

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**Palm Beach Rehab OPCO LLC/CON application #10803**

1000 Gates Avenue, Suite 5  
Brooklyn, New York 11221

Authorized Representative: Mr. Sam Gutman  
Chief Operating Officer  
(201) 381-8090

**2. Service District/Subdistrict**

District 9/Subdistrict 9-4 (Palm Beach County)

**B. PUBLIC HEARING**

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

**C. PROJECT SUMMARY**

**Palm Beach Rehab OPCO LLC (CON application #10803)**, also referenced as Palm Beach Rehab or the applicant, proposes to transfer CON #10636 from Palm Beach SNF Operations LLC to Palm Beach Rehab OPCO LLC to construct a 150-bed community nursing facility in Subdistrict 9-4 (Palm Beach County). The project is to consist of 36 private and 57 semi-private two-bed patient rooms. The applicant is affiliated with Aston Health, an experienced operator with 41 skilled nursing facilities and three assisted living facilities in Florida. A list of Aston Health affiliates is in the application's Exhibit 1.

Palm Beach Rehab indicates that the project will be licensed in December 2026 and begin service in January 2027.

The project includes 137,600 gross square feet (GSF) of new construction with a total construction cost of \$38,000,000. The applicant indicates the total project cost is \$49,940,200, which includes land, building,

equipment, project development, financing, and start-up costs. This is a decrease from the \$50,436,200 project cost in CON #10636 modified on May 2, 2023.

Palm Beach Rehab OPCO LLC proposes the following conditions to the application's approval:

1. Construct a minimum of 36 private rooms, with all resident rooms having bathrooms that meet handicapped accessible standards.
2. Provide Medicaid managed care at 39 percent of total resident days of care.

The applicant indicates that the two conditions asserted in Schedule C, will be measured by furnishing AHCA with certificates, declaratory statements and other information as needed on an ongoing basis. *Should the proposed project be approved, the applicant's conditions would normally be reported in the annual condition compliance report, as required by Rule 59C-1.013(3), Florida Administrative Code. However, the construction condition will be confirmed at licensure and the Agency will not require the applicant to separately report Medicaid patient days as the facility will report these days to the local health council.*

**Total GSF and Project Costs of CON application #10803**

<b>Applicant</b>	<b>CON #</b>	<b>Project</b>	<b>GSF</b>	<b>Project Costs</b>	<b>Cost Per Bed</b>
Palm Beach Rehab OPCO LLC	10803	150-bed SNF	137,600	\$49,940,200	\$332,935

Source: CON application #10803, Schedule 1, Tab 3, and Schedule 9 Table A

*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 Financial Analyst Derron Hillman of the Bureau of Central Services, who evaluated the financial data, and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

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

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

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

As of February 9, 2024, Subdistrict 9-4 has 53 nursing homes with 5,927 licensed beds and there are 174 CON approved community nursing home beds pending licensure. Subdistrict 9-4 nursing homes reported 80.22 percent occupancy during the six months ending December 31, 2023. As stated previously, Palm Beach Rehab is a newly formed not-for-profit limited liability company proposing the transfer of CON #10636, which approved the construction of a 150-bed community nursing home in Subdistrict 9-4.

The applicant provides an analysis of the current and anticipated demographic changes in Palm Beach County, which is home to 1,538,719 residents and has 391,472 residents aged 65 years and older, distinguishing it as one of the density populated counties in the state. The age 65 and over age cohort comprises 25.44 percent of the total population in Palm Beach County, which exceeds the state average of 22 percent. By 2028, the age 65 and over population is projected to increase to 444,102, or 27.44 percent of the total population of 1,618,380. Palm Beach Rehab notes that over the next five years, the population aged 65 and older will see an addition of 52,630 persons, reflecting a growth rate of 13.44 percent. The senior demographic not only grows in sheer numbers but also in its relative share of the total population, which the applicant contends indicates a rising demand for health and social services, including nursing home care.

Palm Beach Rehab analyzes the nursing home bed availability in Palm Beach County, and concludes that as of July 2023, the county had an availability of 15 nursing home beds for every 1,000 individuals aged 65 years and older, which is slightly lower than the statewide average of 17 beds per 1,000. By the midpoint of July 2028, which coincides with the second year of operations for the proposed project, the applicant anticipates that Palm Beach County will have a rate of 14 beds per 1,000 seniors, while the state is expected to have 15 beds per 1,000, provided that all currently approved beds are licensed by that time. See the chart below.

**Current and Future Bed Supply per 1,000 Residents Age 65 and Older**

Area	Population Age 65+		Current Beds		Beds per 1,000		
	2023	2028	Licensed	App'd	2023 Beds	2023	2028
Palm Beach County	391,472	444,102	5,927	174	6,101	15	14
District 9	593,595	677,021	8,536	189	8,725	14	13
Florida	4,985,405	5,787,109	82,939	2,910	85,849	17	15

Source: CON application #10803, Page 1-3, Table 1-2. AHCA's Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024, and Florida Nursing Home Bed Need Projections by District & Subdistrict, published March 29, 2024.

Palm Beach Rehab notes that if the 150-bed is not developed, the number of beds per thousand elderly in Palm Beach County would drop to 13 from a projected 14 in 2028. Even with the project, the applicant indicates Palm Beach County's availability of nursing home beds is expected to decrease as the elderly population increases, but this decline will keep pace with the statewide levels.

In reference to geographic access, the applicant states the proposed site is 8250 North Congress Avenue, Boca Raton, 33487 in the southern portion of the county and the facility is expected to serve the Boca Raton,

Delray Beach and Boynton Beach area. Palm Beach Rehab's Figure 1-1, a map, on page 1-4 of the application depicts the population age 65 and older by Zip Code in Palm Beach County, along with locations of hospitals and nursing homes. The applicant notes that the proposed location has access to hospitals in areas heavily populated by the elderly.

Palm Beach Rehab's Figure 1-3 on page 1-6 of the application that depicts a map with a five-mile radius drawn around the proposed location. The applicant states that three of the eight nursing homes plus a fourth on the cusp of this radius are continuing care retirement communities (CCRC's) that can limit access to the general population since many of these facilities have sheltered beds reserved for their residents increasing the need for this new facility. The reviewer confirms that two of the facilities within five-miles Abbey Delray South (has 60 community and 30 sheltered beds and Harbour's Edge has four community and 50 sheltered beds. Harbour's Edge has an extension to use 30 of its sheltered beds for patients who do not reside in its retirement community, which is set to expire December 31, 2026 and Exemption #220002 to add 16 community nursing home beds by transferring 16 community beds from Abbey Delray South. Both nursing homes are within 1.5 miles of the proposed location.

Palm Beach Rehab notes that proximity to hospitals plays a vital role in ensuring geographic access to nursing home care for residents. Figure 1-3 on page 1-6 of the application is a map that illustrates the geographic accessibility from hospitals within Palm Beach County to the proposed nursing home facility. Palm Beach Rehab data shows 16,327 Palm Beach County residents were discharged from local hospitals to nursing homes during the 12 months ending June 30, 2023.

Palm Beach Rehab identifies the hospitals in Palm Beach County that discharged patients to skilled nursing facilities during the period from July 1, 2022, to June 30, 2023, through Table 1-3 on page 1-7 of the application. Notably, among the top three hospitals discharging patients to skilled nursing facilities, Delray Medical Center and Boca Raton Regional Hospital are located within a five-mile radius of the new facility. This proximity is significant, as it allows for quicker transfers and enhances overall access to care for discharged patients requiring rehabilitation or long-term nursing support.

A more accurate approach would have been for the applicant to utilize data on county residents discharged from hospitals, rather than solely focusing on patients discharged from county hospitals. Regardless, the data identify the types of condition and disorders that nursing admissions have. See the condensed table below.

**Palm Beach County Hospital Discharges to SNFs by MDC  
July 1, 2022 — June 30, 2023**

MDC	Number	Percent
08 Diseases & Disorders - Musculoskeletal System & Conn Tissue	3,712	22.74%
05 Diseases & Disorders of the Circulatory System	2,212	13.55%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	1,987	12.17%
04 Diseases & Disorders of the Respiratory System	1,856	11.37%
All other MDCs (includes 244 pre-MDC)	6,560	40.18%
<b>Total</b>	<b>16,327</b>	<b>100.0%</b>

Source: CON # 10803, Page 1-8, Table 1-4 from AHCA Hospital Patient Discharge Data July 1, 2022 — June 30, 2023 (Excludes psychiatric hospitals).

The top four MDCs account for 59.82 percent of discharges to nursing homes for this demographic: MDC 8 (Musculoskeletal), MDC 5 (Circulatory), MDC 18 (Infectious and Parasitic Diseases), and MDC 4 (Respiratory). These categories primarily deal with disorders that necessitate restorative care and activities aimed at improving functional capabilities essential for daily living.

The applicant discusses the MDCs by category indicating in reference to MD 08: Musculoskeletal System, the facility plans to implement tailored programs involving weight-bearing exercises to enhance range of motion, flexibility, stability, and strength. Physical and occupational therapy will guide residents through exercises aimed at restoring mobility and overall functional independence. In reference to MDC 5: Circulatory System, this category includes patients facing conditions like heart failure and heart attacks. The rehabilitative approach will parallel that of MDC 8, with a focus on improving overall stamina through cardiovascular activities and strength training. Occupational therapy will assist residents in developing finer motor skills and performing daily tasks critical for independence. MDC 18: Infectious and Parasitic Diseases emphasizes the need for isolation protocols within the facility. The design includes 36 private rooms, which are essential for accommodating patients requiring isolation due to contagious conditions. Finally, MDC 4: Respiratory System involves restorative therapies like those for the musculoskeletal and circulatory systems. The facility will support residents with respiratory conditions through monitored exercise sessions and provide necessary equipment like nebulizers, CPAP, and oxygen concentrators.

Palm Beach Rehab OPCO LLC indicates that Aston Health plans to implement a comprehensive suite of programs at the proposed facility. Skilled nursing services offered will encompass 24/7 care from licensed

nurses, ensuring that residents receive continuous medical attention. Further, key services will include wound care, pain management, and a range of rehabilitation therapies, including physical, occupational, and speech therapy. The facility will also feature disease-specific programs aimed at addressing various medical conditions prevalent among residents. These programs will include specialized care for heart disease, cancer, stroke, COVID-19, chronic lower respiratory diseases, Alzheimer's disease, unintentional injury, diabetes mellitus, and Parkinson's disease.

The applicant indicates that Alzheimer's care will be a significant focus, as not all skilled nursing facilities in Subdistrict 9-4 currently provide dedicated Alzheimer's care programs or secure units. In addition to conventional skilled nursing services, Aston Health will offer long-term care for residents requiring ongoing support for chronic conditions. Aston's holistic approach recognizes that many residents may not only need short-term rehabilitation but also long-term assistance with daily living activities and chronic health issues.

In reference to financial accessibility, Palm Beach Rehab will participate in both Medicare and Medicaid programs, allowing it to support a significant portion of the senior population and eliminate economic barriers to care. Further, by seeking contracts with managed care providers and commercial insurance companies, Palm Beach Rehab aims to offer diverse payment options, broadening access for residents with varying financial backgrounds. The applicant's Table 1-5 shows the payer mix for Palm Beach residents aged 65 and over hospital discharges to skilled nursing facilities during the 12 months ending June 30, 2023. Medicare and Medicare Managed Care accounted for 15,701 or 96.17 percent, 129 discharges were Medicaid and Medicaid Managed Care (0.79 percent), and Commercial Insurance had 340 discharges (2.08 percent) of the total 16,327 nursing home discharges. The applicant notes that most patients are initially covered by Medicare, some may transition to Medicaid or other coverage for long-term care. Palm Beach Rehab OPCO LLC projects 39.0 percent of its annual year one and year two resident days will come from Medicaid Managed Care.

The applicant's Figure 1-4 on CON application #10803, page 1-12 illustrates the most recent nursing home utilization data for District 9, Palm Beach County, and the State of Florida over the past five years. A noticeable decline in census occurred during the height of the COVID-19 pandemic in 2020 and 2021, with occupancy levels subsequently recovering in 2022 and 2023. While occupancy levels in District 9 remain slightly lower than the statewide average for Florida, an upward trend from 2021 has persisted into CY 2023, with Palm Beach County facilities achieving an average occupancy rate of 79 percent, moving

closer to the statewide rate of 81 percent. The applicant states utilization is expected to continue growing, at least in line with population growth, and is projected to rebound to pre-pandemic levels, approaching an average occupancy rate of 85 percent or higher.

Palm Beach Rehab discusses Rule 59C-1.030 Florida Administrative Code, Health Care Access Criteria on the application's 1-13 through 1-17. The applicant concludes that it demonstrates conformity with the statutory health planning factors, which include availability, quality of care, access, and the degree of utilization of existing nursing homes within the designated subdistrict. The 150-bed project will offer health planning advantages, leading to enhanced access and availability of nursing home services, notably for Medicaid recipients and accommodate a variety of payers and individuals in need of skilled care and medical management for acute and chronic health conditions, consistent with Conditions of Participation set forth by the Medicare and Medicaid Programs.

**2. 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? Sections 408.035(3)(10), Florida Statutes.**

The applicant states Aston Health demonstrates a strong commitment to delivering compassionate, high-quality care to the residents. Central to its mission is the principle of treating residents with a familial approach and its dedication to sub-acute care, post-acute care, and long-term care services. Aston Health consists of a team of innovative leaders in the industry, possessing a proven history of developing high-quality nursing facilities and evolving conventional "nursing homes" into specialized "nursing and rehabilitation facilities."

Palm Beach Rehab cites several Aston Health network facilities – Fernandina Beach Rehabilitation and Nursing Center, was honored with the American Health Care Association/National Center for Assisted Living (AHCA/NCAL) National Quality Silver Award in 2022. DeBary Health and Rehabilitation Center received the Silver level award and five other Aston Health-affiliated facilities were recognized with the Bronze level award in 2023. Aston's Bronze level facilities include Coastal Health and Rehabilitation Center, Coquina Center, Flagler Health and Rehabilitation Center, Highlands Lake Center, and North Port Rehabilitation & Nursing Center. The application's Exhibit 4 included a comprehensive list of all AHCA/NCAL National Quality Award recipients. Palm Beach Rehab notes that every Aston Health SNF in Florida holds Joint Commission accreditation, a status that is held by relatively few



nursing homes nationally. The applicant cites a 2017 article published Journal of Post-Acute and Long-Term Care Medicine, reported only 711 out of 15,637 nursing homes in the United States, were accredited by the Joint Commission. Palm Beach Rehab notes that the research indicates that Joint Commission accredited nursing homes outperform their non-accredited counterparts on all four indices associated with the Five-Star Quality Rating: health inspection reports, quality measures, facility staffing, and RN staffing. However, it's noteworthy that this performance difference did not extend to overall star ratings.

Palm Beach Rehab next details Aston Health's corporate culture, which is stated to be built on people, passion and promise and promulgated by Aston Health cultural ambassadors – carefully chosen staff members responsible for instilling this culture in new staff. The applicant indicates it will adopt Aston Health's cultural ambassador and other cultural programs including monthly town hall meetings (celebrating Ashton Health's corporate culture), employee of the month awards (celebrating Aston Health's people), High Five cards (celebrating Aston Health's passion) and The Safe Zone Party (celebrating Aston Health's promise).

Palm Beach Rehab lists seven nursing schools and allied health professional programs at Florida community colleges in the areas Aston Health serves on page 2-4 of the application. Disease-specific programs and protocols including cardiac rehabilitation, kidney failure, orthopedic rehabilitation, respiratory disease, stroke rehabilitation, COPD management and sepsis management were detailed on pages 2-4 through 2-8 of the application.

Quality Assurance Performance Improvement Plan (QAPI), Quality Assurance and Assessment Programs, hospital readmission reduction protocols to reduce readmission after a skilled nursing home stay are addressed on the application's pages 2-9 through 2-11. Additional programs include concierge and admissions nurse program, Guardian Angel program, feedback, compliance and customer service, electronic medical records, the *PointClickCare Skilled Nursing Core Platform* and its functionally addressed on the application's pages 2-11 through 2-14. The applicant indicates it will utilize Telehealth via Zoom but will eventually transition to PointClickCare's telehealth services.

Palm Beach Rehab discussed in detail Aston Health's admissions process, resident rights, privacy and advisory committee, emergency management and hurricane preparedness, and its proposed activities on the application's pages 2-15 through 2-17. The applicant concludes that it demonstrated the ability to implement "quality assurance with elements that lead to continuous quality improvement".

The reviewer checked the FloridaHealthfinder website and CMS ratings for 41 Aston Health affiliated nursing homes during the time period of October 2021—March 2024. Ratings are issued on a performance measure (star basis), with SNFs being issued stars ranging from one to five stars, with five stars being the highest rating. Aston Health facilities averaged ratings of 2.63 on the state and 2.75 on the CMS ratings. The reviewer notes no Ashton Health affiliated facilities are Gold Seal Award facilities.

During the 36 months ending July 30, 2024, Aston Health affiliated nursing homes had a total of 259 complaints with 17 substantiated complaint categories cited. A substantiated complaint can encompass multiple complaint categories. The table below does not include complaints that occurred prior to Aston Health operating the facility.

**Aston Health Affiliates  
Substantiated Complaint History by Category  
36 Months Ending July 30, 2024**

<b>Complaint Category</b>	<b>Number Substantiated</b>
Administration/Personnel	29
Admission, Transfer & Discharge Rights	9
Billing/Refunds	5
Dietary Services	12
Elopement	5
Fraud/False Billing	1
Infection Control	8
Life Safety Code	7
Misappropriation of property	1
Other Services	1
Physical Environment	22
Quality of Care/Treatment	113
Quality of Life	5
Resident/Patient/Client Abuse	6
Resident/Patient/Client Neglect	8
Resident/Patient/Client Rights	26
Unqualified Personnel	1
<b>Total</b>	<b>259</b>

Source: Agency for Health Care Administration complaint data.

**3. What resources, including health personnel, management personnel and funds for capital and operating expenditures are available for project accomplishments and operations? Section 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 applicant is a development stage company with only \$250,000 in cash, with no operations. The applicant indicated that funding will be provided by cash on hand and a third-party interest.

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$49,940,200, which includes this project only. In addition to the capital costs, the applicant will have to finance a projected year one operating loss of \$1,989,100.

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$250,000) and non-related company financing (\$49,690,200). The applicant provided a letter of interest, dated July 17, 2024, from Dwight Capital stating their interest in providing construction financing. A letter of interest is not considered a firm commitment to lend.

Given that the funding is supported by a letter of interest, we have no basis to conclude that funding will be available for this project.

**Conclusion:**

Funding for this project is in question.

**4. 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	23,577,850	465	667	518	367
Total Expenses	22,431,900	442	734	512	395
Operating Income	1,145,950	23	76	-1	-85
Operating Margin	4.86%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	50,694	92.34%	92.49%	79.00%	47.65%
Medicaid	19,771	39.00%	48.31%	37.87%	29.95%
Medicare	25,854	51.00%	44.91%	32.94%	10.83%

**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, & profit falls 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.

**5. 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 existing health care system’s barrier to price-based competition via fixed price payers 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.

**6. 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 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.

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

Palm Beach Rehab states that it is a newly formed entity and does not have a history of providing care to Medicaid patients and the medically indigent. The applicant's Table 9-1 on page 7-2 provides Aston Health-affiliated 41 skilled nursing facilities Medicaid occupancy during CYs 2021-2023. Medicaid days were 62.85 percent of CY 2021 total (871,312) patient days and 59.99 percent of CY 2023 (967,739) total patient days.

The applicant's Schedule 7 and Table 9-2 indicate that Medicaid Managed Care is projected to be 39.0 percent of year one and year two total annual patient days.

**F. SUMMARY**

**Palm Beach Rehab OPCO LLC (CON application #10803)** is a newly-formed, private for-profit entity proposes to transfer CON #10636 from Palm Beach SNF Operations LLC to Palm Beach Rehab OPCO LLC/CON #10803 to construct a 150-bed community nursing facility consisting of 36 private and 57 semi-private two-bed patient rooms in Subdistrict 9-4 (Palm Beach County).

The project includes 137,600 GSF of new construction with a total construction cost of \$38,000,000. The total project cost is \$49,940,200.

The applicant expects that the project will be licensed in December 2026 and begin service in January 2027.

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

1. Construct a minimum of 36 private rooms, with all resident rooms having bathrooms that meet handicapped accessible standards.
2. Provide Medicaid managed care at 39 percent of total resident days of care.

**Need:**

- Need was determined in the original CON #10636 application
- The applicant provided a detailed description of need in its proposed service area.

**Quality of Care:**

- The applicant provided a detailed description of the ability to provide quality care
- During the 36 months ending July 30, 2024, Aston Health affiliated nursing homes had a total of 259 complaints with 17 substantiated complaint categories cited.
- The reviewer notes that none of the Aston Health facilities are Gold Seal Award facilities.

**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:**

- Palm Beach Rehab is a newly formed entity and does not have a history of providing care to Medicaid patients and the medically indigent.
- The applicant provided detail Medicaid occupancy for CYs 2021-2023 for the 41 Aston Health-affiliated nursing homes.
- Palm Beach Rehab projects Medicaid Managed Care will be 39 percent of both year one and year two patient days.

**G. RECOMMENDATION**

Approve CON #10803 to transfer CON #10636 from Palm Beach SNF Operations LLC to construct a 150-bed community nursing facility in District 9, Subdistrict 4, Palm Beach County. The total project cost is \$49,940,200. The project involves 137,600 GSF of new construction and a total construction cost of \$38,000,000.

**CONDITION:**

Construct a minimum of 36 private rooms, with all resident rooms having bathrooms that meet handicapped accessible standards.

**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: September 6, 2024

*James B. McLemore*

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





Certificate of Need  
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