

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Okeechobee SNF Operations, LLC d/b/a Okeechobee Health Care Facility/CON #10801

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

Authorized Representative: Mr. Jacob Bengio
(954) 300-3878, Ext. 102

2. Service District/Subdistrict

District 9, Subdistrict 9-3 (Okeechobee County)

B. PUBLIC HEARING

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

C. PROJECT SUMMARY

Okeechobee SNF Operations, LLC d/b/a Okeechobee Health Care Facility (CON application #10801), also referenced as Okeechobee SNF or the applicant, operates as the only subdistrict nursing home - a 210-bed community nursing home located at 1646 US Highway 441 N, Okeechobee, Florida. The applicant proposes to add 14 community nursing beds to the facility, which combined with the 15 beds in the approved CON#10754 would increase the capacity to 239.

Okeechobee SNF indicates that the project will be licensed in December 2026 and begin service in January 2027.

The project includes 22,600 gross square feet (GSF) with 22,100 GSF of new construction and 500 GSF of renovation. Total construction cost is \$4,595,000. Total project cost is \$9,016,301, and includes land, building, equipment, project development and financing costs.

The applicant does not propose any conditions on 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, Gregory Keeter, 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, and 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 14 community nursing home beds was published for Subdistrict 9-3 for the January 2027 planning horizon. As of February 9, 2024, the subdistrict has 210 licensed community nursing home beds, and the applicant has the approved CON #10754 to add 15 community nursing home beds that are yet to be licensed. Okeechobee Health Care Facility reported 95.86 percent occupancy during the six months ending December 31, 2023, and 92.82 percent occupancy during CY 2023.

Okeechobee SNF's need analysis focuses on population demographics and demand. The facility presently has 84 semi-private (double occupancy) rooms, 18 private rooms and six four-bed rooms. The project's 14 beds and the CON approved 15 beds will be a part of a new 42-bed wing added to the facility. Thirteen beds will come from the relocation of beds from the six four-bed wards and one semi-private room. The existing facility serves short-term rehabilitation residents, complex care, long-term care residents, and those requiring memory care.

Okeechobee SNF presents demographic data to illustrate the growing demand for healthcare and social services, including nursing home care, in Okeechobee County and Florida. As of July 1, 2023, the age 65 and over cohort (8,218) comprise 20.73 percent of the Okeechobee County's total population. This is projected to increase to 8,880 (22.27 percent of the county's total population) by July 1, 2028, which is mid-point of the second project year. Okeechobee SNF population estimates in Table 1-2 on page 1-8, reveal the age cohort of 65 years and older is expected to grow by approximately 662 individuals or by approximately eight percent by July 1, 2028. The population under the age of 65 is projected to decline by 417 individuals or by 1.33 percent. The projected age 65 and over population growth is cited as demonstrating the need for future residential and health services catering to this demographic. By 2028, the projected senior population of 8,880 will account for 22.27 percent of the total projected population of 39,879.

Okeechobee SNF’s facility is the sole nursing facility in Subdistrict 9-3 and the applicant contends its high occupancy requires additional beds to accommodate demand and to ensure residents do not have to travel outside of Okeechobee County for services. There is only one hospital, assisted living facility (ALF) and home health agency in the county, and few senior housing options, so resources and choices are scarce, increasing the demand placed on the county’s existing providers.

Okeechobee SNF highlights the county’s limited availability of ALF and home health agencies compared to District 9. In reference to the ALF beds, the one ALF has 37 beds, resulting in less than five beds per 1,000 elderly individuals, whereas District 9 has 23 ALF beds per 1,000 elderly. The county’s one home health agency translates 0.12 agencies per 1,000 elderly, whereas District 9 has 358 agencies or 0.60 per 1,000 elderly. While community-based services are not a replacement for skilled nursing care, patients do have a choice in their care options. However, the limited options in Okeechobee County mean that more residents rely on nursing homes for rehabilitation and long-term care. Okeechobee Health Care Facility provides memory care services, which is a unique offering not available in the county’s ALF. As a result, there is a greater demand placed on Okeechobee Health Care Facility compared to other nursing homes in District 9. The table below shows nursing home use rates by subdistrict, including the average occupancy rate for each subdistrict.

Nursing Home Beds and Use Rates for the Current Period

County (Subdistrict)	Licensed Community Beds	CY 2023 Bed Days	CY 2023 Patient Days	7/1/23 Population 65+	Days Per 1,000	Percent Occupancy
Indian River (1)	554	202,210	174,444	56,033	3,113	86.27%
Martin (2)	795	290,175	243,709	54,199	4,497	83.99%
Okeechobee (3)	210	76,650	71,143	8,218	8,657	92.82%
Palm Beach (4)	5,927	2,163,355	1,711,223	391,472	4,371	79.10%
St. Lucie (5)	1,050	383,250	301,989	83,671	3,609	78.80%
District 9 Total	8,536	3,115,640	2,502,508	593,593	4,216	80.32%
Florida	82,939	30,232,386	24,569,393	4,985,405	4,928	81.27%

Source: CON application # 10801, Page 1-9, Table 1-4 from the Agency’s Florida Population Estimates and Projections by District, January 2024 and Florida Nursing Home Utilization by District and Subdistrict, March 29, 2024.

Okeechobee SNF cites nursing home use rates reveal that District 9 has an average of 4,216 patient days per 1,000 residents aged 65 and over, lower than the state average of 4,928 days per 1,000. This suggests that the abundance of health resources and higher income levels in District 9 result in greater options for care, leading to a decreased demand for skilled nursing care. However, this trend does not hold true for Okeechobee Subdistrict 9-3, which has an exceptionally high rate of 8,657 patient days per 1,000 elderly, outpacing District 9 other subdistricts, District 9 and the state.

The applicant notes District 9 SNFs reported 80.22 percent occupancy during CY 2023. However, Okeechobee Health Care Facility is the only nursing home in Nursing Home Subdistrict 9-3, with no other facilities within a 20-mile radius. Prior to the COVID-19 pandemic in 2019, the facility operated at a high occupancy rate of 98 percent. During the pandemic, nursing homes across the state experienced a decline in occupancy rates. However, the facility's occupancy rate decreased to the 70-80 percent range during CYs 2021 and 2022. In 2023, Okeechobee Health Care Facility's occupancy rate rebounded to 92.82 percent, returning to pre-pandemic levels and exceeding District 9's 80.22 percent and the state's 81.26 percent. The applicant's Table 1-5 on page 1-10 shows the historical utilization rates for Okeechobee Health Care Facility for the past five years compared to District 9 and Florida.

Hospital discharge data for Okeechobee County residents aged 65 and over indicates that many require short-term rehabilitation after a hospital stay. Table 1-6 on page 1-11 shows the number of hospital discharges for these residents for the 12 months ending June 30, 2023, and the number of discharges to skilled nursing facilities. HCA Florida Raulerson hospital accounted for 1,968 (61.37 percent) of the 3,207 Okeechobee age 65 and over patient discharges. Five hundred of the 3,207 Okeechobee residents 65+ and over or 15.59 percent of the total were discharged from hospital to SNFs. The applicant notes that 39 percent of Okeechobee residents age 65+ left the county for hospital care.

The applicant's Table 1-7 shows HCA Florida Raulerson Hospital as the only hospital in Okeechobee County, serves a significant portion of the county's residents. During July 1, 2022—June 30, 2023, 85 percent of the hospital's discharges were for Okeechobee County residents over half (1,968) were for residents aged 65 and over. The applicant notes that approximately 16 percent (320) required discharge to a skilled nursing facility, indicating the need for skilled nursing care in the area.

Okeechobee SNF's table 1-8 provides the 14-bed project and total 239-bed facility occupancy during the project's years one and two. The applicant states the projected length of stay in the 15-bed unit is typical for short-term rehabilitation, while the overall facility's length of stay reflects its ongoing operations serving both short-term rehabilitation and long-term care needs. Okeechobee SNF projects a gradual increase in utilization in the first year, with an average occupancy rate of 47.50 percent and a significant jump to 89.31 percent in the second year. Meanwhile, the facility's overall occupancy after adding the beds will be 86.23 percent in year one but is projected to increase to 91.48 percent in year two.

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.

To confirm the need for specific services, Okeechobee SNF analyzed hospital discharges to nursing homes for Okeechobee County residents aged 65 and older, categorized by Major Diagnostic Category (MDC). According to the condensed table below, which shows the 500 hospital discharges to nursing homes during the 12-month period ending June 30, 2024, 112 or 22 percent of the total discharges were for musculoskeletal disorders (MDC 8), such as bone fractures, hip or knee replacement, or similar conditions.

The second largest volume was 83 MDC 5 – circulatory system discharges including heart failure, cardiac valve replacement, and syncope was the second-largest group of discharges, accounting for 16.5 percent of total discharges. The third-largest group was associated with respiratory system disorders (MDC 4), including end-stage lung and respiratory diseases, with 13 percent of total discharges and 63 cases. Other prominent diagnoses included 54 nervous system disorders (MDC 1), (38) infectious and parasitic diseases (MDC 18), and (34) kidney and urinary tract diseases (MDC 11). The remaining categories accounted for fewer than 20 cases each.

**Okeechobee County Residents Aged 65 Years and Older
Acute Care Hospital Discharges to Nursing Homes
July 1, 2022 — June 30, 2023**

Major Diagnostic Category	Cases	Percent
08 Diseases & Disorders – Musculoskeletal & Connective Tissue	112	22.16%
05 Diseases & Disorders of the Circulatory System	83	16.50%
04 Diseases & Disorders of the Respiratory System	63	13.21%
01 Diseases & Disorders of the Nervous System	54	10.29%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Site	38	7.56%
11 Diseases & Disorders of the Kidney & Urinary Tract	34	6.89%
All Others	116	23.39%
Total	500	100.0%

Source: CON application 10801, Page 2-3, Table 2-1 from Agency Hospital Patient Discharge Data, July 1, 2022—June 30, 2023.

Okeechobee SNF notes that its facility is situated next to the only hospital in the county and contends it is well-positioned to continue meeting the demand for short-term rehabilitation services. The facility also provides long-term care services, enabling residents to remain in their community. The proposed 14-bed addition will enable Okeechobee SNF to accept a greater number of residents undergoing rehabilitation after an acute injury or illness, while continuing to meet the long-term care needs of the community.

Okeechobee SNF notes its facility offers physical therapy, occupational therapy, speech therapy, orthopedic rehabilitation, pulmonary rehabilitation, medical management of complex medical conditions, palliative care, hospice, care and wound care. The facility provides trained staff who implement these services.

The applicant next addresses its nursing home resident admissions multi-step approach. Facility staff provide an orientation to the resident and/or their family or designee, as well as an initial assessment, to ensure a smooth transition into the facility. The importance of physician involvement in the admission process is cited, as federal regulations now require a physician, physician assistant, nurse practitioner, or clinical nurse specialist to provide orders for each resident's care needs. Okeechobee SNF notes that each resident receives an admission packet, which outlines the agreement between the facility and the resident, their legal representative, or other responsible party. This packet also includes other important documents such as the HIPAA form, inventory of personal effects, initial care plan, and attending physician list.

Okeechobee SNF explains that the facility's comprehensive resident assessment process begins at admission and is conducted using a standardized instrument required by the Centers for Medicare and Medicaid Services (CMS). The assessment incorporates elements from the Minimum Data Set (MDS) and those specific to Florida. The goal is to capture information about a resident's needs, strengths, goals, life

history, and preferences. The assessment reviews various aspects of a resident's status, including routines, cognitive patterns, communication, vision, mood and behavior, psychological well-being, physical functioning, continence, disease diagnosis, dental status, nutritional status, skin conditions, activity pursuits, medications, special treatments, and procedures. The resident is actively involved in the assessment process and staff document their participation. Facility staff complete a Pre-Admission Screen and Resident Review (PASRR) to identify potential barriers to skilled nursing placement. The assessment is coordinated by a registered nurse with input from other health professionals and is updated as the resident's condition changes.

The facility's care planning process is stated to involve developing a baseline care plan within 48 hours of admission and a comprehensive care plan within seven days. The baseline care plan is designed to meet the resident's immediate needs and incorporates information from admission orders, physician orders, dietary orders, therapy services, social services, and PASARR. The comprehensive care plan is prepared by an interdisciplinary team, including the attending physician, registered nurse, nurse aide, food and nutrition staff, and other staff or care professionals as requested by the resident. This plan includes measurable objectives and timetables that address the resident's medical, nursing, mental, and psychosocial needs. It builds on the resident's strengths and discharge goals while addressing identified problems and risk factors. The facility's care team, in collaboration with the resident and their family or representative, develops and maintains the care plan to achieve the residents' highest level of function.

Okeechobee SNF highlights the importance of resident participation in the care planning process and provides accommodations for residents who may not be able to participate. The care team also notifies the resident's family or representative of care plan meetings and provides information to those who cannot attend. The team updates the care plan as needed and conducts quarterly reviews to ensure that the plan remains effective in meeting the resident's needs.

Florida's Long-Term Care Ombudsman Program and resident rights are addressed with the applicant stating it takes steps to ensure that residents are informed of their rights upon admission. The facility provides program information to residents, which includes addressing their rights at the facility. Staff receive training on nursing home federal requirements for resident rights, to ensure that all are prepared and equipped to provide the highest level of care and respect for residents. Okeechobee SNF's resident rights policy is provided as Exhibit 1 and outlines the facility's commitment to respecting and protecting residents' rights.

Okeechobee SNF has demonstrated a comprehensive approach to discharge planning, which begins at the time of admission and continues throughout the resident's stay. The discharge plan is tailored to the individual needs of each resident, considering their goals for care, treatment preferences, and caregiver needs. The plan also considers the resident's interest in returning to the community and includes documentation of referrals to outside agencies or entities to ensure a smooth transition and prevent future admissions.

The applicant highlights the importance of assessing the resident's interest in returning to the community and providing them with information about facilities to which they may be transferred, such as home health agencies, inpatient rehabilitation facilities, long-term care hospitals, or other skilled nursing facilities. This includes providing information about resource use, patient assessment information, and quality measures when available.

Okeechobee SNF also emphasizes the need for ongoing updates to the discharge plan based on re-evaluations of the resident, changes in caregiver support, and other factors. The interdisciplinary team reviews and finalizes the discharge plan with the resident and their representative and involves the attending physician in the process. A copy of the discharge plan is provided to the resident, their responsible party, and the attending physician at the time of discharge. Staff follow up with agencies to which a nursing home resident was referred to ensure they are receiving necessary services.

Okeechobee SNF directs the reviewer to Schedule 6A, which outlines the following staffing levels: for the first year, the facility will have 5.80 Full-time equivalents (FTE) for the first year and 10.20 FTE for the 14-bed addition in the second year. For the entire 239-bed facility, the projected staffing levels are 247.70 FTE for the first year and 252.10 FTE for the second year.

It appears that the facility has a diverse patient population, with both short- and long-term patients, and accepts various payment sources, including Medicare, Medicaid, and private insurance. Utilization, average length of stay and average daily census for the first two years are provided below.

**Projected Admissions, Patient Days, Average Length of Stay and Average Daily Census
First Two Years of Operations for the 14-Bed Addition and Resulting 239-Bed Facility**

	14 New Beds		239-Bed Facility	
	Year One	Year Two	Year One	Year Two
Admissions	60	78	596	680
Resident Days	2,421	4,576	75,227	80,022
ALOS	40	59	126	118
ADC	7	13	206	219

Source: CON application #10801, Page 2-8, Table 2-2

Based on the table above, it appears that the 14 new beds are designed to meet the growing demand for Medicare patients, who tend to have a shorter length of stay compared to patients with Medicaid as a payor.

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.

Okeechobee SNF has not ever had a 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 states that Okeechobee SNF nor its managers have ever had a nursing home 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.

This item 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.

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.

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.

Okeechobee SNF states it will provide required data to the Health Council of Southeast Florida and to the Agency for Health Care Administration as required for licensure and financial requirements.

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.**

Okeechobee SNF states that "availability is defined as how much of a resource exists. The fixed need pool published on March 29, 2024, indicates a need for 14 community nursing home beds for Nursing Home Subdistrict 9-3, Okeechobee County."

The applicant submits that the Okeechobee Health Care Facility, the sole community nursing home in Subdistrict 9-3, is currently operating at full capacity, with an occupancy rate of 92.82 percent for calendar year 2023. This has resulted in a significant demand for existing healthcare resources, as the facility's residents have limited options for care outside of the area. The applicant notes that the facility often maintains a waiting list due to its consistent high occupancy over several years. To address this issue, the applicant seeks approval for a project adding 14 beds to the existing facility, bringing the total number of beds to 239.

The applicant is affiliated with Ventura Services Florida LLC, a company providing services to 13 skilled nursing facilities in Florida. Ventura Services is stated to have an experienced team with the knowledge, tools and expertise that benefits this project. Management is dedicated to engaging the staff by investing in technologies, education, quality improvement initiatives and expertise to achieve quality services and improving performance and maintaining high standards.

Okeechobee Health Care Facility is the sole resource for skilled nursing beds within Okeechobee County, and its location is central to the medical community, adjacent to HCA Florida Raulerson Hospital. Okeechobee SNF provides a map on page 3-4, showing a 25-minute drive-time contour for the facility. This map provides visibility to roadways that make the facility accessible to the population. The applicant highlights that there are no other nursing homes within a 20-mile radius of its facility.

The facility's historical utilization has shown sustained occupancy rates over many years, with high rates for the past five years. Since its opening in 1984, the facility has kept pace with the growing needs of the community, providing quality skilled nursing care to Subdistrict 9-3 and surrounding communities. For comparison, the applicant presents a chart on page 3-6 that shows the total patient days and average occupancy rates for nursing home subdistricts in District 9 for the most recent period from January to December 2023. The data shows that District 9 nursing homes averaged an occupancy rate of 80.32 percent, while Subdistrict 9-3 had an average occupancy rate of 92.82 percent.

Okeechobee SNF addresses the project's conformity with Rule 59C-1.030 Florida Administrative Code Health Care Access Criteria on pages 3-7 through 3-9.

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

Okeechobee SNF Operations, LLC, is a for-profit entity and licensee of Okeechobee Health Care Facility, proposes to add 14 community nursing home beds to its existing facility, enhancing services to the local community. Okeechobee Health Care Facility is not a Gold Seal facility. To ensure high-quality care, the facility has contracted with Ventura Services Florida, a professional clinical and back-office consultant, to implement ongoing quality improvements. The importance of continuity of care and staff training and development is emphasized, allowing for

the tracking of progress and monitoring of care within each nursing home. The facility's administration sets a tone that prioritizes resident-centered care, ensuring that each resident benefits from the range of activities and services available. The applicant's approach to quality care is centered on sustaining its 5-star rating. The nursing home has achieved this recognition through its quality systems, resident rights, and enrichment activities. These elements are described in this section, highlighting the facility's commitment to delivering exceptional care.

Okeechobee Health Care Facility operates as a five-star facility, consistently achieving high ratings from both the Agency and CMS for the period from July 2021 to December 2023. The facility's overall rating on the CMS Nursing Home Compare website is also five stars. Additionally, Okeechobee Health Care Facility was ranked #6 in Newsweek's Best Nursing Homes 2023 in Florida. These rankings are included in Exhibits 3 and 4.

The facility has a history of providing high-quality care, having received the American Health Care Association and National Center for Assisted Living's 2017 Silver Achievement in Quality Award, which is based on the Baldrige Performance Excellence Program's core values and criteria. The facility's approach to quality care is also demonstrated through the achievements of its employees, such as Patricia Ebanks, RN, ADON, IFC, case manager, who was awarded the Florida Health Care Association's Rising Star in Long Term Care Nursing during the 2017 Nurse Leadership Program. Ebanks has been with the facility since 2009 and is one of several employees with over 10 years' experience.

Okeechobee Health Care Facility attributes its sustained five-star ratings and Gold Seal designation to its commitment to providing personalized care, which emphasizes treating residents as if they were family members. (The reviewer finds that the current rating is three-star and the facility does not have a Gold Seal designation).

The Okeechobee Health Care Facility utilizes various methods to monitor and improve quality, with a focus on resident satisfaction. One approach is through satisfaction surveys, which are conducted at different intervals depending on the resident's length of stay. Short-term skilled nursing residents complete a survey upon discharge, while long-stay residents and their family members complete a survey at least annually. The facility aims to achieve a 90 percent satisfaction rate in all areas of facility operations and services.

Recent surveys have identified areas for improvement, such as improving call light responses at night during the dinner hour, returning clothing from laundry within 24 hours, and better meeting residents' food

preferences. The facility's family satisfaction surveys assess various aspects of care, including resident choices, dignity, activities, environment, and activities of daily living assistance.

The facility's Quality Assessment and Assurance (QAPI) program is detailed in Exhibit 5. The applicant lists the five stages of the QAPI program.

The Okeechobee Health Care Facility's systemic analysis involves not only identifying areas for improvement but also using specific tools to investigate and address root causes of issues. This includes utilizing Root Cause Analysis (RCA) and other methodologies, such as the Five Whys, to conduct a comprehensive examination of all relevant systems and processes. This approach enables the facility to not only address immediate concerns but also prevent future events from occurring and promote sustained improvement.

A key aspect of this process is the emphasis on continual learning and continuous improvement. By analyzing and addressing the root causes of issues, the facility can identify patterns and trends, making targeted changes to enhance quality of care and resident satisfaction. This proactive approach demonstrates a commitment to ongoing improvement and a willingness to adapt to changing needs and circumstances.

By combining systemic analysis with RCA and other tools, the Okeechobee Health Care Facility ensures that all aspects of its operations are aligned with its mission of providing high-quality care and services to its residents.

The Okeechobee Health Care Facility has a resident council that gives residents and families a voice in decisions affecting their loved ones. The activities director coordinates the meetings, where residents and families can voice concerns and make suggestions. The facility also uses these meetings to inform residents about important changes and updates.

The following table summarizes Ventura affiliated nursing homes star ratings according to the star ratings of 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 #10801, page 4-10, Table 4-2.

Note: *The current CMS rating is three stars.

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

Okeechobee Health Care Facility has had no substantiated complaints since the applicant became the owner/licensee on March 1, 2022. During the 36 months ending June 19, 2024, Ventura Services affiliated nursing homes had a total of 27 complaints with 32 substantiated complaint categories cited. Each substantiated complaint can encompass multiple complaint categories. The table below does not include complaints that occurred prior to Ventura Services Florida operating the facility.

**Ventura Services Florida
Substantiated Complaints
June 19, 2021 - June 19, 2024**

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: Agency Substantiated Complaint History

- 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 10801 Ventura Okeechobee Group (Parent)		
	Current Year	Previous Year
Current Assets	\$4,342,337	\$4,359,224
Total Assets	\$32,837,478	\$34,593,050
Current Liabilities	\$4,099,397	\$4,299,567
Total Liabilities	\$32,061,823	\$33,494,722
Net Assets	\$775,655	\$1,098,328
Total Revenues	\$24,605,582	\$15,870,745
Excess of Revenues Over Expenses	\$135,327	(\$3,396,058)
Cash Flow from Operations	\$2,586,233	(\$3,239,676)
Short-Term Analysis		
Current Ratio (CA/CL)	1.1	1.0
Cash Flow to Current Liabilities (CFO/CL)	63.09%	-75.35%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	3605.0%	2658.1%
Total Margin (ER/TR)	0.55%	-21.40%
Measure of Available Funding		
Working Capital	\$242,940	\$59,657

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 \$19,641,710, which includes a 15-bed addition from CON #10754 of \$10,625,409).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand of \$963,188 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 \$20 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	34,022,079	425	642	476	400
Total Expenses	31,616,079	395	562	449	366
Operating Income	2,406,000	30	76	18	-52
Operating Margin	7.07%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	80,022	91.48%	87.17%	81.28%	77.84%
Medicaid	55,165	68.94%	66.82%	53.91%	5.67%
Medicare	18,934	23.66%	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 fall within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum amount of 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 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. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

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

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

Okeechobee SNF provides its facility's Medicaid utilization during CYs 2019-2023 showing its history of providing services to these patients. The applicant projects Medicaid/Medicaid HMO patients will 71.3 percent of the 239-bed facility's year one and 68.9 percent of year two total annual patient days.

F. SUMMARY

Okeechobee SNF Operations LLC d/b/a Okeechobee Health Care Facility (CON application #10801) proposes to add 14 community nursing home beds to its existing 210-bed community nursing home located at 1646 US Highway 441 N, Okeechobee, Florida. The facility will have 239 licensed beds with the project and the 15 beds approved by CON #10754's which is yet to be licensed.

The project includes 22,600 GSF with 22,100 GSF of new construction and 500 GSF of renovation at a total construction cost of \$4,595,000. Total project cost is \$9,016,301.

Okeechobee SNF indicates that the project will be licensed in December 2026 and begin service in January 2027.

The applicant does not propose any conditions on the project.

Need:

- The application was filed in response to the published need.
- The applicant's major need justifications include Okeechobee County's age 65 and over population's projected growth and its facility occupancy as subdistrict 9-3's only nursing home drives demand.

Quality of Care:

- The applicant provided a detailed description of the ability to provide quality care.
- During the 36 months ending June 19, 2024, Ventura Services affiliated nursing homes had 27 substantiated complaints with 32 categories cited.
- Okeechobee Health Care Facility has not had any substantiated complaints since the applicant took ownership on March 1, 2022.

Financial Feasibility/Availability of Funds:

- Funding for this 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 and the project completion forecast appear to be reasonable.
- A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Medicaid/Indigent Care:

- The applicant provided Okeechobee Health Care Facility's history of providing Medicaid services
- Medicaid/Medicaid HMO is projected to be 71.3 percent of the 239-bed facility's total year one (2027) and 68.9 percent of year two's (2028) total annual patient days.

G. RECOMMENDATION

Approve CON #10801 to add 14 community nursing home beds in District 9, Subdistrict 3, Okeechobee County. The total project cost is \$9,016,301. The project involves 22,100 GSF of new construction and 500 GSF of renovation and a total construction cost of \$4,595,000.

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



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