overall Inspection	Reviewer's HF Table Overall Inspection	Applicant's CMS Table Overall Inspection	Reviewer's CMS Table Overall Inspection
Aspire at North Florida - 30103	★★★	★★★	★★	★★
Ayers Health and Rehabilitation Center - 32101	Not provided	★★★★★	Not provided	★★★★★
Cross City Nursing and Rehabilitation Center - 35960937	Not provided	★★★★★	Not provided	★★★★★
Gainesville Health & Rehabilitation - 30102	★	★	★	★
Lafayette Nursing and Rehabilitation Center	Not provided	★★★★★	Not provided	★★★★★
Magnolia Ridge Health and Rehabilitation Center - 35961097	★	★	★★	★★
Oak Hammock at the University of Florida, Inc. 35961003	★★★★★	★★★★★	★★★★★	★★★★★
Palm Garden of Gainesville - 30106	★★	★★	★★★★	★★★★
Park Meadows Healthcare and Rehabilitation Center - 30104	★	★	★★	★★
Parklands Care Center and Rehab - 30101	★★★★★	★★★★★	★★	★★
Riverwood Healthcare & Rehabilitation Center	Not provided	★	Not provided	★★
Terrace Healthcare & Rehabilitation Center - 35960968	★★	★★	★	★
(The) Plaza Health and Rehab Center - 30105	★★	★★	★	★
Tri-County Nursing Home - 32102	Not provided	★★★★★	Not provided	★★★★★
Williston Care Center and Rehab - 33801	Not provided	★	Not provided	★★
Windsor Health and Rehabilitation Center - 30402	Not provided	★★★	Not provided	★★

Source: CON #10795, Tables 3-1 and 3-2 on pages 3-3 and 3-4 (recreated) and CMS data <https://www.medicare.gov/care-compare/?redirect=true&providerType=NursingHome>, last updated June 26, 2024 and Agency's Florida Healthfinder <https://quality.healthfinder.fl.gov/Facility-Provider/Nursing-Home?&type=0>, last Updated May 2024.

Oak Hammock argues that Alachua County SNFs have mostly semiprivate rooms and some have three-bed rooms adding that there are a total of 350 beds in private rooms, of which 73 are located at Oak Hammock. The applicant's Table 3-3 on page 3-5 shows the bed count by type of room configuration for Alachua County nursing homes (see below).

Nursing Home Bed Count by Room Configuration, Alachua County

Name	Private	Semi-Private	3-Bed Rooms	Total Beds
Aspire at North Florida	14	106	0	120
Gainesville Health & Rehabilitation	5	112	3	120
Magnolia Ridge Health & Rehabilitation Center	151	72	0	223
Oak Hammock at the University of Florida Inc	73	0	0	73
Palm Garden of Gainesville	34	116	0	150
Park Meadows Health & Rehabilitation Center	4	144	0	148
Parklands Care Center	1	26	93	120
Plaza Health and Rehab	32	148	0	180
Terrace Healthcare & Rehabilitation Center	36	102	0	138
Total Beds	350	826	96	1,272
Distribution	27.5%	64.9%	7.5%	100.0%

Source: CON #10795, Table 3-3, page 3-5 from Agency Florida Health Finder www.floridahealthfinder.gov.

Oak Hammock refers to Section 8, Architectural Criteria of its application arguing that approval of this project will ensure that through its superior care, will improve the overall availability of quality skilled nursing services within Subdistrict 3-2 that it states its residents expect.

The applicant refers to its next chapter, Section 4, Quality, E.3.b. response for further detail and Section 5, Resources, Schedule 6 of this application for staffing data.

In regard to access, the applicant has stated that it improves access by adding capacity to the current bed supply serving the area. Concerning geographic access, the applicant’s Figure 3.1 (map) shows the 30-minute drive time contour from Oak Hammock and the distribution of hospitals, nursing homes, and assisted living facilities within Subdistrict 3-2. The applicant adds that within a 30-minute drive time, there are four Alachua County hospitals with a total of 1,068 beds.

Oak Hammock states that Alachua County hospitals, including acute, comprehensive medical rehabilitation (CMR) and long-term care hospitals (LTCHs) discharged 6,875, 18+ Subdistrict 3-2 residents to skilled nursing facilities for the 12-month period of July 1, 2022 to June 30, 2023 with Alachua County discharging 2,931 or 42.6 percent of all discharges to nursing homes for Alachua residents. The applicant uses Agency hospital patient discharge data in its Figure 3-2 (graph) page 3-8, *Alachua County Hospital Discharges to Skilled Nursing Facilities for Subdistrict 3-2 Adult (18+) Residents, July 1, 2022- June 30, 2023* to explain that 35 percent of Alachua County hospital patients are discharged to counties outside the subdistrict likely because UF Health Shands is a highly ranked teaching hospital and receives patients from all across the state.

The applicant reiterates its previous Section 2, Rule Preferences response regarding discharge rates and top four MDCs in Subdistrict 3-2 noting that its facility will ensure programs are in place to treat and rehabilitate those needed most with a sufficient number of private rooms to assure safe isolation measures, when necessary, which is also “closer to home” for the service area residents.

Oak Hammock provides an excerpt from Warren R. McCullough, Concierge Care Regional VP of Marketing on page 3-9 as support.

“I firmly believe that certifying all their beds as skilled for the entire community will not only improve patient outcomes but to alleviate pressure on local hospitals by providing a viable option for post-acute care. This certification will enable them to accept more patients who require specialized rehabilitative care, ultimately contributing to the overall health and wellbeing of our community.”

The applicant provides that discharges to nursing facilities from UF Health Shands Hospital accounted for 2,299 of the 5,516 discharges within Subdistrict 3-2, or 42 percent of all referrals to nursing homes within Alachua County and throughout Subdistrict 3-2. Further, Oak Hammock’s approval will improve access and availability of quality short-term rehabilitation services because of its affiliation with the University of Florida.

Oak Hammock argues that it will improve access by:

- ✓ Locating the beds within a facility where the largest portion of seniors within the subdistrict can easily have access
- ✓ Locating the community nursing beds in an area of strongest growth in the elderly population
- ✓ Improving access for quality rehabilitation services as the designated community beds within the facility will focus on rehab therapies to return patient’s home.

Oak Hammock confirms that it participates in the Federal Medicare as well as Blue Cross/Blue Shield PPO, adding that if a resident is private pay the facility assists them in filing for their own insurance reimbursement. Further, the approval of this application would result in an improvement in access for the general population while still serving the needs of its life care residents. The applicant confirms that it provides a wide range of services including short-term rehabilitation, memory care, and long-term care needs and has made every effort to remove any financial barriers that could impede access to nursing home care.

Oak Hammock presents its monthly utilization for its “life care and non-life care residents” for CY 2023 in its table 3-4 on page 3-10 of the application. The applicant notes that its life care members attributed 11,057 patient days while non-member bed days totaled 11,858. Oak Hammock contends that its occupancy data alone supports the need for additional community nursing home beds as quarterly community bed occupancy rates are mostly higher than occupancy rates for the facility when including sheltered beds. The applicant concludes that it can meet the increasing Subdistrict 3-2 demand therefore ensuring access to the general public while assuring sufficient capacity for contract holders.

The applicant provided responses to the proposed project’s conformity to Rule 59C-1.030 Florida Administrative Code Health Care Access Criteria on pages 3-12 through 3-16 of CON application #10795.

- 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.**

Oak Hammock states that it has a history of operating a highly ranked skilled nursing facility which ensures the project's ability to establish of high level for quality of care and comments that the importance of continuity of care and staff training and development provides the basis for tracking progress and developing ongoing monitoring of the care within each nursing home. The applicant states that its overall 5-star rating on its most recent Agency and CMS surveys in eight of nine state categories of inspection, demonstrate that it performed as one of the top two facilities in Alachua County. Oak Hammock argues that no other facility within Subdistrict 3-2 holds both a 5-star Agency inspection rating in conjunction with a 5-star CMS rating and that “although it has not applied for the Gold Seal Program, the facility is certainly of the same caliber as Gold Seal Program facilities.” The reviewer notes that Florida Health finder and CMS websites show that Ayers Health and Rehabilitation Center, Cross City Nursing and Rehabilitation Center, Lafayette Nursing and Rehabilitation Center and Tri-County Nursing Home all currently are rated five-star as of July 19, 2024. Oak Hammond adds that it has also been ranked on the list by US News and World Reports BEST for Best Nursing Homes in the state of Florida with an overall rating of five-out-of-five stars. The applicant includes copies of these reports in Exhibit 4.

Oak Hammond provides an excerpt from Traci d' Auguste, NBA, MSHA, UF Health Shands, Chief Operating Officer which reads - *“Oak Hammock's dedication to excellence is evident in their current operations.*

They have consistently met and exceeded regulatory standards, demonstrated through high satisfaction rates among residents and their families.”

Oak Hammock’s Mission Statement is provided - *The mission of Oak Hammock at the University of Florida is to support the well-being of its members and create an active, caring community by providing a continuum of quality lifestyle and health care programs, and outstanding enrichment opportunities in conjunction with the University of Florida.*

The applicant informs that it provides quality health care services which includes assisted living, memory care, and skilled nursing care for rehabilitation or long-term care adding that the ALF has a Limited Nursing Services license, allowing it to provide additional care above the level of a standard license. Dementia care is provided in both the ALF and the SNF with two memory care units designated within the ALF and staff are equipped to provide tracheotomy care for members that require it although it has no formal tracheotomy care program.

Oak Hammock confirms that it is staffed with physical, occupational, and speech therapists and therapy assistants and students from all disciplines. Further, its program provides inpatient and outpatient therapy, aqua therapy, and an incontinence program that is run by the rehabilitation director whose responsibility includes the development of restorative programs for residents in its SNFs and ALFs. The applicant notes that it offers pet therapy on occasion which includes visits from miniature therapy horses and therapy dogs.

Oak Hammock states that it has policies and procedures in place to provide the required services, including patient assessment tools, admission and discharge policies which are presented in Exhibit 5 of this application. Further, its board of directors have established and support a quality assurance committee that meets monthly and is comprised of the administrator, medical director, and each department manager and focuses on improving organizational performance with a collaborative approach that crosses organizational boundaries and with an emphasis on empowering staff. The purpose of the committee is to identify problems in direct or indirect resident care and to establish criteria and standards of practice within the defined standard of practice of professional organizations, as applicable to the institution.

Oak Hammock notes that it provides an objective and systematic evaluation of the appropriateness and quality of the care and services by utilizing activities to assist in monitoring services and identifying problems that require intervention and correction. Oak Hammock adds

that it takes recommendations from its safety committee, medical and pharmacy recommendations and that monthly visits are made by staff to each member or resident to resolve resident care problems.

Oak Hammock's services and protocols are described in the following headings - physician services, nursing services, dietary services and determination of each resident's requirements and preferences.

Regarding Physician Services, Dr. Henrique Elias Kallas of the University of Florida, College of Medicine, is Oak Hammond's medical director, who provides overall guidance regarding medical and nursing services delivered in the facility and ensures that the facility maintains clinical standards of care. Each resident must have an attending physician that he or she selects or that is selected by the legal representative, and that physician must certify the need for admission to the facility. Further, the physician (or other licensed health care practitioner acting within his or her scope of practice) must see the resident once every 30 days for the first 90 days of admission, and at least once every 60 days thereafter. Oak Hammond also offers a state-of-the-art dental suite operated by Florida Dental Care at Oak Hammock and affiliated with the University of Florida, College of Dentistry.

Schedule 6 of this application is referenced for staffing levels. The director of nursing services is a registered nurse as well as an assistant director of nursing services. Nurses are trained in rehabilitative nursing and the facility has an active program of rehabilitative nursing care which is an integral part of nursing service and is directed toward assisting each resident to achieve and maintain an optimal level of self-care and independence. A description of its rehabilitative nursing care services is provided and the applicant states that these are performed daily and are recorded routinely. Oak Hammock confirms that its restorative nursing involves a team approach and the integration of all services and resources focused on curing of the illness, prevention of further disability, the management of convalescence, and the ultimate return of the individual to his maximum health and efficiency. The applicant adds that its care programs include: (1) bowel and bladder independence/retraining; (2) incontinence management plan; (3) increasing range of motion; (4) body alignment and positioning; (5) ADL - bathing, dressing, grooming and toileting - independence/retraining; (6) feeding program; and (7) ambulation.

Oak Hammock informs that nutritional/dietary needs are evaluated on admission and monitored regularly by a registered dietitian that has expertise in the nutritional needs and eating behaviors of elderly persons and persons with dementia. Further, consultation with occupational therapy or speech/dysphagia therapy services will be made if special assistive techniques or devices are required. After the initial assessment,

the certified dietary manager and registered dietician, in concert with the physician, will develop a dietary plan which will become a part of the resident's record. The applicant ensures that menus are planned in accordance with the recommended dietary allowances of the Food and Nutrition Board of the National Research Council and National Academy of Sciences. Patient assessment includes:

- (1) Medical diagnosis/prognosis
- (2) Basic statistical data (age, height, weight, frame, etc.)
- (3) Diet acceptance, appetite, preferences (ethnic/religious), habits,
- (4) Eating capabilities or problems
- (5) Communication problems
- (6) Food allergies
- (7) Diet related medications
- (8) Chronic nutrition related disorders
- (9) Bowel or bladder problems

Oak Hammock restates that as part of the admission process and to prepare for discharge, many factors are evaluated including: (1) family and support mechanisms; (2) independent dining arrangements or the need for congregate, institutional, or other means of care; (3) educational, occupational, and social history; (4) resident involvement in social, community/civic, personal, and recreational activities; (5) relationships with and dependence upon spouse, other family members, and friends; and (6) person's level of independence in all functional areas. The applicant reiterates its individual care plan and provides a description on pages 4-7 through 4-9 of its application. Oak Hammond also reiterates that upon admission residents are provided information regarding resident rights that includes topics on dignity' and privacy, free choice and participation, access and visitation, grievances, condition and treatment, protection of funds, transfer and discharge, abuse and restraints, and Florida's Long-Term Care Ombudsman Program.

Oak Hammock notes that its activity coordinator plans and executes a variety of therapeutic activities that focus on the physical, social, emotional and spiritual well-being of the individual, helping residents reach their highest functioning level. The applicant provides a brief description of its assessments, schedule, and special event activities. A visual example of the activities, a sample activities calendar is provided in Exhibit 6 at the end of the application.

Oak Hammock concludes that its responses demonstrate the capability to implement a program of quality assurance with elements that lead to continuous quality improvement along with the ability to attain high quality ratings within the federal and state rating systems and achieve national recognition for quality improvement.

The reviewer notes that Oak Hammock at the University of Florida, Inc. is not a Gold Seal Award facility and is not 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.

Agency records indicate that Oak Hammock at the University of Florida, Inc. had no substantiated complaints during the three-year period ending June 20, 2024 and that it is currently rated as a 5-star facility on 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, where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CON 10795 Oak Hammock at the University of Florida, Inc.		
	Dec-23	Dec-22
Current Assets	\$19,739,209	\$18,117,206
Total Assets	\$120,822,024	\$117,277,180
Current Liabilities	\$4,294,100	\$5,343,279
Total Liabilities	\$171,764,986	\$172,896,044
Net Assets	(\$50,942,962)	(\$55,618,864)
Total Revenues	\$44,278,657	\$33,726,646
Excess of Revenues Over Expenses	\$4,045,104	(\$4,531,334)
Cash Flow from Operations	\$8,689,023	\$8,171,890
Short-Term Analysis		
Current Ratio (CA/CL)	4.6	3.4
Cash Flow to Current Liabilities (CFO/CL)	202.35%	152.94%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-328.7%	-301.3%
Total Margin (ER/TR)	9.14%	-13.44%
Measure of Available Funding		
Working Capital	\$15,445,109	\$12,773,927

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%

The overall financial position is mixed for the applicant, which is not uncommon for a CCRC entity with strong short-term position balanced against weak long-term position related to future contract obligations.

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$6,058,213, which includes \$58,213 for this project.

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$58,213). The applicant provided audited financial statements showing working capital of over \$15 million.

Conclusion:

Funding for this project should be available as needed.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to

evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2020 and 2021 cost report years). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second-year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 1st Quarter 2023, Health Care Cost Review).

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	9,923,988	404	1,934	707	439
Total Expenses	7,878,630	321	2,286	691	499
Operating Income	2,045,358	83	371	-5	-282
Operating Margin	20.61%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	24,552	91.89%	91.46%	74.39%	11.68%
Medicaid	0	0.00%	7.74%	4.25%	0.03%
Medicare	8,888	36.20%	77.68%	59.59%	11.32%

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 net profit falls within the group ranges and is considered reasonable. NRPD and CPD are below the group range. Revenue and expenses may be understated. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

Conclusion:

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

e. Will the proposed project foster competition to promote quality and cost-effectiveness? Section 408.035(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 codes and standards regulating the design and construction of skilled nursing facilities are the same for beds licensed as sheltered beds and community beds. The proposed license conversions do not alter the use or function of the resident rooms or support spaces. It is the position of the Office of Plans and Construction that a review of the architectural submissions is unnecessary since the existing beds have already been reviewed and approved by the Agency for use as skilled nursing beds in accordance with Florida Statutes 400.232 and Florida Administrative Code 59A-4.133.

The applicant is advised to contact the Agency's Office of Plans and Construction if the conversion involves any modifications or alteration of the physical plant.

- 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.**

The applicant contends that as a CCRC, its covenants currently in place and resident care contracts do not permit the facility to participate in the Medicaid Program and that its forecast shows it is committed to serving a variety of payer groups which includes Medicare and private insurance.

Oak Hammock does not have a history of serving Medicaid and the medically indigent and its Schedule 7 indicates that the project will not serve Medicaid/Medicaid HMO residents.

F. SUMMARY

Oak Hammock at the University of Florida, Inc. (CON application #10795), proposes to add 39 community nursing home beds in response to published need through the conversion of 39 existing licensed sheltered beds to community status, resulting in a 73-bed community nursing home in Alachua County (Subdistrict 3-2).

The 39-bed conversion is projected to be licensed in December of 2024 and initiation of service January 2025.

The total project cost, which includes building and project development costs, is \$58,213 and does not include construction or renovation.

The applicant proposes one Schedule C condition, pursuant to this project.

Need:

In Volume 50, Number 63 of the Florida Administrative Register dated March 29, 2024, a fixed need pool of 48 community nursing home beds was published for Subdistrict 3-2 for the January 2027 planning horizon. The applicant's project is in response to the projected need.

Oak Hammond's need assessment contends that:

- the large concentration and strong growth rates among seniors age 65 and older indicates future need for residential and health care services
- existing skilled nursing facilities exhibit high occupancy rates
- the rise in occupancy rates in SD 3-2 indicates the growing demand for skilled nursing beds in the region, particularly in Alachua County indicates demand

- the physical location of its facility improves access
- the project increases quality of skilled nursing care by placing community beds into service at a 5-star rated facility
- the re-designation of beds will increase capacity and allows flexibility for admissions, serving both community and life care residents at the facility, thereby improving access
- the project is financially viable and can be implemented with minimal costs.

Quality of Care:

- The applicant described in detail its ability to provide quality care
- During the 36 months ending June 20, 2024, Oak Hammock at the University of Florida, Inc. had no substantiated complaints
- Oak Hammond is rated as a 5-star facility (Agency and CMS)

Financial Feasibility/Availability of Funds:

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

Architectural:

- The codes and standards regulating the design and construction of skilled nursing facilities are the same for beds licensed as sheltered beds and community beds. The proposed license conversion does not alter the use or function of the resident rooms or support spaces.

Medicaid/Charity Care:

- Oak Hammond does not have a history of and does not propose to serve Medicaid/Medicaid HMO residents.

G. RECOMMENDATION

Approve CON #10795 proposes to add 39 community nursing home beds through the conversion of 39 sheltered nursing home beds in District 3, Subdistrict 2, Alachua County. The total project cost is \$58,213.

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

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Certificate of Need



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