

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Marion Operations LLC/CON application #10825

10150 Highland Manor Drive, Suite 300
Tampa, Florida 33610

Authorized Representative: Ms. Tricia Thacker, Chief Executive Officer
Aston Health
(813) 558-6600

2. Service District/Subdistrict

District 3/Subdistrict 3-4 (Marion County)

B. PUBLIC HEARING

No public hearing was requested or held.

C. PROJECT SUMMARY

Marion Operations LLC (CON application #10825) also referenced as Marion Ops or the applicant proposes to add 38 beds to the 103-bed (CON #10744) approved to construct a community nursing home in Subdistrict 3-4 (Marion County). Marion Operations LLC indicates it will receive consulting services from Aston Health which provides services to 46 Florida skilled nursing facilities (SNFs) and three assisted living facilities. A list of Aston Health affiliated facilities is in the applicant's Exhibit 1.

The 38-bed project consists of 18,807 gross square feet (GSF) of new construction and a total construction cost of \$7,052,650. The project will include seven semi-private rooms, and two private and 11 semi-private memory care rooms.

Total project cost is \$9,888,300 and includes building, equipment, project development and financing costs.

The applicant expects issuance of license in June of 2027 and initiation of service in July of 2027.

Marion Operations, LLC does not propose any conditions for the project.

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, Sarah Zimmerman, analyzed the application with consultation from Darcy Milligan with the Bureau of Central Services who evaluated the financial data, and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

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

1. Fixed Need Pool

a. Does the project proposed respond to need as published by a fixed need pool? Or does the project proposed seek beds or services in excess of the fixed need pool? Rule 59C-1.008(2), Florida Administrative Code.

In Volume 50, Number 195 of the Florida Administrative Register dated October 4, 2024, a fixed need pool (FNP) of 38 community nursing home beds was published for Subdistrict 3-4 (Marion County) for the July 2027 planning horizon. Marion Ops project is in response to the subdistrict's 38-bed FNP.

As of August 9, 2024, the subdistrict had 12 nursing homes with 1,620 licensed and 125 CON approved community nursing home beds. The approved beds pending licensure include the applicant's 103-bed project (CON #10744) and (CON #10736) 22 beds at Hawthorne Center for Rehabilitation and Healing of Ocala. Marion County SNF's reported 92.30 percent occupancy during the six months and 90.25 percent occupancy during the 12 months ending June 30, 2024.

Marion Ops notes that the 38-bed project will result in a 141-bed facility. The applicant provides data in support of the project's improving the subdistrict's access and availability, increasing utilization while enhancing quality, and allocating skilled nursing beds in an area (Ocala) within Subdistrict 3-4 (Marion County). Ocala has most of the subdistrict's health care infrastructure and high concentration of the population age 65 and over.

Marion Ops Figure 1-1 (map) on page 1-3 identifies the secured project site in Ocala, hospitals and several SNFs in proximity to the location. The applicant's map is referenced stating it "displays the current senior population age 65 and older by Zip Code for Polk County"; however, this appears to be a typographical error as the map is labeled "Marion County." Individual zip codes cannot be determined on the map, but the Marion County population data by Zip Codes is presented on the application's page 6, which is discussed later in its report.

Figure 1-2 (aerial view) on page 1-4 is provided to highlight the locations of nursing homes and acute care hospitals in the southern region of Marion County. The reviewer notes that neither the map nor the aerial view displays marked zip code locations but does indicate the facility location at 7850 SW Highway 200, Ocala, Florida 34476.

The Agency’s Florida Population Estimates and Projections 2020-2030, published January 2024 is cited to show that as of January 2024, Marion County’s 125,022 persons aged 65 and older account for 31 percent (30.9 percent) of the county’s total population. Further, as of January 2029, Marion County will add 17,304 seniors for a five-year growth rate of 14.62 percent compared to an increase of 3.4 percent for those under the age of 65. The applicant states that by “2028, seniors will represent nearly 33% of the Marion County population, compared to the state at 23.5%”. The reviewer notes that this is likely a typographical error as the applicant’s table indicates that by 2029 the 65 and older cohort will represent nearly 30.6 percent of the Marion County population, compared to the state at 24.2 percent. See the applicant’s table below.

**Current and Projected Population by Age Cohort
Subdistrict 3-4 and Florida**

Area	January 2024 Population Estimates			2024 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Marion	279,548	125,022	404,570	69.1%	30.9%	100.0%
District 3	1,405,590	564,526	19,701,116	71.3%	28.7%	100.0%
Florida	17,775,368	5,064,776	1,970,116	77.8%	22.2%	100.0%
Area	January 2029 Population Estimates			2029 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Marion	287,579	142,324	429,903	66.9%	33.1%	100.0%
District 3	1,463,005	646,326	2,109,331	69.4%	30.6%	100.0%
Florida	18,405,249	5,865,659	24,271,908	75.8%	24.2%	100.0%
Area	Five Year Increase			Five Year Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Marion	8,031	17,302	25,333	2.9%	13.8%	6.3%
District 3	57,415	81,800	139,215	4.1%	14.5%	7.1%
Florida	629,881	800,883	1,431,764	3.5%	15.8%	6.3%

Source: CON application #10825, page 1-5, Table 1-1, from Florida Population Estimates and Projections by District 2020 to 2030, published January 2024.

Marion Ops argues that the continued age 65+ population growth indicates the additional 38 beds will be utilized once constructed and underscores the importance of ensuring beds are available to accommodate future demand.

The applicant’s Table 1-2 on page 1-6 provides extensive current and projected Marion County population data by Zip Codes. The reviewer reproduced the age 65 and over portion of the applicant’s table below.

**Marion County Current (2024) and Projected (2029)
Population Estimates and Growth Rates
by Zip Code and Age Cohort, and Florida**

Zip Code	Geography Name	2024 Pop. Age 65+	2029 Pop. Age 65+	Five-Year Increase 65+	Five-Year Growth Rate 65+
Marion County					
00045	SE Marion	0	0	0	0.0%
32113	Citra	1,663	1,929	266	16.0%
32134	Fort McCoy	3,162	3,684	522	16.5%
32179	Ocklawaha	2,880	3,399	519	18.0%
32195	Weirsdale	1,186	1,361	175	14.8%
32617	Anthony	1,019	1,157	138	13.5%
32667	Micanopy	1,510	1,667	157	10.4%
32686	Reddick	1,702	1,926	224	13.2%
34420	Bellevue	4,964	5,713	749	15.1%
34431	Dunnellon	3,635	4,272	637	17.5%
34432	Dunnellon	6,526	7,640	1,114	17.1%
34470	Ocala	5,517	6,203	686	12.4%
34471	Ocala	7,047	7,787	740	10.5%
34472	Ocala	7,762	8,943	1,181	15.2%
34473	Ocala	6,711	7,975	1,264	18.8%
34474	Ocala	4,477	5,083	606	13.5%
34475	Ocala	2,662	3,060	398	15.0%
34476	Ocala	12,557	14,337	1,780	14.2%
34478	Ocala	0	0	0	0.0%
34479	Ocala	3,350	3,794	444	13.3%
34480	Ocala	4,878	5,749	871	17.9%
34481	Ocala	17,896	21,086	3,190	17.8%
34482	Ocala	7,051	8,125	1,074	15.2%
34488	Silver Springs	4,007	4,672	665	16.6%
34491	Summerfield	16,309	18,540	2,231	13.7%
Marion County Total		128,471	148,102	19,631	15.3%
Florida Total		5,390,818	6,289,887	899,069	16.7%

Source: CON application #10825, page 1-6, Table 1-2, from Claritas 2024 Population Estimates (partially reproduced).

Marion Ops cites the current and CON approved bed inventory and states that nursing home bed availability is assessed by comparing the number of beds to the senior population and that recent growth has increased demand. The applicant states that the table below shows the current number of beds per thousand seniors and the projected number by the twelve-month period of “July 2028 to June 2029”, the proposed second year of the project, which appears to be a typographical error as the table is dated January 2024 and January 2029.

Current (2024) and Projected (2029) Bed Availability

Area		January 2024	January 2029 Without the Project	January 2029 With the Project
Marion County	Beds	1,745	1,745	1,783
	Pop (65+)	125,022	142,324	142,324
	Beds/1000	14	12	13
Florida	Beds	85,811	85,811	85,849
	Pop (65+)	5,064,776	5,865,659	5,865,659
	Beds/1000	17	15	15

Source: CON application #10825, page 1-7, Table 1-3, from Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024 (January midpoint population estimates) and Florida Nursing Home Utilization by District and Subdistrict July 2023 - June 2024.

Note: The applicant indicates the projected beds assumes all approved beds are licensed by 2027.

Marion Ops notes that as of January 1, 2024, Subdistrict 3-4 (Marion County) has 14 nursing home beds per 1,000 residents aged 65 and older, compared to the state with 17 beds. Further, by January 2029, without any additional beds, this ratio in the subdistrict is projected to drop to 12 beds per 1,000 seniors, while the state's ratio will decrease to 15 beds. The applicant notes that adding 38 beds in Marion County would raise the number of beds to 13 per 1,000 population age 65+. By adding these beds, Marion Operations aims to supply more options to address the area's needs.

The applicant's Table 1-4 (CON application #10825, page 1-8) depicts nursing home utilization in Marion County compared to Florida for the past five 12-month periods ending June 30, 2024. Marion Ops shows the subdistrict's community nursing home beds has exceeded pre-pandemic levels and is currently over 90 percent occupancy. Further, since 2020, Marion County has not only seen a rise in bed occupancy but has also outperformed the statewide average, which is 84.36 percent as of June 30, 2024.

Marion Ops Table 1-5 (CON application #10825, page 1-9) shows the subdistrict's quarterly occupancy during the 12 months ending June 30, 2024, which increased from quarter to quarter. The applicant contends that this upward trend in occupancy in the region indicates a growing demand for skilled nursing beds, a need that the proposed facility aims to address. Marion Ops Table 1-6, on the application's page 1-10 shows the subdistrict's utilization during the year ending June 30, 2024, had an average daily census of 1,466, and the county's population 65+ of 125,022, averaged 4,280 days per thousand. The applicant uses the 4,280 days per thousand to project Marion County utilization during July 2028—June 2029, the second year of the project. Marion Ops' Table 1-7 (CON application #10825, page 1-10) indicates Marion County will average 95.64 percent occupancy without and 93.61 percent with the 38-bed project.

Marion Operations projects the new 38-bed addition and the overall 141-bed facility will follow a typical fill-up period similar to other similar projects in the state and anticipates a conservative occupancy rate of 83.96 percent (table below shows 83.97 percent) by the second year, lower than the subdistrict's current average of 90.25 percent.

**Projected Utilization for the 38-Bed Addition and Total 141-Bed Facility
First Two Years of Expansion**

Year	38-Bed Addition				Total Facility (N=141)			
	Admits	Patient Days	Occup. Rate	ADC	Admits	Patient Days	Occup. Rate	ADC
Year One (July 1, 2027 – June 30, 2028)	225	7,447	53.54%	20	873	27,627	53.53%	75
Year Two (July 1, 2028 – June 30, 2029)	359	11,646	83.97%	32	1,365	43,208	83.96%	118

Source: CON application #10825, page 1-11, Table 1-8.

Marion Operations concludes that it has established consistency with the 38-bed FNP and that there will be increasing demand for skilled nursing services created by Marion’s County’s growing senior population, hospital and health service development, senior communities and ALFs. The applicant also concludes that its project will enhance access and availability of skilled nursing care, providing a continuum of care and will not have a negative impact on existing facilities.

2. Agency Rule Criteria and Preferences

**Does the project respond to preferences stated in Agency rules?
Rule 59C-1.036, Florida Administrative Code.**

Chapter 59C-1.036 of the Florida Administrative Code does not contain preferences relative to community nursing home beds nor does the Agency for Health Care Administration publish specific preferences for these facilities. However, the rule does contain standards the Agency utilizes in assessing the applicant’s ability to provide quality care to the residents.

Marion Ops discusses Rule 59C-1.036 (3) Florida Administrative Code geographically contiguous subdistricts aggregate need criterion on the application’s pages 2-1 and 2-2. The applicant reiterates that its 38-bed project adds beds to an approved 103-bed community nursing home in response to published need for 38 beds. While it does not apply to its project, Marion Ops provides data to document accessibility to CON application #10828’s proposed Sumter County 108-bed facility which is based on the aggregate need of four District 3 service areas.

The applicant’s Table 2 below shows that 6,244 Marion County residents were discharged to SNFs during CY 2023.

**2023 Hospital Discharges to Skilled Nursing Facilities
For Marion County Residents by Age and Hospital**

	Age 18-64	Age 65+	Total	Percent
Marion County Hospitals				
HCA Florida Ocala Hospital	337	1,771	2,108	33.8%
HCA Florida West Marion Hospital	142	1,444	1,586	25.4%
AdventHealth Ocala	278	1,294	1,572	25.20%
Marion Total	757	4,509	5,266	84.3%
Sumter County Hospital				
UF Health The Villages Hospital	31	403	434	7.0%
Lake County Hospitals				
UF Health Leesburg Hospital	5	62	69	1.1%
AdventHealth Waterman		5	5	0.1%
Orlando Health South Lake Hospital		2	2	0.0%
Lake Total	5	69	76	1.2%
All Other Florida Hospitals	107	363	470	7.5%
Total	900	5,344	6,244	100.0%

Source: CON application #10825, page 2-2, Table 2-1, from Agency Hospital patient discharge data file, CY 2023.

As shown above, CY 2023 hospital discharges to SNFs show that Marion County acute care hospitals discharged 5,266 Marion County residents or 84.3 percent of the total. This is compared to Sumter County’s UF Health The Villages Hospital discharging 434 (7.0 percent) and Lake County hospitals 76 (1.2 percent) of Marion’s resident total. Marion Ops concludes that if only 8.2 percent of Marion’s residents are discharged from Subdistrict 3-7 hospitals, then the Sumter facility’s apportionment of the 38 beds would have three beds available to Marion County residents. Therefore, its project will improve service and access to Marion County residents compared to the limited benefit of the Sumter County facility.

- a. Proposed Services. Applicants proposing the establishment of Medicare-certified nursing facility beds to be licensed under Chapter 400, Florida Statutes, shall provide a detailed description of the services to be provided, staffing patterns, patient characteristics, expected average length of stay, ancillary services, patient assessment tools, admission policies and discharge policies.**

Marion Ops states that it will participate in both the Medicare and Medicaid programs to promote access to both short-term and long-term care and provides detailed narratives on the services (i.e. therapy) and treatment programs it will provide. Brief narratives on pages 2-3 and 2-4 of the application address physical, speech, occupational and respiratory therapies, hip, knee, and other joint replacements, dysphagia (swallowing techniques) and assistive devices/accommodations.

Marion Ops lists 12 post-acute programs which include but are not limited to stroke rehabilitation, wound care, pain management cardiac rehabilitation, surgical recovery, ostomy care, tube feeding, tracheotomy care, intravenous (IV) therapy, etc. The applicant lists 12 services the facility will offer including total parenteral nutrition (TPN), telemedicine, patient transportation, pharmacy services, sepsis care, registered dietician services, outpatient dialysis, etc. Marion Ops states it will use:

- Electronic Health Records - PointClickCare as its electronic health record (EHR) software, enabling clinicians to securely store, share, and access patient health information
- Skilled Nursing Core Platform - an integrated clinical dashboard that allows the applicant's care team to have instant access to up-to-date information about every resident, helping them make the best decisions for their care
- Automated Care Messaging, Secure Messaging and Document Manager features aim to improve efficiency, productivity, and quality of care by facilitating collaboration, reducing paperwork and response times, and securely exchanging critical health information
- eInteract - a comprehensive system of dashboards, checklists, and automatic triggers designed to aid care teams in preventing unnecessary hospitalizations and enhancing resident outcomes by improving efficiency, compliance, and transition processes
- Electronic Medication Administration Record (eMAR) - a mobile - enabled system that ensures real-time accuracy in medication management, thereby minimizing medication errors, lessening administrative burdens, and swiftly delivering medical test results will be used. Integrated Medication Management streamlines communication between SNFs and pharmacies by facilitating real-time electronic exchange of medication orders and resident information, to help reduce medication errors and speed up medication acquisition. The applicant states its medication management complies with federal and state documentation and privacy regulation.

The applicant states it will use Aston Health's admissions process which begins with the referral being opened in Census Pro. Once criteria are met the admissions department contacts the patient, their emergency contact, case manager/social worker, hospital physician, and primary care physician to complete the admissions packet. New admissions must undergo state and federal sexual offender checks and residents and

current treating providers are notified of the admission. Marion Ops' Exhibit 4 includes its referral/admission policy. Exhibit 6 includes an admission packet.

Marion Ops will ensure that all records are updated in PointClickCare, its EMR system. Aston Health's admission process coordinates the evaluation of the individual with communication with his or her family to develop a baseline plan of care and understands that changes, additions, and deletions to this plan occur throughout the individual's stay. The applicant states Aston Health's process presumes a return home or to a less restrictive setting. Marion Ops states Aston Health's resident service liaison or designated admissions staff will ensure a smooth transition into care. The customer service concierge program:

- Ensures rooms are ready and equipped for patient needs
- Prepares staff for patient arrival, including communication of special conditions or requirements
- Greets new patients and their families and helps them through the admissions process
- Makes introductions to caregiver staff and departments
- Conduct a post-admission satisfaction survey to evaluate the initial days of the stay and promptly address any questions or concerns
- Provides daily concierge check-ins for the first few weeks of the stay to ensure satisfaction and confirm that any requests are met.

Marion Ops shares that it follows a standard procedure for referral management and pre-admission information gathering which provides the accurate and timely verification of payor and clinical needs for prompt admission decisions and positive relationships with physicians, referral sources, and patients. The Minimum Data Set (MDS) includes assessment and input from the attending physician, director of nursing, nursing assistants responsible for the resident's care, dietary manager, social services manager, activities director, therapists, consultants, and others who may be necessary to meet resident needs.

Each resident upon admission is evaluated for special needs and a care plan is developed that considers the patient's:

- Medical diagnoses
- Description of skin condition
- Current level of activity/mobility
- Cognitive status
- Diet orders
- Weight
- AOL performance
- Physical impairments

- Spiritual and cultural preferences
- Psychosocial adjustment
- Trauma-informed care

Resident Assessment Instrument (RAI) manual for care planning areas in the long-term care setting include:

- Goal/objective statements:
 - Resident-centered addresses what the resident will do, when/where/how these will be accomplished
 - Clear, concise, observable, and measurable
 - Linked to a reasonable timeframe
 - Realistic and achievable
 - Determined in consultation with staff, resident/responsible party, and other health professionals
 - Date by which the outcomes are expected to occur
- Approaches:
 - State what is to be done to help the resident achieve his or her outcomes
 - Relate to the cause of the problem identified during assessment
 - Each approach is specific and detailed in a way that is easily understood such that any staff member assigned can carry out the action
 - Ensure reference to other documents in the clinical record is made
- Responsible discipline is identified for each
- Review date for the care plan is noted

Residents, family members or caregivers will receive ongoing reports to follow progress and comment on care and services, changes in the treatment plan, and other concerns. Resident rights are addressed on the application's pages 2-17 and 2-18.

Marion Operations states that discharge planning begins with the initial assessment and changes as progress occurs throughout the resident's stay. Examples of the medical services, appointments, prescriptions, and other involvement with the health and social systems than appear in the discharge plan include:

- Making arrangements for obtaining adaptive equipment
- Making referrals and obtaining services from outside entities, e.g., home health, private duty referral, community services, from outside entities, e.g., home health, private duty referral, community services, Meals on Wheels, transportation.

- Education and teaching provided by licensed nurse to resident and family, which includes but is not limited to medication management, treatment programs, and community resources for successful transition of care
- Follow-up appointment with physician
- Prescriptions written or called in for medications, outpatient therapy, and labs
- Home evaluation by therapy department
- Discharge meeting with family, patient, and/or caregivers and
- Guidelines for home health eligibility.

Marion Ops states that the case manager reviews the plan at discharge with the resident and family for their final input, any concerns, or questions. The plan includes a record of the resident's care with a discharge summary showing prior treatment, diagnosis, rehabilitation potential, physician orders for immediate care, and other pertinent information. Copies will be provided to the primary care physician and any other caregivers or other health care personnel at the residents request. Marion Ops describes six factors involving resident discharge or transfer on the application's page 2-19.

The applicant discusses its non-payment policy adding that Exhibit 6 has its admission packet which includes example arrangements for transfer of care for an acute care patient to skilled nursing care. Aston Health facilities have a variety of policies in place to ensure equitable access to care, which the applicant will apply at its proposed facility. Further, Aston Health ensures resident rights to all patients in its facilities and posts of its policy throughout the facility as well as to each resident, caregiver, employee, provider, and contracted staff member. Marion Ops assures that all staff will receive in-service training on resident rights before having direct care responsibilities.

Schedule 6A projections for project indicate it will have 20.8 year one and 32 year two FTEs and the 141-bed facility 97.90 FTEs in year one (ending June 30, 2028) and 142 in year two FTEs (ending June 30, 2029). The reviewer notes that the FTE increases from year one to two include administration, nursing, dietary, social services, housekeeping, laundry, and plant maintenance. The 38-bed project and 141-bed facility's projected utilization is shown below.

**Projected Admissions, Patient Days, Average Length of Stay and Average Daily Census
First Two Years of Operation for the Proposed 38 Beds and the Total Facility of 141 beds**

	38 Beds		141 Beds	
	Year One	Year Two	Year One	Year Two
Admissions	225	359	873	1,365
Patient Days	7,447	11,646	27,627	43,208
ALOS	33.1	32.4	31.6	31.7
ADC	20	32	76	118

Source: CON application #10825, page 2-20, Table 2-1

The applicant’s Schedule 7 indicates that 35.0 percent of the facility’s year one (ending June 30, 2028) and year two (ending June 30, 2029) total annual patient days will be Medicaid Managed Care patient days. The 38-bed project is also projected to provide 35 percent of its total year one and year two patient days to Medicaid Managed Care patient days.

Marion Ops table below provides CY 2023 hospital discharges to SNFs by Medical Diagnostic Categories (MDCs) for Marion County residents aged 18-64, 65 and over and totals to determine the level of need for specific nursing home resident services.

**Florida Hospital Discharges to Skilled Nursing Facilities by MDC
Marion County Residents Age 0-64 and 65 and Over, CY 2023**

	Age 18-64	Age 65+	Total	Percent	Cuml.
08 Diseases & Disorders of the Musculoskeletal System and Conn Tissue	130	1,078	1,208	19.3%	19.3%
05 Diseases & Disorders of the Circulatory System	123	839	962	15.4%	34.8%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	167	731	898	14.4%	49.1%
11 Diseases & Disorders of the Kidney & Urinary Tract	75	528	603	9.7%	58.8%
04 Diseases & Disorders of the Respiratory System	68	517	585	9.4%	68.2%
Total of Top Five MDCs	563	3,693	4,256	68.2%	
01 Diseases & Disorders of the Nervous System	103	463	566	9.1%	77.3%
06 Diseases & Disorders of the Digestive System	55	319	374	6.0%	83.3%
10 Endocrine, Nutritional and Metabolic Diseases & Disorders	56	271	327	5.2%	88.5%
09 Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	18	130	148	2.4%	90.9%
16 Diseases & Disorders of the Blood, Blood-Forming Organs, Immune Disorders	13	82	95	1.5%	92.4%
All Other Categories	88	386	474	7.7%	
Total of 6 other MDCs	333	1,651	1,984	31.9%	
Total	900	5,344	6,244	100.0%	

Source: CON application #10825, page 2-21, Table 2-2, from Agency Hospital Patient Discharge CY 2023.

Five MDCs (MDCs 08, 05, 18, 11, and 04 musculoskeletal, circulatory, infectious diseases, kidney and urinary tract and respiratory conditions) accounted for 68.2 percent of residents discharges to SNFs. The applicant highlights its experience in specialized programs and commitment to innovation to meet residents' needs. Further, each individual is assessed during the admission process to develop a plan of care with specific goals identified and prescribed services identified to

restore, to normalize and achieve functional capabilities. The proposed facility design includes a large therapy suite equipped for rehabilitation and occupational therapy for activities of daily living as well as on site dialysis.

b. Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to 408.035(3), Florida Statutes, the Agency shall evaluate the following facts and circumstances:

- 1. Whether the applicant has had a Chapter 400, Florida Statutes, nursing facility license denied, revoked or suspended within the 36 months prior to the application.**

Marion Operations LLC has not had a nursing facility licensed denied, revoked, or suspended.

- 2. Whether the applicant has had a nursing facility placed into receivership at any time during the period of ownership, management or leasing of a nursing facility in the 36 months prior to the current application.**

The applicant has not had a nursing facility placed into receivership.

- 3. The extent to which the conditions identified within subparagraphs 1 and 2 threatened or resulted in direct significant harm to the health, safety or welfare of the nursing facility residents.**

This item does not apply.

- 4. The extent to which the conditions identified within subparagraph 3 were corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory to the Agency.**

This item does not apply.

c. Rule 59C-1.036(4)(f) Harmful Conditions. The Agency shall question the ability of the applicant to provide quality of care within any nursing facility when the conditions identified in subparagraph (e) 1 and (e) 2 result in the direct, significant harm to the health, safety or welfare of a nursing facility resident and were not corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory with the Agency.

This item does not apply.

- d. **Rule 59C-1.036(5) Utilization Reports. Within 45 days after the end of each calendar quarter, facilities with nursing facility beds licensed under Chapter 400, Florida Statutes shall report to the Agency, or its designee, the total number of patient days, which occurred in each month of the quarter and the number of such days that were Medicaid patient days.**

Marion Operations LLC indicates it will provide the required data to the WellFlorida Council, Inc., that serves Health Planning District 3 and to the Agency for Health Care Administration which includes the above-cited utilization reports as well as required licensure and financial requirements attendant to operating a licensed nursing facility.

Marion Ops discusses Rule 59C-1.030, Florida Administrative Code Health Care Access Criteria on the application's pages 3-6 through 3-10.

3. **Statutory Review Criteria**

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

Marion Ops states "availability is defined as how much of a resource exists" and restates the subdistrict's inventory, utilization and beds per thousand addressed in Item E.1. a.

Quality of care is addressed within item E.3.b. of this report.

Access is defined as how potential users get to the service, or gain admittance, or enter the service adding that the components of access include geographic impediments, distance, time to travel, and eligibility criteria for qualifying for the service and considerations such as financial cost and methods of reimbursement from third parties. Figure 3-1 is a map that visually shows the 30-minute drive-time from the project's location which includes four Ocala hospitals - AdventHealth Ocala (385 beds), HCA Florida Ocala Hospital (323 beds), HCA Florida West Marion Hospital (222 beds) and the 10-bed UF Health Ocala Neighborhood Hospital. The map also includes Marion County SNFs and ALFs. Marion Operations states the facility will be located southwest of Ocala where there are high population concentrations and major roadways to afford access to hospitals and the community at large.

Regarding service access, Marion Ops contends that there are access issues, particularly for short-term rehabilitative care as hospitals the primary source of referrals, struggle to find rehabilitation units for residents. Marion Ops asserts that its “affiliated facilities maintain high occupancy rates, contributing to access issues because of lack of an available bed.” The applicant repeats its response included in item E.2. of this report. Marion Ops also states that Aston Health services will include 24/7 care from licensed nurses, disease specific programs for heart disease, cancer, stroke, COVID-19, chronic lower respiratory diseases, Alzheimer's disease, unintentional injury, diabetes mellitus, and Parkinson's disease. The applicant notes that not all Marion County skilled nursing facilities have Alzheimer's care programs or an Alzheimer's secured unit, which it argues are needed and beneficial in creating a safe and secure environment. Special programs will include outpatient dialysis, IV therapy, bedside dental/podiatry/eye care services, patient transportation, patient and caregiver education and training, and nutritional counseling and supervision.

Regarding financial access, Marion Ops states that it will participate in both Medicare and Medicaid programs and will seek contracts with managed care providers and commercial insurance companies and will provide a wide range of services to address various patient needs, such as short-term rehabilitation, complex care, and long-term care. The applicant confirms that it is committed to minimizing financial obstacles to nursing home care, collaborating with hospital discharge planners and admissions personnel.

Marion Operations reiterates its response regarding the extent of utilization, presenting a graph on page 3-5 of Subdistrict 3-4 (Marion County) and Florida supporting the area’s upward trend in occupancy indicates growing demand for skilled nursing beds, which will be remedied by the proposed facility.

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

Marion Operations LLC states it will use Aston Health for its consulting services. The reviewer notes that no Aston Health affiliate is a Gold Seal Program facility. The applicant highlights the importance of the continuum of care along with staff training and development which support progress tracking and facilitate ongoing monitoring of care

quality within each facility. Further, its administration sets the tone for employee behavior, prioritizing resident-centered care to ensure they benefit from a wide range of activities and services.

Marion Ops states Aston Health facilities receiving American Health Care Association/National Center for Assisted Living (AHCA/NCAL) include Flagler Health and Rehabilitation Center, receiving the National Quality Silver Award in 2024, and Debarry Health and Rehabilitation Center, the Silver level award in 2023. The applicant lists 11 facilities received AHCA/NCAL's Bronze level award in 2024:

- Creekside Health and Rehab
- Fairway Oaks Center
- Flagler Health and Rehabilitation Center
- Hillside Health and Rehab
- Island Lake Center
- Kensington Gardens Rehab and Nursing Center
- The Luxe at Jupiter Rehabilitation Center
- Oak Haven Rehab and Nursing Center
- Winter Garden Rehabilitation and Nursing Center
- Oakpark Health and Rehabilitation Center
- Parkside Health and Rehabilitation Center

Marion states that all Aston Health Florida affiliated nursing homes are Joint Commission Accredited.

Marion Operations offers Aston Health's mission:

“To personalize the wellness journey by providing skilled nursing and rehabilitation experiences that are designed around the needs of each individual, promote better quality of life, and transform ordinary expectations into extraordinary outcomes.”

Further, the applicant states that Aston Health's corporate culture is built on people, passion, and promise and its team members will embody this culture, which will benefit both staff and patient quality of life and provides a detailed description under these headings, stating that they are nurtured through cultural ambassadors. Marion Ops describes Aston Health's culture 'people, passion and promise' in detail on the application's page 4-3. These include:

People - Aston Health believes in genuinely connecting with people and communicating respectfully. The people of Aston Health work in health care because of their love to connect with others and help them live their best life.

Passion - Aston Health believes that whatever you do, do it with your whole heart. The people of Aston Health wear their hearts on their sleeves and they are passionate about their work — and it shows in the outcomes.

Promise - Aston Health believes in integrity above all and doesn't make promises lightly. The pivotal promise of Aston Health is that they pledge to truly care.

Aston Health Cultural Ambassadors Programs is stated to be designed to recognize “exceptionally caring, passionate people who lead by example”. Marion Operations states that it will adopt the Cultural Ambassadors Program and other Aston Health cultural programs, including monthly town hall (celebrating Aston’s cultural), employee of the month rewards, high five cards (Aston’s passion) and the safe zone party (Aston's promise). The applicant notes Aston Health established relationships with Florida nursing schools and allied health profession programs at local community colleges in their service areas. Examples include Premiere Nursing Academy, Kent State University, Keiser University, Educare Environ College of Nursing, Wellness Workdays Dietetic Internship, Daytona State College and St. Thomas University.

Specialty clinical/disease-specific programs and protocols are stated to include cardiac rehabilitation, kidney failure, orthopedic rehabilitation, respiratory disease and stroke rehabilitation. Aston’s COPD and Sepsis Management Protocols are described with Marion Ops indicating these will be used in its facility. Exhibit 10 includes samples of these two protocols. Treatments are stated to be in line with those provided by the Global Initiative for Chronic Lung Disease or American Medical Directors Association and that patient progress is actively managed, including ongoing evaluation and documentation of signs and symptoms and condition changes.

Aston Health’s Quality Assurance Performance Improvement (QAPI) is detailed with the application stating it is guided by the American Health Care Association, aims to improve clinical processes, quality of life, resident choice, and care transitions. Quality review of residents and findings will be reported in the Risk Management/QA Committee meetings until the committee determines substantial compliance has been met and recommends quarterly reviews. Core elements of Aston’s Readmission Reduction Protocols include:

- Transition of Care Goals - Development of patient centered goals prior to admission, throughout the facility stay, and with transition to the community.
- Condition Care Paths - Interdisciplinary approach with tailored interventions for management of acute and chronic conditions.
- Heightened education for all new staff during the onboarding and orientation process - Cultural approach that begins at Day I and encourages the supportive role of all facility staff.
- Tracking and trending on a daily, weekly, and monthly basis Real-time identification of any system opportunities while also ensuring the quality of care offered to the population is delivered in a consistent manner.
- Root cause analysis of readmissions - Defines care measures to ensure best practices and positive patient outcomes.
- Continued education - Ongoing education for all facility staff on nationally recognized best practices
 - Stop and Watch - E-interact program with proven results of reducing return to hospital admissions.
 - SBAR - E-interact program for change in condition aimed at early recognition of changes in condition and reduced readmissions.
 - Targeted clinical education based on trending return diagnosis
- QAPI/QAA Initiatives - PDSA model utilizing nationally accepted standards focusing on reducing readmissions and
- Medical Directors of each facility participate.

The applicant states Aston's Readmission Reduction Protocols implemented in February 2023, have reduced its facilities hospital readmission rate to 12.3 percent in March 2023 and 11.3 percent in April 2023, with the national average being 15 percent and argues that the application of these protocols will produce strategies for reduction of readmissions, promote better patient outcomes, and positively influence its skilled nursing facilities. It is interesting to note that the applicant does not provide more recent months in its discussion.

Marion Ops presents a detailed description of Aston Health's Concierge and Admissions Nurse programs on pages 4-7 and 4-8. Aston's Guardian Angel program is described on the application's page 4-8. Aston Health's use of Rytes, a third-party compliance program that provides a hotline for complaints and concerns as well as monthly training is described. The applicant indicates that Rytes provides attorneys who can help with labor concerns and employment questions and has a "red envelope" procedure for visits by government agencies. Aston Health's interactive device - Touchpoint Health Care system is described as being used to

accept calls from residents, families, and employees who have concerns or questions. Feedback covers diet, customer service, nursing care, therapy, activities, administration, and housekeeping/cleanliness. The applicant states that Aston Health had 7,426 Touchpoint responses with an overall rating of 4.5/5 and 95 - 97 percent positive comments in April of 2023 (negative feedback was given in only three - five percent) and Aston facilities averaged 4.3 stars on a scale of 5 stars on Google reviews.

Marion Ops planned Electronic Medical Records use is again described as using the 'PointClickCare' platform to provide bedside access to the patient record for immediate response and reporting requirements. The PointClickCare skilled nursing core platform and its functionality is described on the application's pages 4-9 through 4-11. The applicant indicates it will offer patients Aston Health's telehealth or virtual appointments through Zoom; however, it intends to eventually transition to PointClickCare's telepath services. The applicant's Quality Assurance Performance Improvement Plan and Quality Assurance and Assessment Program appear in the application's Exhibit 11.

Residents rights are again addressed with Marion Ops stating a residents' rights brochure provided by Florida's Long-Term Care Ombudsman Program is given to each admission and employee. Further, it plans to coordinate with the Ombudsman to assure that all proper interactions are guided by the policies and as part of the quality assurance review, aspects of residents' rights receive evaluation, and any breach or concerns addressed in the continuous quality improvement cycle. In reference to emergency management and hurricane preparedness, Marion Ops confirms the SNF will have a comprehensive emergency management plan and be constructed and equipped with a generator to ensure residents have a safe, comfortable environment during power outages.

Discussing resident activities, Marion Ops states they are designed to promote physical, as well as mental stimulation and social interaction. Regular daily programs and special events are structured such that residents' interests are a priority, promoting social interaction and entertainment. Marion Ops' activities director will plan the range of activities based on the individual care plans and resident requests. The applicant's Exhibit 12 includes sample activity calendars.

Marion Ops concludes that it has demonstrated the ability to implement a program of quality assurance and ability to attain high quality ratings. Aston Health's 46 affiliated nursing homes had 208 substantiated complaints during the period of 36 months ending December 19, 2024. A substantiated complaint can encompass multiple complaint categories. See the table below.

**Marion Operations LLC – Aston Health Affiliates
Substantiated Complaints Categories
December 19, 2021 - December 19, 2024**

Complaint Category	Number Substantiated
Administration/Personnel	37
Admission, Transfer & Discharge Rights	13
Billing/Refunds	5
Dietary Services	16
Elopement	11
Falsification of Records/Reports	6
Infection Control	9
Life Safety Code	11
Misappropriation of property	1
Other Services	1
Physical Environment	46
Quality of Care/Treatment	155
Quality of Life	5
Resident/Patient/Client Abuse	7
Resident/Patient/Client Neglect	14
Resident/Patient/Client Rights	35
Unqualified Personnel	1
Total	373

Source: Agency for Health Care Administration complaint data.

Aston Health Florida affiliates CMS overall ratings show the 46 facilities averaged 2.73 stars as of December 20, 2024. Five facilities had five-star ratings, five had four-star, 12 had three-star and the rest two stars or less. The reviewer notes that while we can run the data for these facilities, licensure records do not demonstrate when they were affiliated with Aston Health Services.

c. What resources, including health personnel, management personnel and funds for capital and operating expenditures are available for project accomplishments and operations? 408.035(4), Florida Statutes.

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The applicant is a development stage company with only \$249,956 in cash, with minimal operations. The applicant indicated that funding will be provided by cash on hand and a third-party interest. In the case of a development stage company with no historic operations in which to evaluate short and long-term financial positions, we will evaluate the applicant’s access to capital on a standalone basis for this project and any others cited in the application.

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$45,597,800, which includes this project (\$9,888,300) and CON #10744 (\$35,709,500).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$249,956) and non-related company financing (\$9,709,344). The applicant provided a letter dated December 16, 2023, from Dwight Mortgage Trust stating interest in providing construction financing. A letter of interest is not considered a firm commitment to lend. Since this is a development stage company with no historic financial position to evaluate, we cannot make a determination on the likelihood of acquiring the debt funding necessary.

Conclusion:

Funding for this project is in question.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported in the Florida Nursing Home Uniform Reporting System. For our comparison group, we selected skilled nursing facilities within the district removing any outliers that were the result of low occupancy or unusual payer mix relative to the other skilled nursing facilities in the district. Comparison group data was adjusted for inflation to match the second-year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 2nd Quarter 2024, Health Care Cost Review).

NRPD, CPD, and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	19,855,800	460	472	398	326
Total Expenses	19,364,500	448	501	397	333
Operating Income	491,300	11	34	0	-86
Operating Margin	2.47%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	43,208	83.96%	96.28%	89.69%	72.35%
Medicaid	15,123	35.00%	81.49%	63.68%	25.10%
Medicare	23,764	55.00%	46.65%	18.51%	6.58%

Staffing:

Section 400.23(3)(b)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.0 hours of direct care per resident per day, a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day, and 3.6 hours of total direct care staffing. Based on the information provided in Schedule 6, the applicant’s projected staffing meets this requirement.

The projected NRPD, CPD, and profit fall within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum amount of staffing required. Therefore, the overall profitability appears achievable.

Operating profits from this project are expected to increase from a net loss of \$2,105,000 in year one to a net profit of \$491,300 in year two.

Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant.

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

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient costs to remain profitable and offering higher quality and additional services to attract patients from competitors. With the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. The existing health care system’s barrier to price-based competition via a fixed price payer limits any significant gains in cost-effectiveness and quality that would be generated from competition.

Conclusion:

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

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

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

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

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

Marion Operations LLC states that Aston Health has a proven track record of providing skilled nursing services to Medicaid residents and furnishes Table 9-1 of the 46 nursing home affiliates. Medicaid patient days for the most recent three-year periods ending June 30, 2024, indicate Aston Health affiliated facilities averaged Medicaid occupancy of 62.49, 59.36 and 63.86 percent, respectively.

Schedule 7A indicates that Medicaid Managed Care will be 35 percent of year one and year two total annual patient days for the 38-bed project and the total facility.

F. SUMMARY

Marion Operations LLC (CON application #10825) proposes to add 38 beds to its CON approved 103-bed community nursing home pending licensure in Subdistrict 3-4 (Marion County). The applicant will contract with Aston Health, which provides consulting services to 46 nursing homes in Florida.

The 38-bed project involves 18,807 GSF of new construction and the construction cost is \$7,052,650. The total project cost is \$9,888,300.

The applicant expects issuance of license in June of 2027 and initiation of service in July of 2027.

Marion Operations LLC does not propose conditions on the project.

Need/Access:

- The application was filed in response to the published need
- Major need justifications cited by the applicant include:
 - Subdistrict 3-4's age 65 and older population growth
 - High occupancy rates and expected high occupancy demonstrates the need for additional beds
 - The positive effect on the service area, increasing availability where it is most needed
 - Marion County residents CY 2023 hospital MDC discharges to SNFs support the need for the applicant's cardiac rehabilitation, kidney failure, orthopedic rehabilitation, respiratory disease and stroke rehabilitation programs
 - The facility will provide two disease-specific protocols to improve quality and patient health outcomes for COPD and sepsis residents and a bariatric unit
- The applicant demonstrated that its project would provide better access to Marion County residents than the proposed aggregate need project to be located in Sumter County.

Quality of Care:

- The applicant provided a detailed description of the ability to provide quality care
- During the 36 months ending December 19, 2024, Aston Health affiliated SNFs had 208 substantiated complaints (373 categories)

Financial Feasibility/Availability of Funds:

- Funding for this project is in question
- The project appears to be financially feasible based on the projections provided by the applicant
- The project is not likely to have a material impact on competition to promote quality and cost-effectiveness

Architectural

- The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria
- The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable
- A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule

Medicaid/Indigent Care

- Marion Operations as a newly formed entity has no history of providing services, but documents Aston Health affiliated facilities have a history of services to Medicaid residents
- Medicaid Managed Care is projected to be 35 percent of year one (ending June 30, 2028) and year two (ending June 30, 2029) total annual patient days for the project and total facility

G. RECOMMENDATION

Approve CON #10825 to add 38 community nursing home beds to the 103-bed project approved by CON #10744 in District 3, Subdistrict 4, Marion County. The total project cost is \$9,888,300. The project involves 18,807 GSF of new construction and a total construction cost of \$7,052,650.

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: February 14, 2025



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Certificate of Need



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