

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**Hospice of Florida, LLC/CON application #10818**

12470 Telecom Drive, Suite 301  
Temple Terrace, Florida 33637

Authorized Representative: Rhonda White, President, Hospice & Pace  
(866) 204-8611

**2. Service District/Subdistrict**

Service Area 8D (Sarasota County)

**B. PUBLIC HEARING**

No public hearing was requested or held.

**Letters of Support**

**Hospice of Florida, LLC (CON application #10818)** submitted approximately 60 letters of support including:

- Colleen Burton, State Senator, District 12 (part of Polk County)
- John Richards, Administrator, Sarasota Health and Rehabilitation Center (form letter stating “interested in further collaboration...on higher acuity patients, through a GIP level of care relationship”)
- Teresa Martin, NHA, Avia Senior Living (states “would welcome partnering with Chapters Health to provide ..GIP services..”)
- Upali Ranasinghe, DO, FPG Physician Hospitalist at Sarasota Memorial Hospital
- Toni Yeomans, Director of Business Development, Assisting Hands Home Care
- Melissa Steiner, BSN, CCM, ACM-RN, Manager, Case Management, Dedicated Senior Medical Center
- Approximately 38 form letters from Sarasota residents and unidentified locations
- Approximately 15 letters from outside the service area.

**Letters of Opposition:**

Geoffrey D. Smith of Smith & Associates on behalf of Affinity Care of Sarasota, LLC, a licensed hospice provider in SA 8D, writes in opposition to the Hospice of Florida, LLC (Chapters) application to establish a new SA 8D program. Mr. Smith argues that there is no need for a new hospice program based on:

- 1. Lack of Numeric Need:** According to the Agency's August 2024 batching cycle Fixed Need Pool projections, Service Area 8D does not have a projected unmet hospice admissions gap of 350 or greater, which is the threshold for approving a new hospice program. The numeric need (FNP) decreased from 276 in the February batch to 228 in the August batch. Mr. Smith also notes that the applicant did not challenge the 'zero' FNP for this batch.
- 2. Lack of special or not normal circumstances** that would warrant approval of a new hospice provider, as there is no specific terminally ill population being underserved or lack of access to hospice care. Mr. Smith states that Affinity Care of Sarasota and Tidewell Hospice are both established and reputable hospice providers offering high-quality care and services to patients and families. Affinity/Continuum services available in the SA include Intensive Service visits, weekly psychosocial and spiritual care, equine therapy, virtual reality, specialized outreach programs, specialized clinical programs (such as CHF, COPD, Alzheimer's and dementia) and Affinity's Certified End of Life Doulas to decrease inpatient hospice admissions.
- 3. No special circumstances based on enhancements in quality of care – Visit Frequency** because Affinity Sarasota averages seven visits per week (seventh highest of all Florida hospices) in 2023 based on Medicare data compared to the low number of visits and the Chapters programs “rank at the bottom quartile “and below the state average. The proposed new hospice program does not offer any significant improvements in quality of care, such as increased visit frequency or specialized programs, per Mr. Smith. Affinity Care of Sarasota is also doing a better job than most Chapters programs in getting patients into hospice care earlier in the disease process.
- 4. No special circumstances based on enhancements in quality of care – length of stay issues** – Affinity provides a table comparing it with the five Chapters programs, which show Affinity has considerably less patients (29.6 percent) admitted whose length of

stay was seven days or less. Chapters programs ranged from a low of 40.5 percent (LifePath Hospice) to a high of 56.5 percent (Good Shepherd Hospice).

- 5. No special circumstances based upon availability of GIP Care –** Affinity’s intensive service model is cited as helping to “eliminating the need” for inpatient hospice treatment. Affinity also notes that Tidewell Empath’s “hospice house model of care” contending Tidewell ‘extensive use of GIP level of service certainly negates any argument that there is a not normal need in the service are based on lack of availability”.
- 6. No special circumstance based upon service by race/ethnicity** - the combined efforts of Tidewell and Affinity/Continuum have improved the hospice penetration rate for service to Black and Hispanic patients in Sarasota County, which is above the state average.
- 7. No special circumstances based on outmigration issues** as outmigration (out of the service area) rate for Sarasota County residents is unremarkable and does not indicate a special or not normal circumstance.
- 8. No geographic, financial or programmatic barriers to access** exist in Sarasota County and “the addition of Chapters’ new hospice program does not address any community need and is likely to result in substantial adverse impacts to the existing providers with negative impacts to the community and available services”.
- 9. Impacts on health care staff resources** is addressed with Affinity noting the labor supply shortage and contending that the introduction of Chapters program could increase competition for “a limited pool of qualified staff during a time of growing demand for health care services”. The approval of a new program does not “justify the potential negative impacts on staff availability and costs”.
- 10. Chapters will duplicate a model of care already available in Sarasota County –** as demonstrated by Tidewell and Chapters both non-profits, the addition of Chapters would duplicate Tidewell in that both rely “upon donations from the community” and use the model of care.

- 11. Chapters history of operations does not demonstrate it will enhance access...and Chapters has ample opportunity to increase utilization in its existing areas** – Affinity cites the slow start-up/low utilization of Chapters programs in Miami-Dade, Pinellas County and Service Area 3A contending Chapters would be “better served by seeking to expand its existing operation(s)..”

Mr. Smith concludes that the applicant cannot demonstrate any special or not normal circumstance that would warrant project approval and CON application #10818 should be denied.

Seann M. Frazier, Attorney with Parker Hudson, representing Empath Tidewell Hospice, Inc. also contends there is no need for an additional service area hospice program based on but not limited to:

1. The Agency's long-established need methodology establishes that there is no need for an additional hospice program in SA 8D.
2. In the absence of a numeric need, Hospice of Florida must demonstrate "special circumstances," which it cannot do.
3. In the absence of need, statutory and rule review criteria weigh heavily against approval
4. The applicant’s “attack on the Agency’s Need Methodology is Not a Special Circumstance” contending that the FNP “calculation assumes an inappropriate reduction in the percentage of Sarasota deaths that will be supported by hospice care, resulting in an under-forecast of hospice demand”. Mr. Frazier advises that if Chapters believes the Agency’s “need methodology should be changed it should challenge the Hospice Rule—not in a CON application”.
5. There is no merit to the applicant’s assertion of outmigration or underservice to patients needing GIP level of care – this is ‘wholly unsupported’ with Mr. Frazier citing Sarasota’s having an outmigration rate of 9.5 percent compared to the state average of 10.5 percent. Tidewell’s GIP level of care accounted for 4.3 percent of its CY 2023 and “so far” is averaging 4.5 percent of its CY 2024 total patient days.
6. African American, Hispanic, and Asian Patients in Sarasota County are well-served by the existing providers. Medicare death service ratio by race/ethnicity for CY 2015-2024 is provided to support this contention. Hospice of Florida cannot demonstrate that a county in the service area is not being served.

7. High Quality and accessible hospice services are already provided to residents in the service area. Tidewell's CAHPS are cited as exceeding the State average and exceeding HPH and LifePath (two of Chapters 'long-standing' programs).
8. The applicant will have to compete for already scarce health care personnel – Tidewell cites the nursing staff shortage and notes that Chapters would have to recruit from “the same limited pool of qualified nurses”.
9. The applicant's proposal will not enhance access for SA residents – Tidewell cites the overall, African-American, Asian and Hispanic resident service as all exceeding the state average. Further, Chapters' CareNu (its value-based care initiative) is already available through Tidewell which offers an array on non-hospice services such as home health, personal care and palliative care.
10. The applicant's proposal will not foster competition that promotes quality or cost-effectiveness as Tidewell has shown it provides superior quality of care compared to Chapters.

Mr. Frasier concludes by urging the denial of Hospice of Florida's application noting that the FNP number has decreased since the previous batch there is no need for a new program in Sarasota County – Service Area 8D.

**B. PROJECT SUMMARY**

**Hospice of Florida, LLC (CON application #10818)** also referenced as HOF, or the applicant is a Chapters Health System (CHS) affiliate proposing to establish a new hospice program in Service Area 8D (Sarasota County). CHS affiliates provide hospice services in Service Areas 3A, 3B, 3C, 3D, 3E, 5A, 5B, 6A, 6B, 7B, 8C, 9B and 11. CHS will provide full financial, management, and operational support throughout the development, startup, and ongoing operations of the proposed hospice program.

The applicant expects issuance of license on December 20, 2025, and initiation of service on January 1, 2026.

The applicant indicates the total project cost is \$421,636. The applicant's Schedule 1 project costs add up to \$421,635 and include building, equipment, project development, and start-up costs.

Hospice of Florida, LLC proposes 15 Schedule C conditions and condition #16 on the application's page 18 to the project's approval:

**(A) Special Programs/Services**

1. Chapters VALOR program — implemented within 90 days of opening (licensure) to serve not just the significant veterans' population in Sarasota County (9.5% estimated from the 2020 Census), it will also serve other past and present first responders in Law Enforcement, Emergency Medical Providers, Firefighters, and aligned professionals. Honoring these individuals service and selflessness through a program significantly like the We Honor Veterans Program, of which Chapters' hospices were Level 4 members before instituting its own VALOR program.
2. SAGE Care Certification — achieved during first year of operation to better treat patients and families with compassion and understanding for the LGBT community.
3. Pet Peace of Mind — program resources available within 90 days of opening to alleviate fear, grief, and guilt regarding patient's pets and to help encourage them to continue to interact with and have present these dear companions. The program provides resources as needed, even as simple as food, as well as pet-sitters/dog-walkers, and ultimately caring homes for these pets after their people are gone.
4. No later than eighteen (18) months after initial licensure, HOF shall provide an annual children's bereavement camp to the families of patients in the 8D area. These programs assist children with their grief, in part through interaction with other children who have similar experiences.

**(B) Comprehensive, High Quality, Service Delivery**

5. Electronic Medical Records, tele-health and virtual visit services will be utilized beginning from initial licensure. The use of electronic medical records by our staff in the field releases them from the need to routinely go to a hospice office. This allows them to be more mobile and more efficient in serving patients in the field, or in a facility like a SNF or ALF. Tele-health and virtual visits have greatly enhanced patient services because their concerns or issues can be more quickly addressed, including making visual reviews. Patients find

these services to be greatly beneficial, and the patients overcome a natural reluctance to ask about something they may feel is not significant enough to summon a care provider to visit for, and thus these visits make the patient's care more comprehensive.

6. The hospice's office will be located in the Northern part of the County (zip codes 34232, 34234, 34235, and 34237) in order to have a presence in the underserved African American and Hispanic communities identified in the Application in the vicinity of the city of Sarasota. This office also will have easy access to the main thoroughfares in the county, US 41 and I-75. Again, because of the mobility of hospice staff due to the use of electronic medical records and other means, the location of the office does not control the delivery of services in the county. From this location we will be able to serve all County residents.
  
7. By the end of the second year of operation, HOF shall have at minimum two (2) local facilities in the County under contract to provide GIP to its hospice patients. General Inpatient Care is a level of hospice care under the Medicare guidelines which should be provided on a temporary basis to a patient whose condition is unstable, or they require intensive monitoring for pain or symptom control. Having at least two available facilities during the early period of operations will ensure 8D residents have access to this level of care within Sarasota County.
  
8. Comprehensive Patient & Family Care Handbook provided to all Patients and family care givers upon admission. The Handbook will be made available in translation for patients or families for whom English is not their primary language. The Patient & Family Care Handbook is a useful tool to educate the patient and family members about hospice, the services available to them, and somewhat similar to what the popular book "What to Expect When You are Expecting" does for expectant parents to help them understand what is part of the normal course, and what is not and should be quickly addressed, this is what the Patient & Family guide does, including sections specific to disease processes and other clinical issues which the patient may experience.

**(C) Enhance Service Availability and Quality in Sarasota County**

9. Collaboratively work with the Senior Friendship Centers of Sarasota to identify segments of the senior community needing greater access to care. As part of this collaboration Hospice of Florida, LLC shall provide an annual grant to the Senior Friendship Centers of Sarasota in the amount of \$25,000 per year during each of the first three (3) years of HOF providing licensed hospice services in 8D
10. Extend Chapter's educational resources to provide free CEU in-services to the health care community in Service Area 8D. Topics will cover a wide range of both required and hospice related subjects. During the first three (3) years of HOF providing licensed services, HOF shall provide an annual report of the in-person and virtual events, as well as a digest of the total number of courses provided and CEUs earned by local 8D health care professionals.
11. HOF will provide clinical preceptorships, extern opportunities, clinical didactics, and clinical workshops to medical professionals and students studying to become medical professionals and aligned providers, such as Chapter's other hospices have established and provided for years (such as Chapters ongoing educational activities and research activity with the University of South Florida).
12. HOF will apply before the end of its second year of operations to become a GUIDE participating site as part of its enhancement to the local health care delivery system and expanding options for care.
13. HOF will implement its "Home for Good" model care upon licensure which provides additional staff to assist patients and families to fulfill their wishes to die at home and avoid institutional placements or hospitalizations – this is a key segment of the Sarasota population which currently is being placed in institutional care settings.
14. HOF will provide comprehensive education to all of its staff on Diabetes/ESRD care, Pulmonary care, Wound care, Cardiac care, Alzheimer's/Dementia care, and Grief/Bereavement care both at orientation and on an ongoing basis.



15. HOF will support and provide grief support for the community at large and will offer support groups and caregiver support groups available to the public. Further, HOF will reach out to and support bereavement and grief services in local schools, facilities, and businesses when a sudden or tragic death has occurred affecting those communities.
16. HOF will provide AHCA copies of Significant Named Storm Event after-action reports within 6 weeks of the conclusion of the Declaration of a State of Emergency which detail where processes can be improved and a report of how it will improve its Disaster Preparedness and Response protocols.

Hospice of Florida, LLC also discusses the proposed conditions and measures on the application's pages 15-18.

*The proposed conditions 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.*

#### **D. REVIEW PROCEDURE**

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes. These criteria form the basis for the goals of the review process. The goals represent desirable outcomes to be attained by successful applicants who demonstrate an overall compliance with the criteria. Analysis of an

applicant's capability to undertake the proposed project successfully is conducted by assessing the responses provided in the application and independent information gathered by the reviewer.

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

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

As part of the fact-finding, the consultant, Gregory Keeter, analyzed the application with consultation from Financial Analyst Derron Hillman of the Bureau of Central Services, who evaluated the financial data.

**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, zero need for a new hospice provider in Service Area 8D (Sarasota County) for the January 2026 hospice planning horizon. There are presently two providers in SA 8D – Empath Tidewell Hospice and Continuum Care of Sarasota LLC (licensed June 18, 2021). SA 8D's hospice admissions during the most recent 12 months ending June 30 of each year are shown in the table below.

**Service Area 8D  
Hospice Admissions  
12 Months Ending June 30**

<b>Hospice</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020*</b>
Continuum Care of Sarasota, LLC	674	462	194	0	0
Empath Tidewell Hospice	4,504	4,593	5,124	5,078	4,509
<b>Total</b>	<b>5,178</b>	<b>5,055</b>	<b>5,318</b>	<b>5,078</b>	<b>4,509</b>

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: \*2020 includes 2,123 July-December 2019 admissions which were not published due to the cancellation of the July 2020 batching cycle.

HOF contends that the Agency’s need forecast (228 additional admissions for the planning horizon) does not accurately reflect the true needs of the local hospice marketplace and notes its application is a special circumstances one in the absence of need. The applicant’s “overview of need for this project” includes:

1. The FNP forecast assumes an inappropriate reduction in the percentage of Sarasota County deaths that will be supported by hospice care, leading to an under-forecast of true hospice demand and need in the county. The applicant contends that “conservatively assuming no increase in hospice care penetration” well over 350 unserved patients are forecast for the January 2026 planning horizon.
2. Continuum Care of Sarasota (Affinity Care of Sarasota) has failed to address the underserved General Inpatient Care (GIP) population and the overall general out-migration issues Continuum used to support approval of its project. The applicant contends the lack of GIP care in non-ALF settings limits access and leaves unmet GIP population out-migration resulting in Sarasota residents leaving the county for GIP care.
3. The African American, Asian, and Hispanic populations in Sarasota County have consistently had limited access to hospice care services, based on Medicare population death service ratios (hospice deaths divided by resident deaths) which are significantly below the White population rates.

In reference to the FNP’s assuming an inappropriate reduction HOF To address these challenges, HOF contends its new hospice program will focus on providing high-quality, culturally sensitive care to all populations, regardless of race, ethnicity, or socioeconomic status. The program will aim to:

- Increase access to hospice care for all populations, including those who have been underserved

- Provide GIP services to meet the needs of patients who require this level of care
- Address the out-migration issue by providing care to patients who would otherwise leave the county to receive GIP services

HOF contends it will address these unmet needs, providing high-quality care to all populations and its proposed program will help to improve the overall health and well-being of Sarasota County residents.

HOF states, “The proposed project is being filed to address the “not normal” special circumstances currently in place within the Sarasota County, Service Area 8D hospice market, which it contends on their own, and in aggregate, are sufficient to warrant the approval of an additional hospice in Subdistrict 8D.

The applicant cites Rule 59C-1.0355(3)(b), Florida Administrative Code and emphasizes that a new Hospice program shall not be approved in the absence of a numeric need indicated by the formula in paragraph (4)(a) of this rule, *unless other criteria in the rule and in Sections 408.035 and 408.043(2), Florida Statutes, outweigh the lack of a numeric need. The reviewer notes reference to s. 408.043(2) Florida Statutes has been changed to s. 408.043 (1) Florida Statutes with the 2019 statutory revisions.*

HOF contends that Sarasota County faces a critical shortage of hospice care options, prompting HOF to propose a new program. Current forecasts significantly underestimate the need for hospice care, leaving many residents without access and the existing programs prioritize assisted living facilities, neglecting in-home care and complex inpatient needs. This creates gaps for residents requiring specialized care settings.

Furthermore, African American, Asian, and Hispanic communities have consistently lower hospice utilization rates compared to the white population. This suggests a lack of access or cultural competency within the current system.

Hospice of Florida, LLC aims to bridge these gaps by:

- Expanding capacity to serve more residents.
- Offering comprehensive care in various settings, including in-home and complex inpatient facilities.
- Prioritizing improved access to hospice care for underserved minority communities.

The applicant contends that approval of its proposal, will ensure all Sarasota County residents receive appropriate end-of-life care, regardless of their background or care needs. HOF cites the hospice need forecast

for Sarasota County predicts 7,404 deaths for CY 2026, with 5,406 residents projected to utilize hospice services during that same period. This translates to a need for 228 additional hospice patients compared to current numbers.

A key element of this hospice patient volume forecast is the assumption regarding the percentage of projected deaths in Sarasota County that will utilize hospice care. This percentage is determined by comparing hospice admissions from July 2023 to June 2024 with the resident deaths recorded in calendar year 2022. The applicant indicates the Agency's Sarasota County forecast, will result in 73.0 percent of the total forecasted deaths in Sarasota County will have hospice support, which is lower than the current 76.7 percent of total deaths supported by hospice.

Following the same approach used in the fixed need forecast, comparing CY 2023 hospice admissions to the CY 2022 resident deaths, data from the July 2025 Hospice Projections show that comparing Sarasota County's July 2023 to June 2024 hospice admissions (5,178 admissions) to Sarasota County's CY 2022 resident deaths (6,747 deaths) results in the reality that 76.7 percent of Sarasota County deaths are being supported by hospice care.

HOF states that due to the lack of data on Sarasota County hospice volumes by condition and age, calculating the total percentage of deaths supported by hospice care is the appropriate method for comparing current figures with the fixed need pool forecast percentages.

While Continuum/Affinity Care of Sarasota reports hospice volumes by clinical and age group for Sarasota County residents, Empath Tidewell Hospice, the largest provider in SA 8D, provides combined hospice volumes across multiple areas. Consequently, the percentage of Service Area 8D resident deaths supported by hospice care—segmented by Cancer/Non-Cancer and Under/Over Age 65—cannot be determined. Thus, using the total all-death percentage is the most reasonable approach for comparing the actual versus fixed need forecast percentages of deaths supported by hospice care.

The current percentage of Service Area 8D deaths supported by hospice care being higher than the forecasted percentage in the fixed need forecast is significant. The applicant contends that the state's average of the 73.0 percent of total deaths supported by hospice in the fixed need forecast should be replaced by the existing providers 76.7 percent for Sarasota County. This would result in the projected number of hospice patients in Service Area 8D would increase from 5,406 in the current

AHCA forecast to 5,679 when applying the actual rate. This is essentially an alternate need formula designed specific to Sarasota County and appears to indicate that the existing providers hospice penetration rate, which is above the state's average is a negative factor, which it is not.

The applicant incorporates provisional death data from FloridaCharts for Sarasota County, which reveals that there were 6,377 deaths in 2023 (as of October 2024). By examining the ratio of deaths supported by hospice care during this period, it is determined that 81.2 percent of deceased individuals were under hospice services based on the hospice admissions recorded during the same timeframe. This updated data suggests that the gross projected need for Service Area 8D increases to 6,012, resulting in an unmet need of 834 patients. This is alternate need formula which is using one year of provisional deaths compared to the FNP formula three-year average required by rule.

HOF notes that Sarasota County, located in Service Area 8D, has only two licensed or approved hospice programs, resulting in a ratio of 2.7 hospice programs per 10,000 resident deaths. This figure is considerably lower than the statewide average of 4.0 hospice programs per the same number of resident deaths, as indicated by the August 2024 Hospice Need Projections for calendar year 2026. This discrepancy underscores the necessity for an additional hospice program in Sarasota County to ensure competitive options are available and accessible, thereby enhancing local awareness of hospice care services.

The applicant highlights that the current ratio of 2.7 programs per 10,000 resident deaths positions Sarasota County as having one of the lowest rankings in the state, specifically tied for the fourth lowest. To align with the Florida average of 4.0 hospice programs per 10,000 resident deaths, the addition of at least one more hospice program (approximately 0.96 additional programs) would be necessary. See the chart on page 48 for more information. HOF contends this demonstrates the SA is underserved in the number of competing hospice programs "resulting in a less competitive marketplace than observed elsewhere in Florida". HOF's table on the application's page 48 shows Service Area 8C, which has two providers, has the lowest ratio at 1.9 programs per 10,000 deaths, yet Chapters contends that only one hospice provider is needed contesting the entry of the second service area provider. 8C has a much larger population, deaths and more admissions than 8D.

Furthermore, the applicant emphasizes that the proposed expansion of hospice education and awareness, alongside improved hospice services for underserved minority populations in Sarasota County, is vital. This expansion would also focus on enhancing in-home services and addressing the significant unmet community needs associated with the

outmigration of patients seeking hospice care outside of the county. HOF contends that Continuum/Affinity Care of Sarasota has been unable to meet the hospice care needs of all residents in Sarasota County across various levels of care and end-of-life settings. This inadequacy has left certain populations, particularly within the general inpatient care and Hispanic hospice patient segments, underserved.

The applicant discusses Continuum Care of Sarasota's Certificate of Need (CON) application first submitted to the Agency in December 2019, which advocated for the establishment of a second full-service hospice provider in SA 8D to offer a strong alternative to Tidewell (now Empath Tidewell), which was then the only hospice provider in Sarasota County. The application highlighted the critical outmigration of hospice patients, which was attributed to Empath Tidewell's operation of additional Hospice Inpatient Facilities outside of Sarasota County. Tidewell was reportedly transferring Sarasota County residents to its inpatient and residential facilities located in other parts of southwest Florida. The Continuum CON application ultimately received initial approval from the Agency after it was demonstrated that the underserved hospice population in Sarasota County was being forced to leave the area for care. The applicant contends a close examination of Continuum/Affinity Care's operational details reveals that the program has not successfully provided comprehensive hospice care coverage across all population segments, care levels, and locations within the Sarasota County hospice marketplace.

Continuum/Affinity Care of Sarasota's Medicare patient data from 2022 and 2023 Medicare Cost Reports reveals that in 2022, zero percent of its patient days were GIP days, and in 2023, this figure rose only slightly to 0.5 percent. In contrast, Florida hospices statewide provided 2.8 percent of total patient days as GIP care in 2022, dropping to 2.4 percent in 2023. HOF contends this data highlights a clear lack of focus on GIP care within Continuum/Affinity's corporate strategy, indicating that they are unlikely to resolve the ongoing issue of Sarasota County residents needing to seek out-of-county care for GIP services.

HOF contends that the primary emphasis of the Continuum/Affinity operation is on providing care in Assisted Living Facility (ALF) settings, where GIP care is not typically offered. Continuum/Affinity Care of Sarasota had an astonishing 56 percent of its census provided in ALF settings during 2023/2024, which indicates an exceptionally high proportion of ALF care, nearly twice the level of ALF care provided statewide. Notably, Continuum/Affinity Care of Sarasota recorded the highest percentage of ALF care among all Florida hospices in both 2023 and 2024. Furthermore, two other Continuum/Affinity Care operations, located in Broward and Miami-Dade, ranked second and third,

respectively, for ALF care percentages statewide in 2023, and second and fourth in 2024. This data underscores a significant lack of focus on GIP care within the Continuum/Affinity Care framework in Florida.

The applicant next addresses the one-day census data reported by Affinity Care for January 1 and July 1 in the years in the table below.

**Continuum Care of Sarasota LLC – distribution of hospice census by care setting**

Year	Home	ALF	Nursing Home	Hospital	Hospice Facility	Other	Total
2021	25.4%	42.4%	32.2%	0.0%	0.0%	0.0%	100%
2022	29.6%	49.4%	15.7%	0.0%	0.0%	5.3%	100%
2023	30.3%	56.2%	13.5%	0.0%	0.0%	0.0%	100%
2024	29.4%	55.8%	14.8%	0.0%	0.0%	0.0%	100%

Source: CON application 10818, Page 51, HealthPivots, data from Medicare Hospice Claims for CY 2021, 2022, 2023 and the 12 months ending March 2024.

HOF believes this data clearly indicates that Continuum/Affinity Care of Sarasota has no emphasis on providing care to GIP patients, failing to address the identified issue of underserved GIP care in Sarasota County or the outmigration problem noted during the approval of the Continuum of Sarasota CON application.

The assessment continues by estimating the total GIP Average Daily Census (ADC) for Empath Tidewell serving Sarasota County residents, which includes both Medicare and non-Medicare patients. Analysis indicates that a substantial 95 percent of the total volume for Empath Tidewell from Sarasota County consists of Medicare patients. By applying this ratio, we estimate an overall GIP ADC of 23.8 patients for both Medicare and non-Medicare individuals, calculated as follows: the Medicare ADC of 22.6 is adjusted to account for the five percent non-Medicare patient volume. Empath Tidewell's facilities in Sarasota County have 18 licensed inpatient hospice beds and the applicant applies an 80 percent occupancy standard to provide the measure of bed availability. HOF estimates that Empath Tidewell effectively has a capacity of 14.4 licensed inpatient hospice beds on an annual basis.

The final analysis of the Empath Tidewell data (see the applicant's table on page 53) indicates a significant disparity between the average GIP ADC of 23.8 patients and the effective bed capacity of 14.4 licensed inpatient hospice beds (18 freestanding inpatient hospice beds at 80 percent occupancy). The calculation shows that of the total GIP ADC of 23.8 patients, 9.4 patients are served out of county (calculated as 23.8 total GIP ADC minus 14.4 (effective bed capacity)). The applicant contends its comparison illustrates that Empath Tidewell is shifting 39.5 percent of its GIP volume for Sarasota County residents out of county.



HOF concludes this percentage highlights the critical issue of access to hospice care for GIP patients from Sarasota County, and if some of the available inpatient bed capacity is dedicated to non-GIP care patients, the percentage of Sarasota County residents being served out of county would likely increase.

Distinctly different from Continuum/Affinity Care's approach of not providing care to GIP patients is the methodology adopted by Chapters Health System affiliated programs. According to 2023 data from the same Medicare Cost Report source, the GIP days provided by various Chapters Health System programs far exceed the Florida average of 2.4 percent. For instance, Good Shepherd offered 5.6 percent of its patient days as GIP care, while Haven Hospice provided 4.8 percent, Hope Hospice provided 4.2 percent, HPH Hospice provided 3.4 percent, Cornerstone Hospice offered 2.9 percent, and Lifepath Hospice contributed 2.7 percent. In contrast to Continuum/Affinity Care, all remaining Chapters-affiliated Florida hospice programs delivered some level of GIP care to patients in need.

The proposed HOF program forecasts that three percent of its days will be GIP patient days, which is above the Florida average. This forecast underscores the urgent need to address the underserved GIP population in Sarasota County. HOF contends its proposed operation has the capacity to make a substantial impact on this underserved demographic and help mitigate the outmigration problem.

The applicant is well-equipped with the resources and experience from existing Chapters operations, enabling them to establish the necessary priorities, programs, and services required to effectively serve this underserved GIP patient population. This effort seeks to provide an option for patients currently receiving residential services outside the county to return home for care. HOF commits to establishing at least two inpatient contracts by the end of the second year of operation. Moreover, a letter from Aviva — Benderson Skilled Nursing & Rehabilitation Center confirms the facility's willingness to enter into a contract with HOF for hospice inpatient services, further demonstrating the program's readiness to fulfill this vital need in the community.

An important consequence of Continuum/Affinity Care of Sarasota providing an extremely high percentage of its care to patients in ALFs and SNFs, coupled with Empath Tidewell's focus on treating patients in their inpatient facilities, is the low percentage and number of Sarasota County hospice patients who are actually treated in their homes. HOF contends this situation creates a significant gap in access to hospice services that allow patients to experience end-of-life care in the comfort of their own homes. HOF contends it will work within the Service Area

8D/Sarasota County marketplace to bring hospice care into the home setting, ensuring that Sarasota County hospice patients have a genuine option for receiving end-of-life support in their familiar and comfortable home environment. By prioritizing home-based hospice care, HOF aims to shift the current care paradigm and address the specific needs of patients and families in Sarasota County. Further, the applicant will implement a new program called "Home for Good." This initiative will include extended Hospice Health Aide (HHA) hours and services tailored to patients transitioning from the hospital to their home setting. With caregiver approval, the HHA will be present to welcome and receive the patient in their home once they arrive from the facility. This proactive approach not only ensures a smooth transition for the patient but also provides essential support to both the patient and their family during a vulnerable time.

The applicant contends Service Area 8D has a disproportionate number of hospice patients placed in facilities, whether through freestanding or leased hospice inpatient facilities provided by Empath Tidewell, or through Continuum/Affinity, which primarily serves patients in local nursing homes and ALFs. This trend indicates that a substantial portion of the local population does not have the opportunity or choice to die at home. HOF states that, "Clearly, the majority of hospice eligible residents of Sarasota County are not being provided care which enables them to die at home, and this has been a long-standing trend." The applicant's "Resident Deaths by Place and Death, Sarasota County" table shows locations where residents passed away between 2018 and 2022. Total resident deaths increased from 5,873 in 2018 to 6,747 in 2022, amounting to 33,066 deaths over five years. HOF notes the "Decedent's Home" category consistently accounts for approximately 28 to 30 percent of deaths each year, indicating a stable preference for dying at home.

Hospice deaths show a similar stability, ranging from 16 to nearly 20 percent, suggesting growing acceptance and utilization of hospice care. However, nursing home deaths, which started at 18.4 percent in 2018, declined to about 15.1 percent by 2022. This reduction may indicate shifting care preferences, improvements in available end-of-life options, or perhaps an increased focus on home care.

Inpatient deaths rose from 21.8 percent to 25.6 percent during this same period, while emergency room/outpatient deaths remained low at around three percent. The "unknown" and "hospital-unknown status" categories make up less than one percent of the total, indicating that most deaths are reported in known locations.

Despite the steady percentages of deaths occurring at home and in hospice care, the data raises questions about the adequacy of end-of-life care options. While a significant portion of residents are able to die at home, which is positive, the fact that only about 30 percent are doing so suggests that a considerable number of eligible residents are not receiving the necessary care to facilitate dying at home.

This contention is further underscored by the increase in inpatient deaths and the decline in nursing home deaths, which may imply that individuals are not being sufficiently supported with resources or services that would enable them to remain at home during their final days. Thus, the data suggests that while some residents are benefitting from home and hospice care, there remains a critical gap in end-of-life care availability for eligible residents in Sarasota County.

HOF is committed to serving all hospice patients and meeting their care needs and goals. A significant objective for many patients is to remain at home as long as possible, and for the majority, the expressed wish is to die at home with dignity. Relevant professional journal articles supporting this goal are provided in APPENDIX 16.

An analysis of the SA 8D market reveals referral patterns that show the preferred operating models of the two existing hospices, both of which are facility-centered. This operational approach may be a contributing factor to the hospice-appropriate populations who are not being provided with necessary hospice care.

Patients treated in ALF or Hospice Residential Care typically face costs for room, board, and services. Individuals without significant financial resources often find these expenses prohibitive, which can hinder their access to required hospice care. Additional insights and articles regarding these financial barriers can be found in APPENDIX 17. Another way the applicant provides perspective on the issue of facility-centric care is examining the Semi-Annual Reports submitted by the hospices, which provide a "point-in-time" analysis of patient census on the starting day of each six-month period (January 1 and July 1). A summary of the reported patient caseloads for Empath Tidewell and Continuum/Affinity of Sarasota compared to Cornerstone, one of the CHS hospice operations (See page 57 of the application for the full chart), is presented in the following analysis.

The data indicates that patients under Cornerstone's care have an 18.8 percent greater likelihood of receiving care at home (61.2 percent) compared to Empath Tidewell (51.5 percent). Additionally, Empath Tidewell treats 3.4 percent of its patients in hospice facilities, while Cornerstone treats only 1.9 percent of its patients in such settings.

Moreover, Continuum/Affinity has a significant disparity, as it cares for 70 percent of its patients in either ALF or SNF, in contrast to Cornerstone's 36 percent. The review notes that Cornerstone is one of seven Chapters programs and the applicant notes not indicate why it was chosen over comparing Chapters total utilization averages.

Furthermore, Continuum/Affinity reports that only 29 percent of its patients receive care in a home setting, which is less than one-third of its patient population. This "point-in-time" analysis corroborates data reported by the providers to Medicare, as well as the Place of Death report from FLHealthCharts.gov presented earlier, confirming the facility-centric nature of the SA 8D providers' practices.

HOF contends the situation necessitates education for referral sources, instilling confidence in placing patients in home settings rather than transferring them to facilities. Both education and action are essential. The applicant's focus of hospice education will emphasize the desires of patients at the end of life, rather than the existing preferred modes of care established by current hospice providers. By aligning care options with patient preferences, the applicant can facilitate a more compassionate approach to end-of-life care, ultimately enhancing the quality of life for those facing terminal illnesses. This commitment to education and advocacy aims to empower referral sources to make informed decisions that prioritize home-based care options. The applicant concludes there has been no effective resolution to the patient outmigration issue by Continuum/Affinity Care of Sarasota. Further, Chapters Health Care affiliated operations possess the ability, knowledge, and dedication necessary to address the outmigration of Sarasota County residents seeking hospice services.

The African American and Hispanic populations in Sarasota County are stated to have a significant pool of unmet need and lack of access to care with HOF indicating its review of hospice service utilization among county residents indicates that both the African American and Hispanic populations access hospice care at levels significantly lower than those of the white population. It is important to clarify that the ethnic Hispanic category is distinct from racial classifications; the Hispanic population is included within the White, African American, and other racial groups. This distinction underlines the necessity for targeted outreach and resources to ensure equitable access to hospice services for these underserved communities. Addressing these disparities is crucial in fostering a more inclusive and accessible health care environment for all residents of Sarasota County.

HOF contends that current Medicare death service ratios (hospice deaths divided by resident deaths) for distinct racial and ethnic population subgroups in Sarasota County reveal significant disparities in access to hospice care. The African American population has a death service ratio that is 19 percent lower than that of the White population, while the Hispanic population's ratio is more than 15 percent below the White population's rate. Importantly, these lower death service ratios are not isolated incidents; they have persistently remained below the levels seen in the White population over the past five years.

The Death Service Ratio is derived from Medicare patients based on hospice claims data released by the Centers for Medicare & Medicaid Services (CMS). HOF contends that addressing these discrepancies is essential to improve access to hospice services for the underserved populations in Sarasota County. See the table below.

**Death Service Ratio for Medicare Patients in Sarasota County  
(ratio of hospice deaths to resident deaths)**

Year	All	White	Black	Hispanic	Compared to White	
					Black	Hispanic
2024	0.642	0.649	0.526	0.548	81.0%	84.4%

Note: Data for 2024 are for April 2023 - March 2024.  
Source: CON application #10818, Page 59, HealthPivots Data Lab based on Medicare Hospice Claims.

HOF states that this is not a one-year issue and presents the following chart as evidence that these lower ratios have consistently occurred over the past years.

**Death Service Ratio for Medicare Patients in Sarasota County  
(ratio of hospice deaths to resident deaths)**

Year	All	White	Black	Hispanic	Compared to White	
					Black	Hispanic
2020	0.646	0.654	0.521	0.512	79.7%	78.3%
2021	0.625	0.635	0.451	0.463	71.0%	72.9%
2022	0.640	0.646	0.509	0.622	78.8%	96.3%
2023	0.640	0.638	0.533	0.550	83.5%	86.2%
2024	0.642	0.649	0.526	0.548	81.0%	84.4%

Note: Data for 2024 are for April 2023 - March 2024  
Source: CON application #10818, Page 60, HealthPivots Data Lab based on Medicare Hospice Claims.

HOF states that it is crucial to highlight that the provision of care by Continuum/Affinity Care of Sarasota to the Hispanic community in Sarasota County is a specific concern. Medicare claims data reported through the HealthPivots data set reveals that Continuum/Affinity Care of Sarasota has recorded no care provided to Hispanic patients as Medicare Data Use Agreement (DUA), the indication that Affinity Care shows a zero share for Sarasota County's Hispanic population.

Chapters/HOF Sarasota County's project aims to address these disparities and enhance access to care for this specific demographic. By fostering greater inclusivity and equitable health care service provision, this initiative seeks to ensure that Hispanic patients receive the hospice care they need and deserve, thereby improving overall health outcomes in the community.

HOF's review of the racial and ethnic characteristics in Service Area 8D indicates that Sarasota County has a lower percentage of African American residents compared to the Florida average. Similarly, the proportion of the population identifying as Hispanic—which includes individuals from all racial backgrounds such as White and African American—is also below the statewide average. Projections suggest that the total African American and Hispanic populations in Service Area 8D will experience significant growth. The Hispanic population growth is expected to surpass those of both the county's White population and the overall growth rates for Florida. When focusing on the age group most likely to utilize hospice care, specifically individuals aged 65 and older, the growth differentials for African American and Hispanic populations in Sarasota County are even more pronounced. The growth rates for the age 65+ segment within these minority groups is projected to significantly exceed the overall population growth rates for their respective racial groups, as well as the total population growth in Sarasota County and the State of Florida. As these populations expand, it is expected that there will be an increased demand for hospice services within these groups.

Between 2025 and 2030, Sarasota County is expected to experience varied growth rates across different demographic categories when compared to the state of Florida. The total population in Sarasota County is projected to grow at an average annual rate of 3.6 percent, with those aged 0-64 reflecting a rate of 3.4 percent and the 65+ age group at 2.7 percent. In contrast, Florida's total population growth is anticipated to remain stagnant at 0.0 percent, with a slight increase in the younger demographic and only marginal growth for the older population.

When examining the White population specifically, it is expected to grow at a total rate of 1.4 percent. The younger segment (0-64) will decline slightly by 0.9 percent, while the older segment (65+) is anticipated to grow at a rate of 3.1 percent. For the African American population in Sarasota County, total growth is forecasted at 1.0 percent, with the younger age group experiencing a slight decline of 0.4 percent and a more robust growth of 3.4 percent among those 65 and older.

The growth for all other races is projected to be relatively modest, with an overall rate of 0.3 percent for the 0-64 age group and 3.0 percent for those aged 65+. The Hispanic population, which is encompassed within the broader racial categories, is expected to grow significantly, particularly in the 65+ age group, which is projected to increase at a remarkable rate of 7.6 percent, contributing to an overall growth rate of 3.8 percent for the entire Hispanic demographic.

Overall, Sarasota County anticipates substantial growth, particularly among its Hispanic and older African American populations, reflecting a shift in the demographic landscape that will influence future services and community needs. The racial and ethnic data indicate a significant and expanding population of underserved residents in Sarasota County who are experiencing under-utilization of hospice services. This situation highlights a critical need for attention, particularly given that these groups are likely to benefit from increased accessibility to hospice care following the establishment of a new hospice provider and its effective programs tailored for minorities.

As discussed, the current and projected hospice care usage among the African American population in Sarasota County is notably lower, sitting at 19 percent below that of White residents, while the Hispanic population has a hospice usage rate that is five percent lower than their White counterparts. These disparities in hospice care utilization translate into a substantial number of residents who are facing the end of life without the support of hospice services. This gap underscores the urgency of addressing these deficiencies to ensure that all residents receive the compassionate care they deserve in their final days.

As indicated by the latest Florida Charts data for Sarasota County residents in calendar year 2022 (Chart on application's page 63), a total of 208 African American residents and an additional 208 Hispanic residents passed away. To address the disparities in hospice usage, if the hospice death service ratio for these racial and ethnic subgroups were to be aligned with that of the White population—resulting in a 19 percent increase for the African American population and a 15 percent increase for the Hispanic population—this adjustment would mean an additional 71 residents (40 African American and 31 Hispanic) would have potentially benefited from hospice care at the time of death in 2022.

Furthermore, applying the five-year forecast for growth in the 65+ population to these underserved groups suggests that through 2027, there could be at least 74 additional County residents per year accessing end-of-life hospice care who otherwise would remain unserved. This projection indicates need for enhanced hospice services tailored to meet the needs of the African American and Hispanic populations in Sarasota

County, ensuring that more residents receive the compassionate and essential care they require during their final days. The applicant contends Chapters' has success in expanding hospice care for minority populations in existing markets which has been established through vital connections with senior organizations and civic and religious groups that focus on addressing health disparities. HOF plans to adopt a similar strategy in Service Area 8D, with a targeted approach to building relationships within these communities and will employ outreach liaisons to cultivate similar relationships with organizations in Sarasota County. Key to this outreach initiative will be partnerships with faith-based organizations, akin to Chapters' established chaplaincy programs, which maintain robust ties with churches and other religious institutions within the African American community.

To further enhance hospice care and services for the African American demographic, HOF and Chapters will ensure that staff members are educated on the unique values and cultural experiences of African Americans. This knowledge will serve as a foundation for building connections with the community. Furthermore, the hiring practices at HOF will continue to reflect the diversity of the populations served, ensuring that staff members resonate with the community's cultural context. A specific strategic action taken by HOF to address the needs of the African American population is the deliberate placement of its proposed office in the northwest sector of Sarasota County. This area not only has a significant concentration of African American residents but also represents most African American deaths within the county.

A map illustrating the distribution of hospice-appropriate deaths among African Americans in Sarasota County is provided on page 65, showcasing the concentration of these deaths in proximity to the proposed HOF office. This visualization underlines the importance of the office's location in ensuring that the underserved population receives the hospice care and support they require.

Focusing on the Hispanic underserved community in Sarasota County, the applicant notes that this population faces unique cultural, linguistic, and religious challenges that often impede access to essential hospice care. The language and cultural barriers described in the death service ratio data highlight the need for targeted interventions to improve hospice care access for Hispanic individuals. This is further supported by numerous letters of endorsement included in the CON application that articulate the specific barriers faced by Hispanic residents.

One excerpt on page 65, from a letter of support, submitted in Spanish and translated, emphasizes the critical need for specialized health care providers to serve rural areas where quality hospice services are scarce.



The letter notes that minority groups within the community often lack awareness of and education regarding the services, benefits, and comprehensive care that hospice can offer. The author highlights the need for informing these communities about how hospice care can ensure dignity, support, and improved quality of life for patients and their families during end-of-life situations. This excerpt underscores the essential role of outreach and education in overcoming the barriers presented.

The consistent themes from the letters of support indicate several key challenges:

- 1. Lack of Awareness:** There is a widespread lack of awareness about the availability of end-of-life services, including hospice care tailored for minority populations in Sarasota County.
- 2. Need for Education:** There is a pressing need for education on the specific services and benefits hospice providers can offer, especially within the Hispanic community.
- 3. Barriers to Access:** The gaps in knowledge regarding medical services that provide quality of life and dignity during end-of-life care stem from a lack of dedicated providers promoting these services.
- 4. Expanding Services:** There's a clear call for existing hospice providers to expand their services to accommodate minority populations, particularly in the rural eastern regions of the County.
- 5. Support for HOF's Proposal:** There is an encouraging level of support for approving Hospice of Florida's CON application to serve as a hospice care provider in Sarasota County.

HOF intends to prioritize outreach to the Hispanic population by leveraging Chapters' successful Spanish-language programming and community development initiatives already implemented in other Florida hospice operations. Although current hospice providers have made some efforts to cater to the Hispanic community, the rapid growth of this population—especially among the elderly—combined with lower admission rates necessitates a responsive approach to address these disparities.

HOF is committed to delivering culturally sensitive care, which will significantly increase accessibility to hospice services for the Hispanic population in Sarasota County. Initiatives will include Spanish-language education and outreach activities, as well as the involvement of local bilingual volunteers to better serve this community. HOF emphasizes that it is also important to recognize the diversity within the Hispanic population, which comprises various cultural groups, each with its

unique perspectives on end-of-life care. With this understanding, HOF recognizes the importance of culturally informed staff training to foster trust, improve access, and provide personalized patient care tailored to the specific needs of this population and its hiring practices will reflect the demographic diversity of the service area to enhance the potential for meaningful connections and culturally competent care. Three examples of outreach programs it intends to offer include Tertulia Con Café, ENLACE and frequent participation in Hispanic Clergy Meetings.

HOF concludes that Sarasota County's large and growing underserved minority populations will be supported by Chapter Health's established programs, services, initiatives, and success to be used as important resources to enhance hospice care for these communities.

**2. Agency Rule Criteria and 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.**

The applicant reiterates portions of its GIP, African American and Hispanic discussions in its response to this preference.

**(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.**

Hospice of Florida, LLC plans to provide inpatient care for its new Service Area 8D hospice program through partnerships with existing healthcare facilities in Sarasota County. Specifically, HOF will contract with hospitals and skilled nursing facilities throughout the county to provide local access to inpatient care. The applicant cites its Aviva – Benderson Skilled Nursing and Rehabilitation Center's interest in providing GIP care and the condition to establish at least two contracted inpatient settings in Sarasota County by the end of year two of operations.

The applicant's Appendix 10 includes a list of the hospitals and nursing homes Cornerstone Hospice contracts with for inpatient and respite care.

**(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.**

Hospice of Florida, LLC states it will provide hospice services to patients without primary caregivers, the homeless, and patients with AIDS, just as Chapters has done. To address the issue of limited caregiver availability, HOF will develop individualized plans of care that prioritize the patient's safety and values. The proposed program will feature a caregiver program designed to support patients with inadequate caregiver services. This program will connect patients and families with community resources to provide caregiving services.

To serve homeless individuals, HOF will work with local hospitals, shelters, and community organizations to identify potential patients in need and find appropriate solutions. HOF will develop individualized plans of care that meet the patient's unique needs and values. Acceptable options for homeless patients include local VA housing and nursing homes for veterans, halfway housing, emergency homeless shelters, supportive housing, faith community resources, and homeless initiatives available in the service area. HOF staff will work with these local resources to find openings for its homeless patients.

Chapters' "No One Dies Alone" program will be used to offer companionship and support to patients nearing death but who have no family or close friends to sit with them at the end of life. This and similar support programs and services will be used in Service Area 8D. Patients with an HIV or AIDS diagnosis will receive the same level of care and attention as patients with any other diagnosis.

Chapters' policy of offering all patients access to hospice services if appropriately indicated will be continued by HOF in the Service Area 8D program. No patient will be refused service due to age, race, color, creed, religion, disability, diagnosis, sexual orientation, national origin, or ability to pay. Evidence of Chapters' commitment to serving all patients regardless of ability to pay is its provision of over \$7 million in charity care plus additional unfunded services provided in 2023.

- (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.**

Not applicable, Service Area 8D is comprised of a single county.

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

Hospice of Florida, LLC not-for-profit organization, provides a range of services that are not covered by private insurance, Medicaid, or Medicare at its existing hospice operations. One example of this commitment is the Open Access Program, which allows hospice patients to continue receiving aggressive palliative treatments, such as chemotherapy, radiation therapy, and dialysis, without having to choose between enrolling in hospice and ending the treatment. The applicant indicates this program is expensive to operate, but Chapters will ensure that it is financially viable in the short and long-term. Other programs include

- Extensive bereavement and grief support services for individuals and families
- CareConnect services providing a 24/7 centralized intake function for all Chapters interactions
- Caregiver support services that permit patients to remain in their homes
- "No One Dies Alone" program offering companionship and support to patients nearing death
- Complementary therapy services including aromatherapy, pet volunteers, and visitation
- Education programs for medical, nursing, social work, and allied health students
- Hospice and Palliative Medicine Fellowship Program at the University of South Florida
- Ongoing community education activities

HOF will partner with the Senior Friendship Centers in Sarasota, providing an annual \$25,000 grant for the first three years of operation (a proposed condition) to support the Centers' mission to empower older adults to live active, healthy lives.

- b. **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.**

Hospice of Florida, LLC states “There are no applicable Local Health Council Plans or State Health Plans to be used in the review this CON Application”. However, the applicant notes it did review local Health Department community assessments and evaluations “to best meet community end of life needs.” The reviewer notes that the applicant has very few letters of support from Sarasota County health organizations and social services organizations.

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

**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.**

Hospice of Florida, LLC’s Schedule 6 staffing levels for year one has 23.07 FTEs and year two will increase to a total of 32.50 FTEs.

The applicant states it is important to note that Chapters already employs several Sarasota County residents to provide care and support at its current operations. This existing staffing base, along with additional staff to be brought on board, will provide strong and necessary care and support to serve Sarasota County hospice patients.

Volunteers will be an important part of the hospice care provided and an integral part of the proposed Service Area 8D operation. All Chapters volunteers receive training specially designed to prepare them for their role in hospice care. The applicant plans to vigorously recruit, train, and use volunteer staff for the new program. HOF indicates Chapters had more than 3,000 volunteers

that provided a wide range of services, including patient and family support, bereavement support, administration, and fundraising. Chapters' volunteer programs materials are included in Appendix 21.

**(b) Expected sources of patient referrals.**

Hospice of Florida, LLC states Chapters currently receives referrals from physicians, hospitals, hospital discharge planners, social workers, nursing facilities, ALFs, HHAs, Managed Care Organizations, community health care programs and social service agencies, churches/faith groups, veteran’s groups and families. HOF notes Chapters CareNu program serves Sarasota County and will be a referral source.

**(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.**

**Hospice of Florida, LLC  
Admissions by Payer Source**

<b>Payer Source</b>	<b>Year One Admissions</b>	<b>Year Two Admissions</b>
Medicare	171	311
Medicaid	21	38
Commercial	10	19
Self-Pay	5	9
Charity	5	9
<b>Total</b>	<b>213*</b>	<b>386</b>

Source: CON application #10818, page 119.  
Note: Year one computes to 212.

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

**Hospice of Florida, LLC  
Admissions by Payer Source**

<b>Diagnosis Group</b>	<b>Year One Admissions</b>	<b>Year Two Admissions</b>
Cancer	60	108
Non-Cancer	153	278
<b>Total</b>	<b>213</b>	<b>386</b>

Source: CON application #10818, page 120.

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

**Hospice of Florida, LLC  
Admissions by Age Cohort Source**

Age Group	Year One Admissions	Year Two Admissions
Under 65	15	27
65 and over	198	359
<b>Total</b>	<b>213</b>	<b>386</b>

Source: CON application #10818, page 121.

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

Hospice of Florida, LLC core services delivered directly by the program include:

- Routine Home Care
- Continuous Care
- Respite Care
- Hospice Inpatient Care
- Nursing services
- Hospice Aide services
- Volunteer services
- Pediatric services
- Veterans services
- Case management
- Social work services
- Pastoral & counseling services
- Dietary/nutrition counseling
- Bereavement Services
- Physician Services
- Patient and Family Education/Support

The following patient care services will also be provided by the HOF Service Area 8D operation by an affiliate of Chapters Health System (e.g., pharmacy, DME, infusion medications, nonhospice palliative care, Chapters Health Staffing).

- Evening and Weekend Care
- HospiceHelp24
- Pharmacy

- DME/Medical Supplies
- Therapy Services (PT, ST, OT)
- Infection Control
- Integrative Therapies
- Professional/Community Outreach and Education
- Patient/Family Surveys
- Palliative Care

HOF also lists specific administrative services that will be supported by Chapters Health System's existing corporate resources, such as billing and collections, finance, human resources, etc. The applicant notes HOF will retain responsibility for managing all care.

**(g) Proposed arrangements for providing inpatient care.**

Hospice of Florida, LLC proposes to provide inpatient care services through contractual arrangements with existing healthcare facilities in Sarasota County and notes its condition to contract with at least two inpatient providers in Sarasota County by the end of year two. The applicant indicates negotiations with existing providers are ongoing, cites its support letter from Aviva – Benderson Skilled Nursing and Rehabilitation Center’s interest in providing GIP care and Cornerstone info in the application’s Appendix 10.

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

Hospice of Florida, LLC states this is not applicable as HOF plans to partner with existing hospitals and nursing homes and again cites Benderson Skilled Nursing and Rehabilitation Center’s interest in providing GIP care.

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

Hospice of Florida, LLC cites Medicare guidelines – at a patients’ request and with physician order, patients are admitted for management of severe symptom control or a medical that cannot be managed at home. Admission to a Chapters inpatient bed is based on:

- pain and symptom control



- Imminent death requiring frequent medical intervention
- Medical-surgical procedures or therapies aimed at alleviating symptoms; and
- Family education needs to support the patient's care plan at home.

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

Hospice of Florida, LLC notes that most hospice patients prefer to stay in their own homes, there are cases where patients lack adequate caregiver support. To address this, HOF will offer a caregiver program specifically designed for patients without no or inadequate caregiver services available. The "No One Dies Alone" program is again discussed with the applicant stating this same approach will be used in the new Service Area 8D hospice program.

**(k) Arrangements for the provision of bereavement services.**

Hospice of Florida, LLC states it will adopt Chapters Health System's established policies and procedures (included in the application's appendix 9) for bereavement services.

Chapters' practice is to evaluate family members for grief and bereavement services, and to refer patients and families to a Bereavement Specialist for support before the patient's death. After the patient's death, a condolence phone call is made to the family, and a visit is encouraged by team members who had significant involvement with the patient. Family members are evaluated for bereavement follow-up needs, and those who require additional support are provided with services. All services are available to both children and adult family members.

Bereavement services are provided for at least 12 months after the patient's death, but family members can request services at any time. If a survivor requires continued bereavement care, services do not stop after 12 months. Chapters also provides Grief Centers in its service areas, which offer a place of hope and healing for those grieving. Examples of Grief Centers include The Bethany Center, Circle of Love Center, and Grief Center for Children.

The HOF program will categorize survivors based on their bereavement risk level. The categories include High, Medium and Low Risk, which are detailed on the application's pages 126 and 127. Any family member can request individual counseling or

support group services at any time after the patient's death. The hospice program also offers bereavement intervention services to the community in general.

Chapters offers recognizes the special needs of grieving children and offers annual grief/bereavement camps for children (ages 6 to 17) of hospice families and the larger community. The goal of the camps is to help children share their feelings of grief and learn tools to navigate their lifelong journey. HOF will establish a similar program in SA 8D, with the goal of providing children's grief/bereavement services within the first 18 months after program licensure.

**(l) Proposed community education activities concerning hospice programs.**

Hospice of Florida, LLC states Chapters has community outreach and education programs in each of the counties they serve. The proposed program aims to extend these programs quickly and efficiently into the Sarasota County market. Chapters' staff members are knowledgeable and experienced in delivering presentations, seminars, and educational units to a wide range of audiences, including churches, civic groups, and community support entities, providing targeted educational programs to specific groups, such as African American and Hispanic underserved communities.

The education programs cover various topics, including traditional hospice care, open access, palliative care, and end-of-life issues. Chapters also distributes informational materials to healthcare personnel and community members to help them identify patients and families who may need hospice care.

Chapter educational programs aim to increase community awareness and understanding of hospice care and services, with the expectation that more patients will be supported by hospice care at their time of death. Appendix 13 presents examples of Chapters education materials.

**(m) Fundraising activities.**

Hospice of Florida, LLC states Chapters Health Foundation will expand its operations to include Sarasota County. The Foundation conducts various fundraising activities in each community it

serves, considering the unique giving capacities and opportunities found within each community. Chapters Foundation informational materials are presented in Appendix 22.

The Foundation's Corporate Honor Roll Program (CHRP) is designed to build mutually beneficial relationships with businesses, civic groups, and individuals. CHRP provides benefit amenities to supporters of the Foundation and Chapters Health System, allowing partners to leverage marketing opportunities for business development. Recent examples of Foundation events and activities include Annual Rock the Dock, Hospice Open Golf Tournament, Holidays for Hospice and partnership events with organizations like the New York Yankees Foundation and Davis Islands Yacht Club, etc.

- 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.**

Hospice of Florida did not directly respond to this criterion, but did complete the ‘Certification by the Applicant’ Schedule D, item H certifying it will comply with all reporting requirements.

### **3. Statutory Review Criteria**

As previously stated in item E.1.a. of this report, per Volume 50, Number 151, of the Florida Administrative Register, dated August 2, 2024, zero need was published for Service Area 8D (Sarasota County) for the January 2026 hospice planning horizon.

There are presently two providers in Service Area 8D – Empath Tidewell Hospice and Continuum Care of Sarasota LLC, which was licensed effective June 18, 2021.

In reference to the existing 8D providers quality of care - the reviewer notes that during the 36 months ending October 24, 2024, Continuum Care (22960126) had none and Empath Tidewell (22910034) two substantiated complaints with two categories cited - one resident/patient/client rights and one administration/personnel.

Sarasota County has seven hospitals with 1,562 licensed beds, 29 SNFs with 3,062 beds, 89 ALFs with 6,298 licensed beds, and 78 home health agencies.

In reference to availability and accessibility, the reviewer notes that list the existing providers 8D offices/inpatient/units- Continuum Care of Sarasota (22960126) has its main office in Sarasota as does Empath Tidewell (22910034).

Service Area 8D utilization is detailed in Item E. 1. a. of this report.

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

Hospice of Florida, LLC contends its project will increase the availability, quality, efficiency, and accessibility of hospice services for Sarasota County residents. The applicant restates its identified gap in out-migration, GIP care and African American Hispanic population and references its discussion of these earlier in the application. HOF contends its "program will drive the expansion of hospice volume and ensure that all portions of the county's hospice patient pool have ready availability of care".

The applicant cites Chapters "strong commitment" to providing quality care in every aspect of its hospice programs. Chapters "Open Access Program is again addressed with the applicant stating Chapters has significant resources in establishing quality assessment and performance improvement initiatives, which will be used to support the Service Area 8D program. In reference to efficiency, the applicant states it will benefit from Chapters' existing operations and resources, including billing and collections, finance, human resources, staffing, recruitment, and more.

The applicant also contends it will enhance access to hospice care by removing financial barriers and providing a broad array of palliative care and services. Chapters' "Open Access Program" will allow patients to continue receiving aggressive palliative treatments without having to choose between hospice care and other treatment options.

HOF concludes the proposed program is expected to enhance availability, quality, efficiency, and accessibility of hospice services for Sarasota County residents. The project will address identified gaps in care, provide more options for patients, and enhance access to hospice care.

The application's pages 133-138 include HOF's discussion of the proposed project's consistency with the Agency's Health Care Access Criteria in Rule 59C-1.030 Florida Administrative Code.

**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.**

Hospice of Florida, LLC cites its affiliation with Chapters Health System (CHS) as a key strength in its application. CHS is a well-established, not-for-profit organization with seven existing Florida hospices. The applicant cites Chapters established compliance record and access to skilled personnel, which it contends will ensure it will meet all state licensing and certification standards. Chapter's existing policies and procedures are included in Appendix 24 of the application.

HOF will function as an integrated component of CHS, offering patients a comprehensive range of post-acute care services through hospice care, palliative care, home health, pharmacy, DME, and staffing. This integrated approach allows for several advantages:

- High-Quality Care: CHS's experience and resources ensure qualified staff are available to address patients' specific needs, regardless of complexity
- Patients can receive care in the most appropriate setting
- Timely delivery and 24/7/365 availability of pharmacy and DME
- Cost-Effective Care: CHS's expertise allows for efficient management of key cost components like medication and equipment expenses.

By being part of CHS, HOF benefits from Chapters established corporate infrastructure, leading to significant cost savings. Existing systems and resources reduce the incremental costs of implementing new programs, such as a health information system. HOF can leverage CHS's expertise in areas like human resources, compliance, billing, legal services, and information technology. CHS's strong financial management ensures long-term sustainability for both organizations.

HOF's approval will offer Sarasota County residents to gain access to a sophisticated, cost-effective hospice program delivered by a well-established, not-for-profit organization focused on serving local community needs. CHS's proven track record and robust infrastructure position HOF to deliver high-quality, efficient hospice care.

Chapters Health System (CHS) offers an "Open Access" approach that allows patients to continue receiving these treatments while enrolled in hospice, better meeting patient and family needs. Open Access empowers patients and families to choose a more personalized care plan that combines palliative care for comfort with curative treatments that may improve quality of life. It also allows for better symptom management through continued access to treatments like blood transfusions and

artificial nutrition or hydration. While all hospice providers receive the same reimbursement per patient day, CHS chooses to invest its revenue in providing open access care, prioritizing patient needs over profit maximization. The open access model offers patients a wider range of treatment options while receiving hospice care. Examples of these services include:

- Radiation therapy and chemotherapy
- Blood transfusions to manage fatigue and shortness of breath
- Artificial nutrition or hydration for patients with difficulty eating
- Cardiac infusions to improve heart function and address symptoms

Chronic heart failure (CHF) and chronic obstructive pulmonary disease (COPD) patients often experience symptoms that can lead to hospitalization or re-hospitalization. These readmissions can be caused by factors like medication issues, lack of follow-up care, and social or emotional challenges. To address these challenges and improve patients' quality of life, Chapters Health System (CHS) programs for CHF and COPD components include:

- Initial and on-going education, medical and psycho-social intervention to assist in managing symptoms allowing patients to remain at home
- Symptom Monitoring:
  - Daily weight checks and monitoring for changes in symptoms.
  - COPD: Daily calls to assess symptoms and needs.
- 24/7/365 Support: Patients have access to a nurse hotline ("HospiceHelp24@") for immediate assistance with symptom changes.
- Nurses equipped to anticipate patient needs and symptoms
- COPD patients receive education to manage anxiety and breathlessness.
- Alternative to 911: Patients are encouraged to call the "Code Heart" hotline before dialing 911, allowing for potential at-home interventions.

Palliative care is a medical specialty focused on relieving suffering for patients with serious illnesses. Chapters Health offers both hospice and palliative care services, providing a broader continuum of care.

Benefits of Chapters Palliative Care include a specialized team to address pain and symptom management and

- Expanded disease education and informed decision making
- Assistance with advance directives, care planning and treatment choices
- Assistance with pain management
- Emotional and spiritual assistance; and
- Help with coding and accessing community services.

Chapters began offering non-hospice palliative care in 2006, initially in hospital settings. The program has expanded to include nursing homes and outpatient clinics, now serving over 4,000 patients annually.

Chapters' palliative care program emphasizes shared decision-making, complex system management, and advanced care planning. The applicant highlights Chapters successful partnerships with hospitals and nursing homes. Examples include a reduction in in-hospital mortality, 30-day readmission rates, and earlier initiation of palliative care consultations. Additionally, access to hospice services has increased for patients who transition from palliative care.

The proposed HOF program will benefit from CHS established governance structure. A board of directors, comprised of community members including residents of Sarasota County, will document its commitment to meet the individual needs of the community. CHS's existing policies and procedures are included in the application's Appendix 24. Appendix 15 includes Chapters Quality Assessment and Performance Improvement Program. HOF will report outcome measures to required state and federal agencies, following established practices within CHS.

Chapters actively participates in the National Partnership for Healthcare and Hospice Innovation (NPHI). NPHI is a non-profit organization focused on improving hospice care through innovation, patient-centered care, and collaboration. The applicant states membership reflects Chapters' values of delivering care based on individual needs.

Hospice care provided by Chapters utilizes an Interdisciplinary Group (IDG) approach. This team-based model ensures comprehensive care for each patient, from admission to the end-of-life or discharge. IDG members collaborate to develop and update the patient's Plan of Care, addressing all aspects of their needs. The core IDG team includes a physician (MD or DO), a registered nurse, a social services specialist and a pastoral or other counselor.

Depending on individual needs, the IDG can be expanded to include

- Patient's Attending Physician
- Pharmacist
- Trained Volunteers
- Hospice Aides
- Bereavement Counselors, and
- Other specialists with relevant expertise

The IDG team is responsible for:

- establishing, implementing, reviewing, and revising the patient's care plan
- Coordinating or providing care & services as outlined in care plan
- Documenting all care provided
- Promoting patient self-acceptance of strengths & unique qualities
- Communicating regularly with the patient's attending physician
- Addressing the emotional and spiritual needs of the patient and caregiver, including facilitating reconciliation, expressions of love concern, regret and forgiveness, and a sense of meaning.

CHS boasts extensive medical expertise relevant to the proposed HOF program. Dr. Tara Friedman, Chief Medical Officer at CHS, will oversee the program's medical services. HOF provides Dr. Friedman's Qualifications on pages 146 and 147 of the application.

CHS places a strong emphasis on research and education, ultimately benefiting patients and the hospice field. This focus ensures patients have access to the latest advancements in end-of-life care and future generations of healthcare professionals are well-trained in hospice and palliative care.

CHS's Research Expertise is addressed on the application's pages 147 and 148 with examples including its research productivity and collaboration, partnerships with the University of South Florida (USF) and other academic institutions. The applicant describes its research review panel and Bioethics Committee safeguard patient safety and ethical practices in all research endeavors. Chapters also provides approximately 120 medical students annually the opportunity to participate in hospice services and make home visits in support of physician education. Educational opportunities are provided for students from diverse health care fields, including nursing, pharmacy, therapy, social work, psychology, and counseling.

CHS offers a variety of continuing education (CEU) courses for its staff and the broader community, which will also be available with HOF's Sarasota program. Appendix 13 includes Chapters CEU offerings and



academic affiliations. CHS key milestones are described on the application’s pages 150-154. The applicant concludes that CHS had demonstrated its history of and ability to provide quality care.

**c. What resources, including health personnel, management personnel and funds for capital and operating expenditures are available for project accomplishments and operations? 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.

<b>10818-Chapters Health System, Inc. &amp; Affiliates (Parent)</b>		
	<b>Dec-23</b>	<b>Dec-22</b>
Current Assets	\$121,299,379	\$74,881,904
Total Assets	\$484,797,161	\$321,110,817
Current Liabilities	\$73,276,220	\$35,196,363
Total Liabilities	\$148,736,015	\$86,388,263
Net Assets	<b>\$336,061,146</b>	<b>\$234,722,554</b>
Total Revenues	\$455,211,371	\$262,365,502
Excess of Revenues Over Expenses	<b>(\$17,503,465)</b>	<b>(\$17,052,984)</b>
Cash Flow from Operations	\$10,642,253	\$16,223,712
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	1.7	2.1
Cash Flow to Current Liabilities (CFO/CL)	14.52%	46.09%
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	22.5%	21.8%
Total Margin (ER/TR)	-3.85%	-6.50%
<b>Measure of Available Funding</b>		
Working Capital	<b>\$48,023,159</b>	<b>\$39,685,541</b>

<b>Position</b>	<b>Strong</b>	<b>Good</b>	<b>Adequate</b>	<b>Moderately Weak</b>	<b>Weak</b>
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

**Capital Requirements and Funding:**

On Schedule 2, the applicant indicates capital projects totaling \$446,636, which includes this project (\$421,636) and other capitalization (\$25,000). The applicant indicates on Schedule 3 of its application that funding for the project will be by related company financing. The applicant has over \$33.8 million in cash & cash equivalents, which is well in excess of the funding needed for this project.

**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.

Most 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.

<b>CON 10818</b>	<b>Hospice of Florida</b>				
<b>Sarasota</b>	<b>Wage Component</b>	<b>Wage Index</b>	<b>Adjusted Wage Amount</b>	<b>Unadjusted Component</b>	<b>Payment Rate</b>
<b>Base Rate Calculation</b>					
Routine Home Care 1-60 days	\$144.10	0.9161	\$132.01	\$74.23	\$206.24
Routine Home Care 61+ days	\$113.75	0.9161	\$104.21	\$58.60	\$162.81
Continuous Home Care	\$1,177.23	0.9161	\$1,078.46	\$388.23	\$1,466.69
Inpatient Respite	\$309.70	0.9161	\$283.72	\$198.01	\$481.73
General Inpatient	\$727.27	0.9161	\$666.25	\$418.04	\$1,084.29
<b>Year Two Comparison</b>	<b>Inflation Factor Year Two</b>	<b>Inflation Adjusted Payment Rate</b>	<b>Schedule 7 Revenue Year 2</b>	<b>Continuous Service Hours Provided</b>	<b>Calculated Patient Days</b>
Routine Home Care 1-60 days	1.155	\$238.30	\$1,705,983		7,159
Routine Home Care 61+ days	1.155	\$188.11	\$2,877,526		15,297
Continuous Home Care	1.155	\$1,694.69	\$164,887	24	97
Inpatient Respite	1.155	\$556.61	\$38,012		68
General Inpatient	1.155	\$1,252.85	\$854,765		682
		<b>Total</b>	<b>\$5,641,173</b>		<b>23,303</b>
			Days from Schedule 7		24,225
			<b>Difference</b>		<b>922</b>
			<b>Percentage Difference</b>		<b>3.80%</b>

As such, the applicant’s projected patient days are 3.8 percent or 922 days more than the number of patient days calculated by staff. Revenues appear to be understated, which is a conservative position. Operating profits from this project are expected to increase from a net loss of \$804,528 in year one to a net profit of \$69,183 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 costs 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; Chapter 59A-4, Florida Administrative Code.**

The project does not involve construction.

- 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.

Hospice of Florida, LLC indicates CHS provided over \$7 million of charity care in 2023. The applicant projects Medicaid will be approximately four percent and charity care one percent of total patient days to provide all needed services to the underserved segments of the service area population.

**F. SUMMARY**

**Hospice of Florida, LLC (CON application #10818)** is a new organization established under Chapters Health System (CHS), a Florida-based, not-for-profit organization. CHS will provide full financial, management, and operational support throughout the development, startup, and ongoing operations of the proposed hospice program.

The applicant expects issuance of license on December 20, 2025, and initiation of service on January 1, 2026.

Total project cost is \$421,636.

Pursuant to project approval, Hospice of Florida, LLC offers a total of 15 Schedule C conditions, 16 conditions including HOF's narrative.

**Need/Access:**

The applicant contends the application is submitted in direct response to the Not Normal & Special Circumstances that exist in Sarasota County, have been identified and are supported by extensive hospice constituents in the service area. Hospice of Florida contends that the special circumstances identified, herein, on their own, and in aggregate, are sufficient to warrant the approval of an additional hospice in Service Area 8D. These include:

- The applicant argues that this forecast underestimates the need for hospice care in Service Area 8D.
- The existing Affinity Care program provides insufficient GIP care, prioritizes assisted living facilities, neglecting in-home care and complex inpatient needs. Empath Tidewell's program results in outmigration for GIP care. The applicant argues this creates gaps for residents requiring specialized care settings in Sarasota County.
- African American, Asian, and Hispanic communities have consistently lower hospice utilization rates compared to the white population. This suggests a lack of access or cultural competency within the current system.

**Quality of Care:**

Hospice of Florida, LLC demonstrates the ability to provide quality care and CHS quality of care is a key strength in its application. Chapters affiliates had zero substantiated complaints during the three-year period ending October 24, 2024.

**Financial Feasibility/Availability of Funds:**

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

The project appears to be financially feasible.

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

**Medicaid/Indigent/Charity Care:**

The applicant discussed its parent's provision of care to Medicaid and medically indigent patients.

Schedule 7A shows the applicant projects Medicaid will be four percent of year one and year two patient days. The schedule's notes indicate charity care will be one percent of years one and two patient days.

**G. RECOMMENDATION**

Deny CON #10818.

**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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