

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Arc Hospice of Florida, LLC/CON application #10817

100 Challenger Road, Suite 105
Ridgefield Park, New Jersey 07660

Authorized Representative: David Glick, CEO
(917) 647-1536

2. Service District/Subdistrict

Service Area 7B (Orange and Osceola Counties)

B. PUBLIC HEARING

No public hearing was requested or held.

Letters of Support

Arc Hospice of Florida, LLC (CON application #10817) includes approximately 28 letters of support and includes excerpts throughout the application. Letters were received from

Hospitals, Skilled Nursing, and Assisted Living Facilities:

- David Shimp, CEO, HCA Florida Osceola Hospital
- Naihomi L. Cruz, Administrator, Courtyards of Orlando Care and Rehabilitation
- Jody Spinneweber, LNHA, Administrator, Solaris Healthcare Forest Lake
- Robin Bhasin, Medical Director, Altea Medical Group - Orlando
- Stefan Mann, MD, Synergy Medical Group
- Frank Yanez, MD, Medical Director VIP Family Practice

Government Officials, Business and Community Leaders:

- Former Senator Linda Stewart, Senator, Florida Senate 17th District

- Former Representative Kristen Arrington, Florida House of Representatives, 46th District
- Cheryl L. Grieb, Chair, District 4 Commissioner
- Joseph Patrick McMullen, Town Commissioner, Oakland, Florida
- John Dowless, Mayor, City of Edgewood
- Bryan Nelson, Mayor, City of Apopka
- Julio Fuentes, President and CEO, Florida State Hispanic Chamber of Commerce
- Betsy VanderLey, Chair-Elect, West Orange Chamber of Commerce
- S. Scott Boyd, President, McKinnon Corporation
- George A. Wallace, CEO, LGBT+ Center Orlando, Inc.
- Beverly Winesburgh, Founder & President, Product Marketing Group, Inc. & Member, Orange County Charter Review Committee
- Millicent E. Daniels, ESQ., Daniels Law Firm
- William G. Spurlock, Chairman, Spurlock Group, LLC

Religious Organizations and Clergy:

- Marcus R. McCoy, Jr., Pastor, Greater Refuge Memorial, Orlando
- Javarie McDonald, Asst. Pastor, West Orlando Christian Center
- Derrick W. Hutchins, II, Pastor, New Life Church of Orlando
- Dr. Rolous A. Frazier, Jr., Pastor, St. John Baptist Church
- Bishop Derrick L. McRae, Pastor, The Experience Christian Center
- Alante McNealy, Pastor, Fresh Start Fellowship Church

C. PROJECT SUMMARY

Arc Hospice of Florida, LLC (CON application #10817), also referenced as Arc Hospice or the applicant, is a for-profit, Florida Limited Liability Company established on February 21, 2023. Arc Hospice's parent company, American Hospice Systems (AHS) owns and operates Arcturus Hospice and Palliative Care in Norcross, Georgia. The applicant's management has over 75 years of health care management experience, primarily in hospice care. Arc Hospice of Florida, LLC has a hospice program in Service Area 3E (Lake and Sumter Counties) which was licensed October 30, 2024. Arc also has two CON's approved pending licensure - CON #10769 for Service Area 3A and (CON #10787) to serve Service Area 10.

Total project cost is \$612,912 and includes equipment, project development, and start-up costs.

Licensure and initiation of service are projected to occur in July 2025.

Pursuant to project approval, Arc Hospice of Florida, LLC offers the following Schedule C conditions:

General

- Arc Hospice will commit to conduct an annual Bereavement Symposium to provide local clergy and other professionals with resources to support those in grief.

Proposed Measure: This will be measured by annual reporting of the Symposium date and attendance to AHCA.

- Arc Hospice also proposes to provide annual funding of \$10,000 for at least the first five years, towards the Arc of Life program designated for the end of life wishes for Arc Hospice patients and their families beginning in the first year of operation.

Proposed Measure: This will be measured by reporting the expenditures of the funds to AHCA.

- Arc Hospice will develop and implement a pre-hospice palliative care program.

Proposed Measure: This will be measured by reports presented to AHCA detailing the program and initiatives within the program.

- Arc Hospice will allocate \$10,000 annually for five years to organizations in the Service Area which support unfunded and undocumented community members by providing an array of medical services.

Proposed Measure: This will be measured by reporting the expenditures of the funds to AHCA.

Cultural, Ethnic and Racial

- For the cultural connections outreach and education program, Arc Hospice commits \$10,000 annually for a period of five years for hosting quarterly community educational programs specifically for the Hispanic and African American communities.

Proposed Measure: This will be measured by reporting the expenditures of the funds to AHCA.

- Arc Hospice will have in place a Cultural Liaison position, a key team member who is appointed to take the lead on minority outreach initiatives. This individual will be responsible for helping to identify, develop and implement strategies and plans to bridge cultural differences.

Proposed Measure: This will be measured by reports presented to AHCA detailing the position is filled and the progress of the development of annual initiatives.

- Arc Hospice commits \$10,000 annually for a period of five years for programming specifically for the Jewish community. Additionally, Arc Hospice will seek accreditation with the National Institute for Jewish Hospice withing 18 months of initial licensure.

Proposed Measure: This will be measured by reporting the expenditures of the funds to AHCA and submitting certification for accreditation documentation upon receipt.

Education

- Arc Hospice also commits to developing a formalized internship program with a local educational institution specifically to provide internship opportunities within Arc Hospice for the Hispanic and African American communities. This program will be supplemented with a \$10,000 annual funding commitment for, at a minimum, the first five years of operation.

Proposed Measure: This will be measured by reporting the expenditures of the funds to AHCA.

- Arc Hospice is committed to providing internship opportunities to qualified students in nursing, gerontology, social work, music therapy, and pastoral counseling training programs within the hospice service area. This program will be supplemented with a \$10,000 annual funding commitment for, at a minimum, the first five years of operation.

Proposed Measure: This will be measured by reporting the expenditures of the funds to AHCA.

- Arc Hospice is committed to supporting and sponsoring hospice and palliative care certifications for its skilled nursing staff (CNA, LPN, RN, and APN). This program will be supplemented with a \$10,000 annual funding commitment for, at a minimum, the first five years of operation.

Proposed Measure: This will be measured by reporting the expenditures of the funds to AHCA.

Transportation

- Arc Hospice will allocate \$10,000 per year for three years to fund patient and family transportation needs where transportation is a barrier in the Service Area.

Proposed Measure: This will be measured by reports presented to AHCA detailing the progress of the development of the program. The reports will be annual until the program development is completed.

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. However, Section 408.043(3) Florida Statutes states that "Accreditation by any private organization may not be a requirement for the issuance or maintenance of a certificate of need under ss. 408.031-408.045, Florida Statutes."

Section 400.606(5), Florida Statutes states that "The agency may deny a license to an applicant that fails to meet any condition for the provision of hospice care or services imposed by the agency on a certificate of need by final agency action, unless the applicant can demonstrate that good cause exists for the applicant's failure to meet such condition."

Issuance of a CON is required prior to licensure of certain health care facilities and services. 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 criteria in Chapter 59C-1, 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.

Hospice programs are required by federal and state law to provide services to everyone requesting them and therefore the Agency would not place conditions on a program to provide legally required services such as palliative radiation and chemotherapy and care to the indigent and charity patients.

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.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project with the criteria and application content requirements found in Florida Statutes, Sections 408.035 and 408.037; applicable rules of the State of Florida, Chapters 59C-1, 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 151 of the Florida Administrative Register, dated August 2, 2024, the Agency published zero need (FNP= (-250)) for a new hospice provider in Service Area 7B (Orange and Osceola Counties) for the January 2026 hospice planning horizon.

Hospice Service Area 7B admissions by provider for the 12 months ending June 30, 2019 – June 30, 2024, are shown in the table below.

**Service Area 7B
Hospice Admissions
12 Months Ending June 30**

Hospice	2024	2023	2022	2021	*2020
AdventHealth Hospice Care Central Florida	3,079	2,555	2,672	2,438	2,047
Cornerstone Hospice and Palliative Care Inc.	2,078	2,032	2,362	2,999	3,106
Gentiva	958	1,048	1,001	798	522
Halifax Health Hospice	236	202	198	92	97
Vitas Healthcare Corporation of Florida	3,694	3,449	3,624	3,574	3,218
Total	10,045	9,286	9,857	9,901	8,990

Source: Agency for Health Care Administration Florida Need Projections for Hospice Programs, issued for the referenced time frames with the exception in the “Note” below.
 Note: *The 12 months ending June 30, 2020, include 4,536 July-December 2019 admissions which were not published due to the cancellation of the July 2020 batching cycle.

Arc Hospice of Florida LLC is applying in the absence of published need (see the criterion below) and the applicant’s response.

Approval Under Special Circumstances. In the absence of numeric need shown under the formula in paragraph (4)(a), the applicant must demonstrate that circumstances exist to justify the approval of a new hospice. Chapter 59C-1.0355(4)(d), Florida Administrative Code.

Evidence submitted by the applicant must document one or more of the following:

- 1. The specific terminally ill population is not being served.**
- 2. That a county or counties within the service area of a licensed program are not being served.**

Arc Hospice of Florida, LLC presents a detailed discussion of special circumstances it contends support the approval of the project. The applicant contends that areas within Service Area 7B have a lower penetration rate for patients discharged from the acute care setting to

hospice when compared to Florida, which indicates a disparity. The reviewer does not find that the applicant provided empirical evidence to document this 'disparity'.

Arc contends that specific terminally ill populations not being served are demonstrated by its analysis of Service Area 7B - using state-wide ratios shows a growing number of the non-cancer, age 65 and older segment will require hospice services, demonstrating a notable gap in care for this patient population. The applicant does not provide a comparison of Service Area 7B and the states ratios in this response. The Agency's need formula, which applies statewide ratios to individual service areas does not support this contention.

Arc contends the sub-population groups/patient groups underserved by the service area's existing providers include patients with heart disease, cancer, cerebrovascular disease, chronic lower respiratory disease, dementia/Alzheimer's disease, chronic liver disease and cirrhosis, Hispanics and African Americans and Veterans.

Arc states that when combined with its projections and these special circumstances there is evidence for a need for additional hospice services that it is, "a provider that is willing to invest in community employment, education, and care". Arc argues that with its years of experience and a proven track record in providing quality hospice care, it is well positioned to bring its expertise and resources to the residents of Service Area 7B. Further, it has a wealth of resources that it will leverage to ensure a successful expansion into Florida along with having developed relationships throughout the continuum of care in Service Area 7B. Arc contends that it is best suited to meet the needs identified by both the data and knowledge gained from meeting with members of the community.

Figure 6 (CON application #10817, page 40) depicts the service area's total population growth by county from 2024 to 2029 compared to Florida. Service Area 7B's population increases by 1.9 percent compared to the state's 1.2 percent. Arc notes that Orange County is projected to grow by approximately 1.6 percent and Osceola County by approximately 2.8 percent.

Figure 7 (CON application #10817, page 40) depicts the service area's 65 and over population to support Arc's argument that the large and growing population base of elderly residents (65 and over) will continue to be a key component in the need for additional end-of-life care resources, including hospice care. Arc notes that the elderly resident population will increase by approximately 4.2 percent annually to over 350,000 by 2029 and is higher than the statewide average of 2.9 percent.

Arc assures that it will prioritize community outreach and education and provide specialized services for common issues faced by elderly patients, such as mobility issues, dementia, and chronic health conditions.

Figure 8 (CON application #10817, page 41) shows Service Area 7B hospice for July 2023 through June 2024 admissions by provider in the FNP categories, total and percentage of admissions. Arc's Figure 9 (CON application #10817, page 41) shows the FNP projections for the January 2026 planning horizon.

Arc provides quotes from its letters of support on the application's pages 46 – 54 which include Cheryl L. Grieb, Chair, Osceola Board of County Commissioners, County Commissioner District 4 - *"The addition of Arc Hospice to our community will significantly elevate the standard of hospice care by filling existing gaps and extending essential services to those who need them most. I strongly urge the approval of Arc Hospice of Florida's application, as their presence will be a transformative and much-needed addition to our healthcare landscape."*

Betsey VanderLey, Chair-Elect, West Orange Chamber of Commerce states she deeply invested in the West Orange Community's well-being, and she is particularly impressed with *"Arc Hospice's commitment to hiring locally... Arc Hospice's commitment to serving all areas, including underserved rural locations, is crucial for ensuring equitable access to hospice care across our region. Through my work with Habitat for Humanity, I've witnessed firsthand the struggles of low-income families in our community. Many of these families face significant barriers in accessing quality healthcare, especially hospice services... Their dedication to rapid response times for admissions - often within two hours - will significantly improve the quality of care in our region, addressing a critical gap in our current healthcare system...Arc Hospice's commitment to cultural competency and their in-home care model will address many of these concerns, allowing patients to receive care in familiar, comfortable settings."*

Joseph Patrick McMullen, Town Commissioner, Oakland, Florida states that as a pharmacy manager he has *"witnessed first-hand the challenges many patients and families face in accessing timely and appropriate end-of-life care"*.

John Dowless, Mayor, City of Edgewood states *“The addition of Arc Hospice to our healthcare landscape will be a significant asset for Edgewood and the surrounding communities. Their focus on culturally sensitive, patient-centered care, combined with their commitment to serving underserved populations, directly addresses the critical gaps in our current hospice care system.”*

Beverly Winesburgh, Founder & President, Product Marketing Group, Inc. & Member, Orange County Charter Review Committee states she is no two hospital boards and is impressed with Arc’s commitment to hire locally, cites Arc’s in-home care model and challenges especially for the senior population in *“accessing timely and appropriate end-of-life care”*.

Marcus R. McCoy, Jr., Pastor, Greater Refuge Memorial, Orlando states *“Many in our congregation face financial hardships, and the fear of medical costs often prevents them from seeking the care they need. Knowing that quality hospice care will be available to all, regardless of their economic situation, is a true embodiment of compassion and service....(Arc’s) presence in our community will address critical gaps in our current hospice care system, improve access to quality end-of-life care, and provide much-needed spiritual, emotional, and cultural support to patients and families during their most challenging times.”*

Kristen Arrington, Former State Representative, Florida House of Representatives, District 46 writes *“Orange and Osceola Counties represent a microcosm of Florida’s diverse population, including vibrant urban centers and underserved rural areas. This diversity presents unique challenges in ensuring equitable access to quality healthcare, particularly for vulnerable populations. Many residents face barriers such as language differences, cultural misunderstandings, and limited transportation options, which can significantly impede access to appropriate hospice care.”*

William G. Spurlock, Chairman, Spurlock Group LLC states *“I am aware of challenges faced in accessing timely and appropriate hospice care.... This scarcity of resources disproportionately impacts vulnerable populations within our growing community, especially those in rural areas and minority backgrounds. Arc Hospice’s proposed in-home model offers an adaptable and flexible solution.... Arc Hospice will significantly expand access to much-needed end-of-life care.”*

Naihomi I. Cruz, Administrator, Courtyards of Orlando Care and Rehabilitation, Orlando, Orange County states *“The current hospice market in the Orange-Osceola is failing to meet the diverse and complex needs of our community, creating a critical situation that requires*

immediate attention. ...Our region faces unique challenges in equitable healthcare particularly in end-of-life care. The existing hospice providers are struggling to address several key issues. There is a severe shortage of hospice staff who can provide and culturally appropriate care for our large Hispanic, African American, and Haitian communities.

Many of our rural communities are severely underserved, with patients often facing long waits or being forced to travel long distances for hospice care.... there's a significant gap in specialized hospice programs for conditions prevalent in our community, such as Alzheimer's and COPD. Arc Hospice's proposed model directly addresses these special circumstances. Their commitment to hiring from within the communities they serve will ensure culturally competent care, bridging the current gap in service for our minority populations. Arc's in-home model will extend quality hospice care to our underserved rural areas, addressing the current geographic disparities”.

Frank Yanez, MD, Medical Director, VIP Family Practice states he “serves many patients from the African American community” and has “seen the need for hospice agencies that offer comprehensive care and understand the culturally specific needs of this population”.

Bishop Derrick L. McRae, Pastor, The Experience Christian Center and S. Scott Boyd, President, McKinnon Corporation and former District 1 Orange County Commissioner, Bryan Nelson, Mayor, City of Apopka and Jody Spinneweber, LHHA, Administrator, Solaris Healthcare letters echo the above comments. The applicant concludes this section by stating “The hospice penetration rates within areas of Orange County indicate a disparity within the SA 7B and demonstrates a special circumstance for a new hospice”. Again, no empirical data is provided in support of the applicant’s special circumstance argument.

In support of the specific terminally ill population not being served, Arc’s Figure 14 on the application’s page 59, shows 2017 – 2022 resident deaths by the Agency’s FNP formula categories – age under 65 cancer, age under 65 non-cancer, age 65 and over cancer, and age 65 and over non-cancer deaths. The applicant next provides the leading causes of service area deaths for CY 2023 (Figure 15 also on page 59). See the table below.

**Service Area 7B
2023 Leading Causes of Death (Provisional)**

Rank	Cause of Death	Deaths	Percent of Total
1	Malignant Neoplasm (Cancer)	2,558	20.5%
2	Heart Diseases	2,528	20.2%
3	Other Causes of Death	1,936	15.5%
4	Unintentional Injury	1,116	8.9%
5	Cerebrovascular Diseases	973	7.8%
6	Chronic Lower Respiratory Diseases	464	3.7%
7	Diabetes Mellitus	457	3.7%
8	Alzheimer's Disease	347	2.8%
9	Nephritis, Nephrotic Syndrome and Nephrosis	212	1.7%
10	Septicemia	208	1.7%
11	Chronic Liver Disease and Cirrhosis	197	1.6%
	Total, Top 11 Causes of Death	10,996	88.0%
	Other	1,505	12.0%
	Total	12,501	100.0%

Source: CON application #10817, Figure 15, page 59, from Florida Department of Health, Bureau of Vital Statistics.

The applicant notes COVID-19 decreased from approximately 14 percent of CY 2021 to less than one percent in CY 2023. Arc states that it is not clear when or whether the pandemic’s full effects will end; it is clear that associated conditions requiring disease specific programming will continue to impact the industry.

Arc’s Figure 16 (application’s page 60) summarizes the SA’s mortality trends for non-cancer by age cohort (under 65-65 and over) from 2017-2023. The applicant notes that non-cancer patient deaths “increased by approximately 21 percent between 2017-2023 (provisional)”- “over 40 percent higher than the statewide percentage growth”. Figure 17 (also page 60) summarizes the service area’s mortality trends for cancer by age cohort (under 65-65 and over) from 2017-2023. The applicant notes that cancer patient deaths “increased by approximately eight percent between 2017-2023 (provisional)” - “over 54 percent higher than the statewide percentage growth”.

Arc Hospice uses various data from the Agency’s Hospital Discharge Database; Florida Department of Health, Bureau of Vital Statistics (Figures 14 - 18, pages 59 - 61) and a study “Expect the Best: How to Get the Most Out of Your Hospice Care” and a survey by the Kaiser Family Foundation (Exhibit D) to support its argument that Service Area 7B has large, underserved number of deaths within the elderly non-cancer cohort and proposes several targeted programs to meet these residents' needs.

Figure 18 (CON application #10817, page 61) shows Service Area 3B hospital discharges to hospice for CY 2023. The applicant notes this shows 5,565 hospital discharges and 12,501 provisional CY 2023 resident deaths. Arc notes that Service Area 7B has approximately 22 percent of resident deaths discharged to inpatient hospice versus approximately 23 percent to home hospice and that 7 in 10 Americans would prefer to die at home.

The applicant notes that Gentiva is the only hospice provider exclusively serving Service Area 7B patients and has a notably high percentage of patients in ALFs, approximately 44 percent higher than for all of the state hospice programs. Arc's Figure 19 (page 62) shows that Gentiva and VITAS Healthcare Corporation of Florida exhibit elevated 30-day hospital readmission rates—7.1 percent for Gentiva and 4.9 percent for VITAS—which are over 200 percent and 100 percent higher than the state average, respectively. Furthermore, average lengths of stay are 108 days for Gentiva and 98 days for VITAS, which are significantly longer, by about 52 percent and 38 percent, than the average of 71 days for all Florida hospices. Halifax Health Hospice also reports a higher-than-average percentage of patients in skilled nursing or assisted living facilities in comparison to the overall statistics for Florida hospices.

Pages 62-66 contain excerpts from the applicant's support letters to describe the challenges faced with patients receiving home hospice care, which it contends demonstrate the need for a hospice such as Arc Hospice to serve these patients. These excerpts were from:

- Julio Fuentes, President and CEO, Florida State Hispanic Chamber of Commerce
- John Dowless, Mayor, City of Edgewood, Florida
- Cheryl L. Grieb, Chair, Commissioner District 4, Osceola County Commission
- Dr. George A. Wallace, Chief Executive Office, LGBT+ Center Orlando, Inc.
- Derrick W. Hutchins, II, Pastor, New Life Church of Orlando
- William G. Spurlock, Chairman, Spurlock Group LLC
- Bishop Derrick L. McRae, Pastor, The Experience Christian Center
- Naihomi L. Cruz, Administrator, Courtyards of Orlando Care and Rehabilitation
- Kristen Arrington, Representative, District 46, Florida House of Representatives

Arc Hospice describes in detail (application's page 67) 10 key steps it will implement to provide appropriate levels of in-home hospice care, which include:

1. Comprehensive assessments

2. Coordination of care
3. Training and support for family caregivers
4. Utilize technology
5. Occupational and Physical Therapy
6. Specialized equipment and supplies
7. 24/7 Availability
8. Community partnerships
9. Continuous quality improvement
10. Emphasis on hiring throughout the area

Seven tables on pages 69 – 76 of the application use data from the Agency’s Florida Hospice Need Projections for Hospice Programs and the Florida Department of Health, Bureau of Vital Statistics (2023 provisional death data) to support Arc Hospice’s argument that there is a foreseeable need for the need for non-cancer, disease specific programming in Service Area 7 and addresses in detail the underserved population groups including those with heart disease, chronic lower respiratory disease, dementia/Alzheimer's, and neurological diseases, all of which are in the top leading causes of death in the area.

Arc notes that heart disease was the service area’s second highest cause of death in 2023 accounting for 20.2 percent of the service area’s total deaths.

**Service Area 7B
2023 Heart Disease and Total Deaths**

Area	Deaths from All Causes	Heart Disease Deaths	Deaths as Percentage of
Service Area 11	12,501	2,528	20%

Source: CON application #10817, Figure 21, page 69, from Florida Department of Health, Bureau of Vital Statistics.

Arc Hospice’s Figure 22 on the application’s page 70 shows that Service Area 7B cardiovascular diseases discharges to hospice grew by approximately 17.8 percent from 540 in 2021 to 636 in 2023 and end stage heart disease discharges to hospice grew by approximately six percent (270 in 2021 to 253 in 2023). Total cardiovascular disease hospital discharges are stated to have increased by 22 percent from 2021 to 2023. The applicant states that end stage heart disease discharges decreased by approximately seven percent and these discharges to hospice decreased by approximately six percent in Service Area 7B between 2021 to 2023. Arc contends the statistical data used and its community needs assessments demonstrates the gap in end-of-life care for residents suffering from cardiac disease.

Arc notes cancer (over 2,500 deaths) was the top cause of death in Service Area 7B in 2023 and over time hospice has evolved to include non-traditional diagnosis such as chronic lower respiratory disease,

chronic liver disease and cirrhosis, Alzheimer's disease, and cerebrovascular disease. Arc discusses its cancer, chronic lower respiratory disease, cerebrovascular disease, and dementia /Alzheimer's Disease programs on the application's pages 71—74.

Arc notes that approximately 500 patients with pulmonary disease were nine percent of the 5,565 patients discharged to hospice in 2023. CY 2023 had a 4.8 percent decrease from the CY 2021 accounting for four percent of the total pulmonary medical discharges in 2023. The applicant shares that 60 patients with ischemic stroke and nonspecific cerebrovascular disorders were discharged to hospice, or approximately one percent of the 5,565 patients discharged to hospice in 2023.

Arc Hospice's CY 2023 provision data (Figures 15 & 21) show Alzheimer's disease is the eighth leading cause of death for Service Area 7B residents. The applicant states Florida "was in the highest percentage prevalence category among adults aged 65 and older in 2020 (Figure 27), and in comparison, to other states ranked fourth." Pages 78 - 80 contain excerpts from its letters in the application's Exhibit C for its disease-specific care. These excerpts were from J. Patrick McMullen, Cheryl L. Grieb, Dr. George A. Wallace and Former State Representative Kristen Arrington.

With respect to the specific care for the Hispanic community, Arc Hospice, Arc indicates as of 2025, SA 7B has 889,816 Hispanic residents, 91,085 of whom are aged 65 and over. Hispanics are projected to have a growth of approximately 14.1 percent by 2030, including a projected growth of approximately 33.1 percent for the elderly age cohort. Arc Hospice states that only 1,641 Hispanic patients were discharged to hospice, or approximately 30 percent of the acute care discharges of the total 182,324 in 2023. Further, Hispanic patients discharged to hospice accounted for less than two percent of all Hispanic patient discharges.

Arc Hospice next uses Office of Economic & Demographic Research, Florida Legislature projections for CY 2025 to show that 411,976 residents of Service Area 7B are Black/African American with 44,112 in the age 65 and over population. Figure 32 shows that 881 (approximately 16 percent of service area total) Black or African American patients were discharged to hospice of the total 5,565 patients in 2023. The applicant argues that despite accounting for approximately 22 percent of all discharges in 2023, fewer Black or African American patients were discharged to hospice compared to the White cohort.

Pages 89 - 95 contain excerpts of its letters (in Exhibit C) supporting the need for Arc Hospice to develop hospice programs for diverse patient populations with varying cultural beliefs. These were from Julio

Fuentes, President & CEO – Florida State Hispanic Chamber of Commerce, Pastors - Derrick W. Hutchins, II, Dr. Rolous A. Frazier, Jr., Marcus R. McCoy Jr., Derrick L. McRae, HCA Florida Osceola CEO David Shimp, two nursing home administrators - Jody Spinneweber, Solaris Healthcare and Naihomi I. Cruz, Courtyards of Orlando Care & Rehabilitation, Betsy VanderLey, Chair-Elect West Orange Chamber of Commerce and Dr Frank Yanez, Medical Director VIP Family Care.

Arc Hospice addresses Service Area 7B's homeless and low-income populations noting that Orange County has the fifth highest homeless population in Florida and there almost 2,500 homeless when Osceola County is included. Arc states that gaps in access to health care including hospice have been quantified through community needs assessments, statistical data, and its letters of support citing Betsey VanderLey' letter.

Service Area 7B's veteran population is discussed, and Arc Hospice states it will develop a specialized veteran's program and collaborate with area veterans' organizations to ensure veteran's needs are met. The applicant's Figure 36 on page 100, shows the projected veterans population - all ages and age 65 plus from 2024 -2028 for Service Area 7B and the state. U.S. Department of Veterans Affairs data indicates that in 2024 there are approximately 88,159, approximately 33,461 of whom are age 65 and over, this cohort is approximately 6.2 percent of the state's total. Arc Hospice shares that service area's veteran population is projected to decline from 2024 and 2028, likely due to a variety of factors, including the aging veteran population ultimately increasing deaths.

Arc describes its integrated approach to the continuum of care through relationships on the application's pages 101-114, mission statement on pages 114-115 and community benefits of approval on pages 115-154. Arc next discusses the NHPCO report entitled, "Hospital-Hospice Partnerships in Palliative Care: Creating a Continuum of Service" (in the application's Exhibit D). The applicant's Figure 42 on page 110, "Benefits of Collaboration for Hospice and Hospital Partners" lists benefits for the hospital (eight), for the hospice (eight) and four clinical benefits for the patient of a hospital based palliative care program. The applicant's hospital discharge data is addressed in several sections of the application.

Arc Hospice states that through it developing relationships with area hospitals and nursing homes and integrating hospice into the continuum of care that it will provide numerous benefits such as:

- Improved understanding about the resources available for physicians, staff, patients, and families
- Facilitate and improve access to quality hospice services, including high acuity patients
- Readily available resources for palliative care
- Enhance patient satisfaction throughout the continuum of care
- Decrease overall patient costs

Arc Hospice cites several studies and data¹ to support that many patients eligible for hospice care are either never referred or referrals are not made on a timely basis. The applicant confirms that Arc staff will work to educate patients, families, physicians, and others about hospice as a compassionate alternative to care in a hospital or nursing home and indicates the results will be:

- Increase access to professional community-based bereavement services -maximizing use of health care resources in a cost-effective manner that is beneficial to the patient. Arc Hospice will serve to raise awareness of hospice as a patient and family option.
- Promoting Education - Arc plans to initiate a comprehensive and ongoing education program that is targeted to providing information and ease of access to physicians, nurses, and other patient referral sources. Staff are encouraged to maintain ongoing memberships in hospice organizations (not identified) and to participate in continuing education courses including but not limited to its online education program. Arc Hospice will use Relias Learning as a key component of its staff training plan for orientation, annual education, ad hoc education, state education requirements, in-house education, workshops, and seminars, coaching and mentoring, certification programs and other ongoing education. Arc Hospice adds that it has conditioned this response. Arc Hospice adds that its staff training plan consists of orientation courses and annual mandatory training selected based on job description to comply with state and accreditation standards, Medicare guidelines, and company policy
- Integration of Information Systems - Arc Hospice will provide in addition to previously mentioned technologies, resources that are related to information systems, including electronic medical records (EMRs) which will enable it to:

¹ 2007 Duke University Study published in Social Sciences & Medicine study, a 2020 study by Trella Health, and a Hospice Use, Hospitalization, and Medicare Spending at the End-of-Life study published in 2016 and 2018 in The Journals of Gerontology along with data from the 2023 National Association for Home Care & Hospice (NAHC) and the National Hospice and Palliative Care Organization (NHPCO).

- Decrease expenditures through cost avoidance, such as reduction in hospital admission reductions due to better care management and increased quality and efficiency in care documentation
- Improve program oversight through more complete and uniform care documentation, which will be immediately available in real time and accessible remotely
- Identify and monitor best practices throughout the program

Additional benefits Arc Hospice state that its management and staff receive from this EMR system will be:

- Immediate access to the patients' records
- Improved administrative oversight through more efficient monitoring of patients' changing condition and a proactive response to patients' problems
- Improved quality, consistency, and accuracy of documentation
- Improved staff satisfaction and retention
- Easier work processes
- Ability to track and trend quality data and complete quality audits in a timely manner

Arc Hospice shares that its mission is to provide compassionate, high-quality end-of-life care to those who are facing life limiting illnesses and to support their families with dignity, respect and understanding and that its vision statement is to create a supportive and dignified environment where both patients and families can find comfort and peace in the face of life's greatest challenges.

The applicant states this will be achieved by accomplishing the following goals:

1. To provide comprehensive, best in class end-of-life care that meets the physical, emotional, and spiritual needs of patients and their families.
2. Increase access to culturally competent care for Black/African American, Hispanic, and Jewish communities.
3. To create an environment of respect and caring that honors the wishes of the patient and their family.
4. To provide education and resources to families on the physical and emotional aspects of end-of-life care.
5. To collaborate with other health care providers to ensure the best possible care for our patients, families, and community.
6. To offer support and advocacy for those who are facing life-limiting illnesses.

7. To operate in a compliant environment, adhering to all applicable laws, statutes, and regulatory requirements.

Arc Hospice provides that to be able to deliver the highest level of quality care to those patients at the end of their life and their loved ones, it cultivates the following core values:

- **Quality Care:** Arc Hospice believes in total commitment towards quality of care for all constituencies: patients, families, community, and each other
- **Compassion:** Compassionate Care is at the very heart of what Arc Hospice does and why Arc Hospice exists. Compassionate Care values human dignity. It is doing the right thing for the right reason and differentiates Arc Hospice from all other providers
- **Competence:** Competent Care is the first essential step to providing Compassionate Care. It is Arc Hospice's leading edge and is cost competitive with any other credible provider
- **Community:** Community support is Arc Hospice's ultimate edge in providing Compassionate Care. It enables Arc Hospice to constructively enlist the collaborative support of volunteers and other community entities, creating the capacity to meet community needs
- **Creativity:** Creativity is tapping the brilliance within individuals and the community to generate ideas that will continually improve Compassionate Care in the face of all that might challenge it

Arc Hospice confirms that it will offer palliative care services which are which include education and awareness, partnerships, volunteer engagement, and community outreach. Arc Hospice will allocate \$10,000 per year for three years to facilitate reliable and cost-effective transportation options where it is a barrier to service.

The applicant will collaborate with area mental health providers to ensure that mental health patients in need of hospice and palliative care.

Bereavement services are an integral part of hospice and Arc hospice intends to provide 100 percent of its patients the option for bereavement care and states that it has already begun cultivating relationships with the community. Arc Hospice's bereavement services may include

individual counseling, family counseling, grief counseling, spiritual counseling through internal chaplains and partnership with local pastors and community leaders.

Additionally, Arc Hospice provides a range of palliative arts programs including

- Music therapy
- Pet therapy
- Massage therapy
- Storytelling
- Air Aromatherapy
- Relaxation techniques
- Art therapy
- Reiki and energy healing
- Mindfulness and meditation
- Gentle exercise and stretching

Arc Hospice details other specialized programs including but not limited to:

- Vigil program
- Skilled Nursing Facility/Assisted Living Facility Care Collaboration Program
- We Honor Veterans
- Hospice for Veterans, Homeless and Indigent
- Arc Bridge: Early Intervention Program
- Medical Equipment
- Specialized Program for the Jewish Population
- Cultural Connections and Cultural Liaison (Outreach to Hispanic and African American Communities)
- Volunteers

Excerpts from the original letters submitted located in the application's Exhibit C of its letters of support expressing the need for a hospice provider such as Arc Hospice to provide hospice education to Service Area 7B are located on pages 141-153. These excerpts are repeats introduced earlier in the application, except Former Senator Linda Stewart, Florida Senate District 17, whose letter covers the high points relevant to the applicant and the service area.

Arc Hospice responded to Health Care Access Criteria on the application's pages 154 and 155.

The applicant presents Figure 43, page 156, using Agency Population Estimates and Projections by AHCA District, 2020-2030, January 2024.

Arc states the methodology used was:

- To project deaths for 2025 - 2026, the death rate for the January 2026 planning horizon was applied to population estimates
- To calculate the hospice penetration rate, 2023 hospice admissions were applied to resident deaths for 2023
- To project volume, the calculated 2023 hospice penetration rate was applied to the projected deaths for 2025-2026

Figure 43, page 156, projected annual market volume of hospice admissions generated by Service Area 7B residents in 2025 - 2026 is 11,127 and 11,471, respectively.

Arc Hospice contends the existing providers will maintain their existing market share and its project will have minimal impact on them. Arc projects it will achieve 223 and 401 admissions and market shares of 2.0 and 3.5 percent in 2025 and 2026, respectively.

2. Agency Rule Preferences

a. Rule 59C-1.0355(4)(e) Preferences for a New Hospice Program. The Agency shall give preference to an applicant meeting one or more of the criteria specified in the below listed subparagraphs:

(1) Preference shall be given to an applicant who has a commitment to serve populations with unmet needs.

Arc Hospice of Florida, LLC (CON application #10817) responds that it aims to address the unmet needs of Service Area 7B residents that are eligible hospice care by improving community awareness/understanding of its benefits. Unmet needs are stated to include:

- Select areas within Orange County within Service Area 7B have a lower rate for patients discharged to hospice
- Gap in services for the non-cancer, elderly cohort
- Underserved sub-population groups:
 - Care for patients with the following disease categories:
 - Heart Disease
 - Cancer
 - Cerebrovascular Disease
 - Chronic Lower Respiratory Disease
 - Dementia/Alzheimer's Disease

- Chronic Liver Disease and Cirrhosis
- Care for ethnic and race population cohorts such as Hispanics and African Americans
- Care for the Veteran population

Arc Hospice provides a detailed discussion in section E.1.a. of this application.

- (2) Preference shall be given to an applicant who proposes to provide the inpatient care component of the hospice program through contractual arrangements with existing health care facilities, unless the applicant demonstrates a more cost-efficient alternative.**

Arc states it will develop relationships with area nursing homes to improve access for high acuity patients along with offering home-based hospice services. Further, it has established relationships with the nursing homes area nursing homes including Solaris Healthcare Forest Lake which has expressed a willingness to provide general inpatient beds.

Jody Spinneweber, LNHA, Administrator, Solaris Healthcare Forest Lake, letter is quoted "Once licensed we would be eager to discuss an agreement for general inpatient services with Arc Hospice and different ways, we can work together to provide care within our community." Arc Hospice's letters of support are located in its Exhibit G of this application.

- (3) Preference shall be given to an applicant who has a commitment to serve patients who do not have primary caregivers at home; the homeless; and patients with AIDS**

Arc Hospice of Florida, LLC states that it will not discriminate against anyone seeking its services and is committed to serving patients who do not have primary caregivers at home, are homeless, and/or have AIDS/HIV. Arc commits to ensure that every patient will be able to remain in the least restrictive and most emotionally supportive environment possible, which may be within their own home or with relatives. Patients who have no support at home will receive increased support from the hospice staff and volunteers whenever possible and Arc will develop a plan of care that may include the patient's network of friends, family, neighbors, and other members of the community to assist them to remain in their home.

Arc Hospice may recommend that the patient enter an ALF, nursing home, or inpatient hospice facility when a patient cannot physically or mentally care for him/herself and has no caregiver support. The applicant ensures its staff and volunteers will continue to provide hospice care in these settings.

- (4) In the case of proposals for a hospice service area comprised of three or more counties; preference shall be given to an applicant who has a commitment to establish a physical presence in an underserved county or counties.**

This does not apply as Service Area 7B consists of two counties.

- (5) Preference shall be given to an applicant who proposes to provide services that are not specifically covered by private insurance, Medicaid or Medicare.**

Arc states it will offer Service Area 7B a wide range of programs/services for patients who are unable to pay or whose payor source does not cover certain services. Some examples offered include community-based bereavement services, spiritual counseling, specialized program the Jewish population, palliative arts programs (i.e., Music, pet massage therapy, etc.), vigil program, SNF/ALF Care Collaboration Program, We Honor Veterans, hospice for veterans, homeless, and indigent, Early Integration Program (Arc Bridge) and its Service Intensity Add-On Program.

Arc notes that it proposes to provide annual funding of \$10,000 for at least the first five years towards the Arc of Life program designated for the end-of-life wishes for Arc Hospice patients and their families beginning in the first year of operation. Funding for the program is projected to total approximately \$15,719 in year one and \$39,647 in year two.

- a. Rule 59C-1.0355(5) Consistency with Plans. An applicant for a new Hospice program shall provide evidence in the application that the proposal is consistent with the needs of the community and other criteria contained in local health council plans and the State Health Plan. The application for a new Hospice program shall include letters from health organizations, social services organizations, and other entities within the proposed service area that endorse the applicant's development of a Hospice program.**

Arc reiterates that it has received tremendous support for the project and provides numerous excerpts of its support letters throughout the application and is detailed at the “Letters of Support” section of this review and provides excerpts from various sources throughout the application from its letters located in the application’s Exhibit C.

b. Chapter 59C-1.0355(6), Florida Administrative Code contains the following general provisions and review criteria to be considered in reviewing hospice programs.

(1) Required Program Description: An applicant for a new hospice program shall provide a detailed program description in its certificate of need application, including:

(a) Proposed staffing, including use of volunteers.

Arc’s Schedule 6A shows 18.05 FTE staff for the project in year one and 34.55 FTEs in year two. Staffing will include a medical director and an administrative director, who will oversee the Service Area 7B hospice program and that its medical director will be supported by the assistant director of operations. Arc adds that hospice services will be delivered by trained members of an interdisciplinary team comprised of nurses, physicians, social workers, chaplains, hospice aides and volunteers.

Arc assures that volunteers will be supervised by a designated staff member and based on its experience, it anticipates that at least five percent of its hours of care will be provided by hospice volunteers, thus meeting the percent requirement mandated under the Medicare program.

(b) Expected sources of patient referrals.

Arc expects patient referrals from physicians, nursing homes, ALFs, hospitals, home health agencies, families and friends, patients, insurers, faith and social service organizations, and Arc’s other services/program affiliates.

- (c) **Projected number of admissions, by payer type, including Medicare, Medicaid, private insurance, self-pay and indigent care patients for the first two years of operation.**

**Arc Hospice
Admissions by Payor**

	Year One	Year Two
Medicare	207	373
Medicaid	8	14
Commercial	6	10
Self-Pay	2	4
Total	223	401

Source: CON application #10817, page 186.

- (d) **Projected number of admissions, by type of terminal illness, for the first two years of operation.**

**Arc Hospice
Admissions by Terminal Illness**

	Year One	Year Two
Cancer Under 65	14	25
Cancer 65+	44	79
Non-Cancer Under 65	13	24
Non-Cancer 65+	152	272
Total	223	401

Source: CON application #10817, page 186.

Note: Year two computes to 400, possibly due to rounding.

- (e) **Projected number of admissions, by two age groups, under 65 and 65 or older, for the first two years of operation.**

**Arc Hospice
Admissions by Terminal Illness**

	Year One	Year Two
Under 65	27	49
65+	196	352
Total	223	401

Source: CON application #10817, page 186.

- (f) **Identification of the services that will be provided directly by hospice staff, and volunteers and those that will be provided through contractual arrangements.**

Arc indicates that its staff will directly deliver, care/case management, home care, bereavement, respite, after hours triage, nursing, social services, dietary counseling, spiritual counseling/Chaplains, infusion, pharmacy, DME/medical supplies, patient and family education/support, volunteer services, quality measurement and reporting, infection

control, integrative therapies, professional/community outreach and education, and palliative care (non-Certificate of Need service) and others.

Arc cites AHS's "extensive array of administrative functions, all provided in-house," and lists 22 of these including, billing and collections, finance, human resources, policies and procedures, etc. The application's pages 15-16 include detailed descriptions of Arc's volunteer services.

(g) Proposed arrangements for providing inpatient care.

Arc indicates it will have contractual arrangements with Service Area 7A hospitals and nursing homes for inpatient and respite needs. Further, it has established working relationships with several nursing homes in the area, citing Solaris Healthcare Lake Forest which operates a 222-bed facility. Arc provides quotes from three of its support letters from health care facilities. Arc's Schedule 5 projects inpatient services will be 1.5 percent of its Service Area 7B total patient days.

(h) Proposed number of inpatient beds that will be located in a freestanding inpatient facility, in hospitals, and in nursing homes.

Arc states this is not applicable and will contract with existing health care facilities for inpatient beds when needed.

(i) Circumstances under which a patient would be admitted to an inpatient bed.

Arc states that inpatient hospice care is for short-term care to manage symptoms that cannot be adequately managed at home and is appropriate temporarily for emergency situations when the patients' caregiver is unable to provide needed patient skilled nursing care. Further, Arc's interdisciplinary team will evaluate patients to determine continued need for inpatient care.

(j) Provisions for serving persons without primary caregivers at home.

Arc assures that its interdisciplinary team will help each patient without a caregiver develop a plan of care that may include the patient's network of friends, family, neighbors,

and other members of the community to help assist them and remain in their homes. When a patient is unable to develop a caregiver network or is not physically or mentally able to remain at home and receive hospice services, Arc may recommend that the patient enter an assisted living facility, nursing home, or inpatient hospice facility, with hospice staff and volunteers continuing to provide hospice care. Arc will work to establish relationships with various area nursing homes, assisted living facilities, and hospitals.

(k) Arrangements for the provision of bereavement services.

Arc provides a detailed response on the application's pages 190-192, reiterating much of its previous responses, and it offers a range of counseling services to support patients and their families throughout the end-of-life process.

(l) Proposed community education activities concerning hospice programs.

Arc cites the importance of educating other patient referral sources such as social workers, hospital discharge planners, assisted living facility staff, and nursing home staff regarding the benefits of hospice care. Further, it has already begun to develop the relationships in the SA, which will allow it to rapidly provide increased access to community education.

(m) Fundraising activities.

Arc Hospice states its fundraising activities will be coordinated by Arc and its parent company and its foundation will raise and manage charitable contributions to support its mission and various patient and family care services. Funds will be reinvested in the local community. Specific fundraising activities were not addressed in this response.

c. Rule 59-1.0355(8) Florida Administrative Code: Semi-Annual Utilization Reports. Each hospice program shall report utilization information to the Agency or its designee on or before July 20th of each year and January 20th of the following year.

Arc states it will timely comply with reporting 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? ss. 408.035 (1) and (2), Florida Statutes.

As previously stated in item E.1.a. of this report, in Volume 50, Number 151 of the Florida Administrative Register, dated August 2, 2024, the Agency published zero need for Service Area 7B (Orange and Osceola Counties) for the January 2026 hospice planning horizon.

Service Area 7B has 26 hospitals with 6,396 licensed beds, 47 SNFs with 5,800 beds, 153 ALFs with 5,238 licensed beds, and 148 home health agencies as of October 21, 2024.

Service Area 7B utilization is detailed in Item E. 1. a. of this report.

Arc Hospice indicates that its project responds to a need for an additional hospice program in Service Area 7B based on special circumstances and that it is "uniquely and best" qualified to meet this identified community need.

The applicant states that areas within Service Area 7B have a lower penetration rate for patients discharged from acute care to hospice compared to the state average, other hospice service areas in the state, and different parts of Service Area 7B, highlighting a disparity. The reviewer does not find empirical data to document this disparity.

Arc Hospice states its analysis of Service Area 7B using state-wide ratios shows that a high volume of the non-cancer, age 65 and older segment did not receive hospice services, demonstrating a notable gap in care for this patient population. The reviewer does not find a comparison of the service area's non-cancer age 65 and older ratio compared to the states' ratio.

Arc states it has identified underserved sub-population groups, including:

- Care for patients with the following disease categories:
 - Heart Disease
 - Cancer
 - Cerebrovascular Disease
 - Chronic Lower Respiratory Disease
 - Dementia/Alzheimer's Disease
 - Chronic Liver Disease and Cirrhosis

- Care for ethnic and race population cohorts such as Hispanics and African Americans
- Care for the Veteran population

Arc Hospice restates its “additional points to consider”, which include:

- Arc Hospice is an experienced provider with existing resources.
- Arc emphasizes the importance of the continuum of care, existing relationships with certain nursing homes in the area, and developing relationships with local health care providers (including nursing homes and hospitals)
- Arc is prepared to extend its extensive complement of services and specialty programs to Service Area 7B
- Arc has developed disease-specific programs to meet the unique needs of patients, including those with advanced heart disease, cancer, and dementia/Alzheimer's disease
- Arc Hospice commits to implementing its unique and comprehensive palliative care program to Service Area 7B, ensuring that patients have optimal access to palliative care services with early identification and intervention
- Arc Hospice will extend its Cultural Connections outreach and education program to Service Area 7B which includes Cultural Liaisons who are responsible for helping identify, develop, and implement strategies and plans to bridge cultural differences.
- Arc will implement a specialized program that supports the diverse challenges within the Jewish community, including the Jewish ritual and cultural norms around death and dying. Arc Hospice cites its proposed program budget and NIJH certification condition.
- Arc will seek CHAP accreditation within 18 months of licensure
- Arc will respond to all referrals within one hour and expedite admission to hospice within two hours.
- Arc will provide triage coverage 24 hours a day, 7 days a week and physical visits to assess hospice eligibility of patients and admissions regardless of ability to pay.
- Arc will focus on continuing to build community relationships through local hiring, education and communication utilizing partnerships with community leaders and pastors, and the Arc of Life Program (a program to create memorable moments for patients and their families).

Arc asserts that its projections, along with special circumstances, highlight a need for more Service Area 7B hospice services. It is prepared to invest in community employment, education, and care and aims to increase the penetration rates and enhance access to underserved patients.

- b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality care? ss. 408.035 (3), Florida Statutes.**

Arc Hospice of Florida, LLC states its 7B program will benefit from its existing hospice program in Georgia as well as affiliate programs. Arc's Exhibits E and F include Arc's QAPI program and policies and procedures the Service Area 7B program will use. Arc states that it is dedicated to regularly assessing and improving the quality and efficiency of its services, as shown in this application. Further, the governing body and administration foster a work environment that encourages open discussions about problems and promotes service improvement ideas noting that when issues in hospice services arise, they take corrective actions such as ongoing monitoring, updating policies and procedures, providing education, and making necessary changes to services.

Arc Hospice asserts that it is responsible for effectively managing its resources to deliver the best care for patients and their families and regularly reviews and assesses how its services, facilities, and staff are used to ensure optimal care. The applicant notes that its monitoring review includes the appropriateness of interdisciplinary team services and level of services provided, patient admission to hospice, regular review of patient length of stay, delays in admission or in the provision of interdisciplinary team services, and specific treatment modalities.

Arc Hospice indicates it will develop and maintain a Quality Assurance Performance Improvement Plan (QAPI), which will be established in accordance with its mission, core values, and service commitments. Arc will systematically evaluate the quality of care rendered to individuals, families, and the community to improve the quality of care provided and to assure proper utilization of services. Further, QAPI activities are interdisciplinary, and its multifaceted program encompasses an ongoing evaluation of structural, process, and measurable outcome criteria. The applicant confirms that it is committed to assessing, planning, and implementing care in a manner that improves outcomes and services while respecting the rights of patients, families, and customers. Placing emphasis on the hospice's infrastructure is a routine part of operation to improve Arc Hospice's quality of care and services. Arc Hospice assures that it will make available quality-effective, cost-effective services (within available resources) to individuals, families, and the community, and subscribe to compliance with both internal and external standards. The QAPI committee will consist of the administrator, director of clinical services, medical director, compliance officer, and "representation from both skilled and unskilled disciplines providing services".

Arc Hospice's quality management, utilization and peer review program will establish and use written criteria to evaluate the provision of patient care based on accepted care standards and include, at a minimum, systematic reviews of:

- Appropriateness of admissions, continued stay, and discharge, professional services and level of care provided and treatment
- Effectiveness of pain control and symptom relief
- Patient injuries, such as those related to falls, accidents, and restraint use
- Errors in medication administration, procedures, or practices that compromise patient safety
- Infection control practices and surveillance data
- Patient and family complaints and on-call logs
- Inpatient hospitalizations
- Staff adherence to the patient's plan of care

Arc Hospice's QAPI Committee requirements will include:

- Monthly meetings to review tracked data and outcomes with monitoring progress of the program and performance improvement plans (PIPs)
- The chairperson will select a co-chair to act in their absence and assist with the committee's work
- Committee members will be required to attend regularly scheduled meetings
- The committee will focus on significant areas of improvement each month, track the progress of PIPs, track and analyze adverse patient events
- Confidentiality will be maintained, only trended information, no patient specific information will be communicated outside of the QAPI committee
- Agency staff will be required to attend the quarterly meetings and will be kept informed of PIPS and involved in the QAPI program, solutions, and outcomes

Further, its QAPI Program will:

- Establish a systematic interdisciplinary mechanism to measure and assess the hospice's ability to provide quality, patient centered care using the elements of performance: appropriateness, dignity and respect, efficiency, effectiveness, timeliness, safety, continuity and availability of patient care through routine data collection and analysis (such as national trends in patient outcomes, adverse events, internal and external audit results)

- Identify known, suspected or potential opportunities to improve patient care processes and outcomes and hospice operations, as well as opportunities for further improvement in currently acceptable performance
- Establish ongoing measures that enable the hospice to improve patient care processes and outcomes and hospice operations, as well as opportunities for further improvement in currently acceptable performance
- Establish mechanisms to prioritize opportunities for improvement that have the greatest potential impact on patient care outcomes, hospice operations and customer satisfaction
- Monitor the performance of processes that involve high risk, high volume or problem prone areas of care and services
- Track adverse patient events, analyze their causes, and implement preventive actions and mechanisms that include feedback and learning throughout the hospice
- Take actions aimed at performance improvement and to affect palliative outcomes, patient safety, and quality of care
- Ensure coordination and integration of all performance improvement activities by maintaining a QAPI/ Safety Committee as the forum for information exchange, collaboration, prioritization and monitoring
- Compare performance over time with other sources of information and to similar organizations nationally
- Identify the on-going educational needs required to improve patient care processes and outcomes and hospice operations
- Assign personnel, and provide time and information systems to support ongoing quality assessment and performance improvement activities
- Participate as an integral component of the community, working in partnership to continuously improve access to care and the continuity of patient care services; and
- Sustain improved performance.

Arc Hospice's QAPI Committee shall conduct an ongoing, comprehensive, integrated, self-assessment of the quality and appropriateness of care provided, including services provided under arrangement which includes a system of measures that captures significant outcomes and are used in the care planning and coordination of services and events. These include at a minimum and as appropriate the following:

- a. An analysis of a representative sample of services furnished to clients contained in both active and closed records
- b. An analysis of client complaints and satisfaction survey data

- c. An annual evaluation of the total operation, including services provided under contract or arrangement (evaluation of the need for policy changes, additional training, etc.)

Arc shares that it is fully confident in its ability to extend its existing high quality hospice program to SA 7B and refers to existing policies, procedures, practices, and protocols included in Exhibits E and F.

- c. What resources, including health manpower, management personnel and funds for capital and operating expenditures, are available for project accomplishment and operation? ss. 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. However, the applicant is a developmental stage entity and has \$100 in cash but no operations. Therefore, an analysis of the short and long-term financial position of applicant cannot be conducted and we must look at access to capital on a standalone basis.

Capital Requirements and Funding:

On Schedule 2, the applicant indicates capital projects totaling \$3,766,280, which includes this project (\$612,910) five other CONs, and capital expenditures. The applicant indicates on Schedule 3 of its application that funding for the project will be related company financing. The parent, Tunic Capital, provided a letter providing funding. Flagstar Bank submitted a letter showing in excess of \$5 million in a deposit account of Tunic.

Conclusion:

Funding for this project and the entire capital budget should be available as needed.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. Profitability for hospice is driven by two factors, volume of patients and length of stay/condition of the patient. A new hospice program in a service area with published need is more likely than not to be financially feasible since patient volume and mix is presumed to be available in sufficient amounts to sustain a new program. The focus of our review will be on the reasonableness of projections, specifically the revenue.

The vast majority of hospice days are paid by Medicare (Medicaid is the next largest payer with similar reimbursement rates). As such, revenue is predictable by day and service type. Schedule 7 includes revenue by service type. We have divided the applicant's projected revenues by the estimated Medicare reimbursement rates for each level of service in year two to estimate the total patient days that would be generated by that level of revenue. The results were then compared to the applicant's estimated number of patient days. Calculated patient days that approximate the applicant's projected patient days are considered reasonable and support the applicant's assumptions of feasibility. Calculated patient days below the applicant's projections suggest an understatement of revenue which is a conservative assumption. Calculated patient days above the applicant's projections suggest an overstatement of revenue and call into question the applicant's profitability assumptions and feasibility. The results of the calculations are summarized below.

CON Application Number: 10817

CON 10817	Arc Hospice of Florida				
Orange and Osceola	Wage Component	Wage Index	Adjusted Wage Amount	Unadjusted Component	Payment Rate
Base Rate Calculation					
Routine Home Care 1-60 days	\$144.10	0.8654	\$124.70	\$74.23	\$198.93
Routine Home Care 61+ days	\$113.75	0.8654	\$98.44	\$58.60	\$157.04
Continuous Home Care	\$1,177.23	0.8654	\$1,018.77	\$388.23	\$1,407.00
Inpatient Respite	\$309.70	0.8654	\$268.01	\$198.01	\$466.02
General Inpatient	\$727.27	0.8654	\$629.38	\$418.04	\$1,047.42
Year Two Comparison	Inflation Factor Year Two	Inflation Adjusted Payment Rate	Schedule 7 Revenue Year 2	Continuous Service Hours Provided	Calculated Patient Days
Routine Home Care 1-60 days	1.139	\$226.54	\$3,237,360		14,290
Routine Home Care 61+ days	1.139	\$178.83	\$1,597,280		8,932
Continuous Home Care	1.139	\$1,602.25	\$143,121	24	89
Inpatient Respite	1.139	\$530.69	\$63,200		119
General Inpatient	1.139	\$1,192.77	\$426,139		357
		Total	\$5,467,100		23,788
			Days from Schedule 7		24,060
			Difference		272
			Percentage Difference		1.13%

As such, the applicant’s projected patient days are 1.13 percent or 272 days more than the number of patient days calculated by staff. Revenues appear to be understated, which is a conservative assumption. Operating profits from this project are expected to increase from a net loss of \$147,178 in year one to a net profit of \$722,337 in year two.

Conclusion:

This project appears to be financially feasible.

- e. Will the proposed project foster competition to promote quality and cost-effectiveness? ss. 408.035(7), Florida Statutes.**

Strictly, from a financial perspective, the type of price-based competition that would result in increased efficiencies, service, and quality is limited in health care in general and in hospice specifically. 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 hospice, price-based competition is almost non-existent. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited.

Conclusion:

Strictly, from a financial perspective, this project will not have a material impact on price-based competition.

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035(8), Florida Statutes; Ch. 59A-4, Florida Administrative Code.**

There are no construction costs and methods associated in establishing the proposed hospice program.

- g. Does the applicant have a history of providing health services to Medicaid patients and the medically indigent? Does the applicant propose to provide health services to Medicaid patients and the medically indigent? ss. 408.035 (9), Florida Statutes.**

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108). Hospice care also must be provided regardless of ability to pay and regardless of age, race, religion, sexual orientation, diagnosis, payer source or financial status. Therefore, the Agency will not impose a charity care or Medicaid patient day condition on an applicant.

Arc Hospice of Florida, LLC does not provide monetary or utilization data of its provision of care to Medicaid and indigent patients. Arc's Schedule 7A shows Medicaid will be 3.5 and charity care 1.0 percent of year one and year two total annual patient days.

F. SUMMARY

Arc Hospice of Florida, LLC (CON application #10817) is a for-profit Florida Limited Liability Company, whose parent—American Hospice Systems owns and operates Arcturus Hospice and Palliative Care in Norcross, Georgia. Arc has a newly licensed Service Area 3E program and two CON approved hospice programs pending licensure in Service Areas 3A and 10.

Arc anticipates issuance of license and initiation of service in July 2025 with the total project cost being \$612,912.

Arc's Schedule C lists 11 conditions to the project's approval.

Need/Access:

Arc Hospice of Florida, LLC (CON application #10817) contends that need for the project is based on:

Unmet needs are stated to include:

- Select areas within Orange County within Service Area 7B have a lower rate for patients discharged to hospice
- Gap in services for the non-cancer, elderly cohort
- Underserved sub-population groups:
 - Care for patients with the following disease categories:
 - Heart Disease
 - Cancer
 - Cerebrovascular Disease
 - Chronic Lower Respiratory Disease
 - Dementia/Alzheimer's Disease
 - Chronic Liver Disease and Cirrhosis
 - Care for ethnic and race population cohorts such as Hispanics and African Americans
 - Care for the Veteran population
- Arc forecasts 223 admissions (10,035 patient days) in year one and 401 admissions (24,060 patient days) in year two.

Quality of Care:

Arc Hospice of Florida, LLC (CON application #10817) provided a detailed discussion of its ability to provide quality care.

Financial Feasibility/Availability of Funds:

- Funding for this project and the entire capital budget should be available as needed.
- This project appears to be financially feasible.
- Strictly, from a financial perspective, this project will not have a material impact on price-based competition.

Medicaid/Indigent/Charity Care:

Hospice programs are required by federal and state law to provide hospice patients with inpatient care when needed (42 Code of Federal Regulations 418.108)

- **Arc Hospice of Florida, LLC** does not provide a detailed discussion of it or its parent's/affiliate's history of service to these patients. Schedule 7A shows Medicaid will be 3.5 percent and charity care 1.0 percent of year one and year two total annual patient days.

G. RECOMMENDATION

Deny CON #10817.

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: December 20, 2024



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