



**CON Application Number: 10806**

The project consists of 91,719 GSF of new construction. Total construction cost is \$39,600,000. Total project cost which includes land, building, equipment, project development, financing, and start-up costs is \$50,289,000.

<b>Applicant</b>	<b>CON app. #</b>	<b>Project</b>	<b>GSF</b>	<b>Project Costs</b>	<b>Cost Per Bed</b>
West Kendall Health Resort, LLC	10806	176-bed SNF	91,719	\$50,289,000	285,732

Source: CON application #10806, Schedule 9, Tab 6, page 6-4.

West Kendall expects issuance of license in December 2026 and initiation of service in January 2027.

The applicant notes that the original CON #10638 issued to Health Resort Network, LLC for 123 beds had conditions for establishing a 10-bed respiratory ventilator care unit and 16 negative pressure isolation rooms for infection control; CON #10532 (70 beds) and CON #10557 (45 beds) had no conditions. West Kendall states the proposed conditions below “reflect the applicant's current proposed program of care that will continue under the new CON holder”:

1. Establish a 26-bed respiratory ventilator care unit.
2. Establish 12 negative pressure, isolation rooms for infection control.

*The proposed conditions and measures are as stated by the applicant. Should a project be approved, the applicant’s proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013(3), Florida Administrative Code.*

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

**D. REVIEW PROCEDURE**

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

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

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

As part of the fact-finding, the consultant, Sarah Zimmerman, analyzed the application with consultation from Financial Analyst 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 11-1 had 53 licensed community nursing homes with a total of 8,255 licensed community nursing home beds and 741 approved beds. Subdistrict 11-1 nursing homes reported 88.97 percent occupancy in the six months, and 88.35 percent occupancy during the 12 months ending December 31, 2023.

CON application #10806 is an expedited review, which may be submitted at any time and is not in response to a fixed need pool publication. The number of licensed and approved nursing home beds in Subdistrict 11-1 (Miami-Dade County) will remain unchanged.

West Kendall Health Resort, LLC includes a notarized letter (Schedule 12-Trn) from Richard E. Stacey, CEO, as authorized representative of Health Resort Network LLC, needed to transfer the certificate of need.

West Kendall Health Resort, LLC submits a need assessment within the context of the following characteristics which are briefly described:

- Availability
- Quality of Care
- Access
  - Geographic Access
  - Financial Access
  - Access to Services
- Extent of Utilization

West Kendall states that SD 11-1's occupancy rate is expected to surpass COVID-19 pandemic levels ahead of its proposed opening date of January 1, 2027 and the project will ensure bed availability in a historically high demand area. The applicant cites Agency population projections indicate that as of July 1, 2023, Miami-Dade County had the largest population in the state with a total population of 2,785,095 and 499,233 residents aged 65 and over, which is the largest number of seniors residing in any Florida county. West Kendall notes that Miami-Dade's age 65 and older population is expected to increase to 581,097 or by 16.4 percent by July 1, 2028. The applicant states this population increase will result in an increased demand for health and social services, including nursing home care. West Kendall's projected population for Miami-Dade and Florida is shown in the table below.

**Miami-Dade County and Florida  
Population by Age Cohort**

Area	July 2023 Population Estimates			July 2023 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
<b>Miami-Dade</b>	2,285,862	499,233	2,785,095	82.07%	17.93%	100.0%
<b>Florida</b>	17,700,178	4,985,405	22,685,583	78.02%	21.98%	100.0%
	July 2028 Population Estimates			July 2028 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
<b>Miami-Dade</b>	2,314,743	581,097	2,895,840	79.93%	20.07%	100.0%
<b>Florida</b>	18,352,969	5,787,109	24,140,078	76.03%	23.97%	100.0%
	Five Year Increase			Five Year Growth Rate		
	65+	Total	0-64	65+	Total	0-64
<b>Miami-Dade</b>	28,881	81,864	110,745	1.26%	16.40%	3.98%
<b>Florida</b>	652,791	801,704	1,454,495	3.69%	16.08%	6.41%

Source: CON application #10806, page 1-2, Table 1-1, from Agency Florida Population Estimates and Projections by District 2020 to 2030, published January 2024.

West Kendall contends the project will be developed in an area in the subdistrict with potential to improve availability without impacting existing providers and provides Table 1-2 on the application’s page 1-3 (see the table below).

**Community Nursing Home Beds  
Current & Projected Year Two per 1,000 Residents Age 65 and Over**

Area	Before the Project			After the Project		
	Licensed Community Beds	2023 Population 65+	Beds per 1,000	Projected Beds*	2028 Population 65+	Beds per 1,000
Subdistrict 11-1	8,255	499,233	17	8,996	581,097	15
Florida	82,939	4,985,405	17	85,849	5,787,109	15
<b>5-Mile Radius</b>	<b>270</b>	<b>47,279</b>	<b>6</b>	<b>446</b>	<b>54,586</b>	<b>8</b>

Source: CON application #10806, page 1-3, Table 1-2, from Agency Florida Population Estimates and Projections by District 2020 to 2030, January 2024; Population estimates for the 5-mile radius come from Claritas; Agency Florida Nursing Home Bed Need Projections by District and Subdistrict, March 9, 2024.

Note: \* Projected beds assumes the SD’s 741 CON-approved beds, the applicant’s 176 beds (5-mile radius count) and the State’s 2,910 approved beds are licensed by January 1, 2028.

The table shows less availability in terms of population and number of beds in the five-mile radius area compared to the subdistrict. The applicant’s Table 1-6 (CON application #10806, pages 1-13 and 1-14) indicates the two community nursing homes within the five-mile radius reported high utilization during CY 2023 - Kendall Lakes Healthcare and Rehab Center (150 beds - 96.23 percent) and Nspire Healthcare Kendall (120 beds - 92.86 percent).

West Kendall’s Figure 1-1 on the application’s page 1-5 shows Miami-Dade’s acute care hospitals in support of the proposed location’s convenient accessibility to area hospitals. Figure 1-2 on page 1-6 identifies acute care hospitals, community nursing homes, and nursing homes currently under development within and surrounding the project’s five-mile radius and the projected 2028 population age 65 and older by

Zip Code. West Kendall concludes there is a high concentration of the age 65 and over population within its five-mile radius that would benefit from its project.

Referring to its quality, West Kendall states Mr. Richard Stacey is an on-site owner and operator and he has experience in “turning around troubled facilities, implementing programs reflecting state-of-the art care, and participating actively in the development of policies for elders.” Further, its affiliated facilities are all Joint Commission accredited and maintain four and five-star quality scores. The reviewer confirms that all three facilities are currently rated as five-star facilities on the CMS website. However, Florida HealthFinder shows Riviera Health Resort and Victoria Nursing and Rehabilitation Center, Inc. have four-star ratings, and Riverside Care Center had a five-star rating.

West Kendall confirms that its three affiliated facilities serve Alzheimer's and dementia patients, Riviera Health Resort serves patients requiring dialysis and tracheotomy care and Victoria Nursing & Rehabilitation Center has a ventilator unit noting that the proposed facility will also have a ventilator unit and isolation rooms for infection control. The applicant asserts that its methods of the ability to implement a comprehensive program of quality is responded to in its Section 2, Quality of Care response.

West Kendall states it will participate in both Medicare and Medicaid programs and will seek contracts with managed care providers and commercial insurance companies, which it will increase access by offering a variety of payment options which will allow the facility to “open its doors to a wider pool of residents”. Further, Medicare and Medicare Managed Care’s 15,341 discharges to nursing homes remains the predominant payer source (94.82 percent) followed by commercial insurance at 234 and Medicaid at 115 discharges to nursing homes. The applicant’s narrative does not include the 343 Medicaid Managed Care discharges shown in its Table 1-3 on page 1-7, but West Kendall notes patients are often dually eligible for Medicaid and Medicare, the primary payor for short-term rehabilitation. West Kendall projects 35.0 percent of its year one and two resident days will be attributable to Medicaid Managed Care, which should be easily attainable as Medicaid accounted for 67.85 percent of the subdistrict’s total CY 2023 patient days.

West Kendall adds that nursing home placement, admission requires a physician's order, payer source, conformity with admission criteria, and the nursing home's capability to meet the medical and nursing needs of the resident. Further, the facility will be sufficiently sized to provide a wide range of services with separate neighborhoods for various patient needs, such as short-term rehabilitation, complex care, and long-term

care needs and it will make every effort to remove any financial barriers that could impede access to nursing home care, working closely with hospital discharge planners and those who may make direct admissions. West Kendall assures its affiliates long-standing relationships with Medicare and Medicaid managed care providers will enable the facility to contract with a variety of providers and managed care organizations.

Table 1-4 on the application’s page 1-9 shows Miami-Dade County hospitals reported 15,769 Miami-Dade residents aged 65 and over were discharged to skilled nursing facilities during July 2022—June 2023 and compares these to the states’ total. There were 9,370 Miami-Dade aged 65 and older residents in the top four Major Diagnostic Categories or 59 percent of the total residents aged 65 and older. West Kendall’s table is partially reproduced below.

**Miami-Dade and Florida Residents Aged 65 and Older  
Acute Care Hospital Discharges to Nursing Homes**

<b>Major Diagnostic Category (MDC)</b>	<b>Miami-Dade</b>		<b>Florida</b>	
	<b>Cases</b>	<b>Percent</b>	<b>Cases</b>	<b>Percent</b>
08 Diseases/Disorders-Musculoskeletal System & Conn Tissue	3,342	21.19%	45,199	20.91%
05 Diseases & Disorders of the Circulatory System	2,268	14.38%	30,125	13.94%
04 Diseases & Disorders of the Respiratory System	2,069	13.12%	23,628	10.93%
18 Infectious & Parasitic Diseases, Systemic or Unspec. Site	1,691	10.72%	28,601	13.23%
<b>Total Top Four MDCs</b>	<b>9,370</b>	<b>59.42%</b>	<b>127,553</b>	<b>59.01%</b>
<i>Remaining 20 MDCs</i>	6,399	40.58%	86,604	40.99%
<b>Total</b>	<b>15,769</b>	<b>100.0%</b>	<b>216,157</b>	<b>100.0%</b>

Source: CON application #10806, page 1-9, Table 1-4 from July 2022—June 2023 Agency Hospital Discharge Data.

West Kendall provides the top four MDC discharge conditions for Miami-Dade County admissions to nursing homes, which it indicates will determine what services are appropriate. The applicant notes that it will offer specific clinical programs and services that are supported by trained and certified staff, modern and advanced equipment, uniquely designed facilities, and years of experience providing high-quality care to patients receiving therapy and recovery services in a nursing home setting. The facility’s respiratory therapy program will adopt the policies and protocols of its affiliated Victoria Nursing and Rehabilitation Center and a brief description of the program on the application’s page 1-10. Schedule 6 shows that the facility will employ respiratory therapists and speech therapists. West Kendall indicates the Ventilator Care Unit clinical professionals at Victoria Nursing and Rehabilitation Center will assist the development of its proposed program.

West Kendall lists 29 proposed post-acute care and rehabilitative services and 22 outpatient services on the application’s pages 1-10 through 1-12. The applicant states West Kendall’s Wound Care Program briefly described on page 1-12 will also be modeled after Victoria Nursing

and Rehabilitation Center's program. West Kendall concludes it will have a new state-of-the-art facility that will improve access to services not commonly found in nursing homes by providing care in “a boutique-hotel environment” as in its affiliated Riviera Health Resort which offers a beauty salon, internet Wi-Fi access, computer room for classes and skypping, fine dining, and concierge services.

West Kendall confirms that it will design its services for short and long-term residents offering goal-oriented restorative and rehabilitation programs that involve physicians, therapists, skilled nursing practitioners, and other health professionals working together with the patient and his or her family to meet each individual's unique physical, mental and medical needs.

West Kendall contends the most recent year's occupancy demonstrates that occupancy in returning to pre-pandemic levels and will continue to rise at least in proportion to the senior population growth rates, placing further demand on nursing homes for both rehabilitation and long-term skilled nursing care. West Kendall notes Subdistrict 11’s exceeding the state total and Medicaid occupancy, its affiliates and the facilities in close proximity occupancy (exceeding 92 percent occupancy) concluding that the extent of utilization will increase as access to quality care is enhanced.

West Kendall notes that for CY 2023 the average occupancy rate of facilities within a five-mile radius of the proposed facility is higher than the Miami-Dade and state average, exceeding 92 percent and that the affiliated facilities have an average occupancy rate of 96.34 percent. See the applicant’s partially reproduced table below.

**Community Nursing Home Bed Utilization,  
CY 2023 Miami-Dade County by Facility**

<b>Miami-Dade County Facilities</b>	<b>Beds</b>	<b>Bed Days</b>	<b>Patient Days</b>	<b>Occup.</b>	<b>M'Caid Days</b>	<b>M'Caid Occup.</b>
Kendall Lakes Healthcare and Rehab Center	150	54,750	52,688	96.23%	30,381	57.66%
Nspire Healthcare Kendall	120	43,800	40,671	92.86%	17,898	44.01%
Riverside Care Center	120	43,800	42,212	96.37%	34,831	82.51%
Riviera Health Resort	223	81,395	78,294	96.19%	40,697	51.98%
Victoria Nursing & Rehabilitation Center	314	114,610	110,527	96.44%	71,234	64.45%
<b>Miami-Dade County Subtotal</b>	<b>8,255</b>	<b>3,013,075</b>	<b>2,662,112</b>	<b>88.35%</b>	<b>1,806,258</b>	<b>67.85%</b>
<b>State Total</b>	<b>82,939</b>	<b>30,206,106</b>	<b>24,545,223</b>	<b>81.26%</b>	<b>15,244,455</b>	<b>62.11%</b>
<b>5-Mile Radius Subtotal</b>	<b>270</b>	<b>98 550</b>	<b>93 359</b>	<b>94.73%</b>	<b>48,279</b>	<b>51.71%</b>
<b>Affiliates Total</b>	<b>657</b>	<b>239,805</b>	<b>231,033</b>	<b>96.34%</b>	<b>146,762</b>	<b>63.52%</b>

Source: CON application #10806, Table 1-6, Pages 1-14 and 1-15 (partially reproduced) from Agency Florida Nursing Home Bed Need Projections by District and Subdistrict, CY 2023.



Rule 59C-1.030 Florida Administrative Code - Health Care Access Criteria is addressed on the application's pages 1-15 through 1-18.

West Kendall concludes that the development of the new 176-bed nursing home will improve availability and access, including that of Medicaid recipients and that its responses to the health care access criteria indicate conformity, accepting a range of payers and individuals who require skilled care and medical management for either acute or chronic conditions, consistent with the Medicare and Medicaid Programs' Conditions of Participation.

- 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? Section 408.035(3)(10), Florida Statutes.**

West Kendall Health Resort, LLC is a newly formed, for-profit, Florida limited liability company and does not have an operational history. West Kendall's principal - Richard E. Stacey is the managing member of three Florida skilled nursing facilities in Miami-Dade. The applicant reiterates much of its previous response regarding quality adding that both the Riverside Care Center and Victoria Nursing and Rehabilitation Center are 2019 recipients of the American Health Care Association (AHCA) National Bronze Quality Award and have been listed in U.S. News & World Report's Best Nursing Homes with occupancy rates exceeding 96 percent for CY 2023.

West Kendall contends that its proposed facility will "look and 'feel' more like a hotel than a nursing home, taking 'culture change' to the next level" by providing a "pleasant environment and furnishings," noting that its staff receive Ritz-Carlton training "for true resident centered care." Further, the facility will offer private rooms and exceed minimum space requirements to accommodate visitors, medical equipment, and personal furnishings or conveniences. West Kendall adds that the facility features fine dining, concierge and valet services, and Internet Wi-Fi creating a comfortable and inviting environment that encourages families to visit often and stay a while.

The applicant notes that like its affiliates it will have policies and procedures in place for continuous quality improvement. The application's Exhibit 2 includes copies of the affiliates Nursing Home Inspection Ratings reports, CMS ratings, and Joint Commission confirmations.

West Kendall Health Resort, LLC submits its response to Quality of Care within the context of the following characteristics which are briefly described:

- Quality Assessment and Performance Improvement
  - Re-Admissions
  - Consumer Satisfaction
  - Electronic Mechanical Record
  - TRAZER
- Quality Assurance Program
  - Continuous Quality Improvement (CQI) And How It Works
  - Continuous Quality Improvement Tools
- Activities

West Kendall discusses the *CMS QAPI at a Glance* 12-step guide on pages 2-2 and 2-3. The applicant indicates it three affiliates use and it will use the patented Abaqis Quality Management System which is a web-based, resident-centered assessment and reporting system for providers that replicates the entire Quality Indicator Survey (QIS) methodology. This helps prepare skilled nursing facilities for either QIS or traditional surveys using a combination of resident interviews, observations and record reviews to provide actionable data that identifies the regulatory areas where the facility should focus quality improvement efforts.

The applicant provides details of its Quality Assessment and Performance Improvement on the application's pages 2-3 and 2-4 based on the following topics – re-admissions, consumer satisfaction, electronic medical record, and Trazer – an automated, computer-controlled program is designed for the assessment of functional activities.

West Kendall's Quality Assurance Program is described as a Continuous Quality Improvement (CQI) process that is a comprehensive, ongoing review involving all departments and key facility practices. It includes monitoring, evaluation, and appropriate follow-up action to continuously provide excellence in service. Key components include:

- Management commitment to leadership
- A continuous quality improvement committee which includes the administrator, physician, director of nurses, and the manager or representative from each department
- A written CQI plan
- Implementation of an ongoing monitoring and evaluation process, which includes the following 10 steps:
  1. Assign responsibility
  2. Delineate the scope of care and services
  3. Identify important aspects of care
  4. Identify indicators for monitoring care and services

5. Establish thresholds for evaluation of each indicator
6. Collect and organize data
7. Evaluate care and service
8. Take actions to improve care and services
9. Assess the effectiveness of the actions and document improvement
10. Communicate relevant information to the affected individuals, groups and the CQI committee

The applicant adds that the process necessitates documentation of all CQI activities and an annual appraisal of these activities.

West Kendall notes the ultimate objective of its CQI is the “Quality services for every resident-every day” and to achieve this, the facility will form a CQI Committee, chaired by the administrator with each department developing its own critical areas and thresholds for that department. Action teams will be organized from representatives of the primary departments involved with the aspect of care/service being evaluated. Standing committees or action teams include pharmaceutical, infection control, and safety committees and these will report at least quarterly on the actions they have taken. West Kendall also provides the “Ten Commandments of Quality” it will use to assess all facility services on the application’s pages 2-5 and 2-6.

West Kendall states that “to embody the ten commandments of care, the facility adopts a ‘facilitative’ mode of operations” based on the following aspects:

- Reward quality improvements
- Focus on care
- Find opportunities to improve
- Give encouragement and performance data
- Give feedback to all
- Ensure individual and organization self-interest is articulated

West Kendall’s Table 2-1 (CON application #10806, pages 2-6 and 2-7) shows the various planning stages, activities and types of tools planned for CQI activities. The applicant shares that from operational implementation, the CQI Process is a daily way of delivering care to residents in the skilled nursing facility and lists seven key elements for success. West Kendall indicates the process requires that leadership occur at all levels and throughout all departments and lists five measures to ensure “satisfied staff that take pride in their achievements and ability to provide quality care that exceeds residents' expectations”.

West Kendall states resident activities are designed to augment treatments that occur pursuant to the residents' care plans. Residents will be offered “a full schedule of daily activity programs planned to entertain and engage them” that are specific to each resident's individual needs. For examples, these can include a Sunshine Group for cognitive impaired residents, Spanish Group for Spanish speaking residents, religious services, weekly entertainment, monthly birthday parties, and other special events. West Kendall’s community programs will include shopping trips to the mall, holiday celebrations, picnics and barbecues, and intergenerational activities with local schools and volunteer groups.

West Kendall concludes it demonstrates the capability to implement a program of quality assurance with elements that lead to continuous quality improvement and its affiliates “demonstrate the effectiveness of the approach, seeking national recognition and Joint Commission Accreditation”.

Agency records indicate that West Kendall Health Resort, LLC affiliates had no substantiated complaints during the three-year period ending July 30, 2024 and that all three facilities are currently 5-star facilities on the CMS website. Florida Healthfinder data shows that Riviera Health Resort and Victoria Nursing and Rehabilitation Center had 4-Star ratings, and that Riverside Care Center had a 5-Star rating. West Kendall Health Resort, LLC’s affiliated facilities are not Gold Seal facilities and none are on the Agency Watch List.

**3. 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 applicant is a development stage company with only \$245,100 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 \$50,289,000, which includes this project only. In addition to the capital costs, the applicant will have to finance a projected year one operating loss of \$2,457,364.

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$245,100) and non-related company financing (\$50,043,900). The applicant provided a letter of interest, dated July 17, 2024, from White Oak Healthcare Partners, LLC 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	28,076,443	475	687	606	378
Total Expenses	27,598,900	467	756	583	451
Operating Income	477,543	8	76	6	-85
Operating Margin	1.70%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	59,123	91.78%	92.49%	80.15%	47.65%
Medicaid	20,693	35.00%	44.04%	36.71%	28.00%
Medicare	32,518	55.00%	48.70%	37.36%	15.28%

**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 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 care services to Medicaid patients and the medically indigent? Section 408.035(9), Florida Statutes.**

West Kendall Health Resort, LLC is a new entity with no operational history. The applicant notes that in CY 2023 its three affiliates provided 63.5 percent (146,762 Medicaid days of the 231,033 total resident days) which was 8.1 percent of Subdistrict 11-1's total Medicaid days.

Table 7-2 on the application's page 7-3, indicates that the 176-bed facility is projected to have 11,539 Medicaid Managed Care patient days in year one (CY 2027) and 20,693 in year two (CY 2028) or 35 percent of the facility's years one and two total annual patient days.

**F. SUMMARY**

**West Kendall Health Resort, LLC (CON application #10806)** proposes the transfer of CON Exemption #E210002 from Health Resort Network, LLC to the applicant to construct a new 176-bed community nursing home in District 11, Subdistrict 11-1 (Miami-Dade County).

The project consists of 91,719 GSF of new construction. Total construction cost is \$39,600,000. Total project cost is \$50,289,000.

West Kendall expects issuance of license in December 2026 and initiation of service in January 2027.

The applicant proposes two conditions to the approval of the project.

**Need**

- The application is the transfer of CON Exemption #E210002 and is not in response to the fixed need pool. Two of the original CONs combined by the exemption (CONs #10638 (123 beds) and CON #10557 - 45 beds) were approved in response to published need
- As of February 9, 2024, Subdistrict 11-1 had 53 licensed community nursing homes with a total of 8,255 licensed community nursing home beds and 741 CON approved beds pending licensure
- Subdistrict 11-1 facilities averaged 88.97 percent occupancy during the six months ending December 31, 2023

**Quality of Care**

- The applicant provided a detailed description of its ability to provide quality care
- Agency records indicate that West Kendall Health Resort, LLC affiliates had no substantiated complaints during the three-year period ending July 30, 2024
- West Kendall's three affiliated facilities are five-star rated facilities per the CMS website. The Agency's website indicates Riverside Care Center has a five-star rating and Riviera Health Resort and Victoria Nursing and Rehabilitation Center have four-star ratings

**Financial Feasibility/Availability of Funds**

- Funding for this project appears to be financially feasible based on the projections provided by the applicant
- 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 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/Charity Care**

- The applicant has no operational history. Medicaid accounted for 63.5 percent of the applicant's three affiliates total CY 2023 patient days and 8.1 percent of the subdistrict's total annual patient days
- Medicaid Managed Care is projected to be 35 percent of the facility's total year one and year two annual patient days

**G. RECOMMENDATION**

Approve CON #10806 to transfer Exemption #E210002 from Health Resort Network, LLC to establish a 176-bed community nursing home in District 11, Subdistrict 1, Miami-Dade County. The total project cost is \$50,289,000. The project involves 91,719 GSF of new construction and a total construction cost of \$39,600,000.

**CONDITIONS:**

1. Establish a 26-bed respiratory ventilator care unit.
2. Establish 12 negative pressure, isolation rooms for infection control.

**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 10, 2024



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



Certificate of Need  
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