

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Citrus Hills Nursing and Rehab LLC d/b/a The Grove Healthcare and Rehabilitation Center and Rehab/CON application #10826

400 Rella Boulevard, Suite 200
Montebello, New York 10901

Authorized Representative: Rob Manela, Chief Executive Officer
(954) 774-7412

2. Service District/Subdistrict

District 3/Subdistrict 3-5 (Citrus County)

B. PUBLIC HEARING

No public hearing was requested or held.

Letters of Support

The applicant's Exhibit 1 includes nine letters of support for its project (six from HCA Florida Citrus Hospital staff), two local physicians and one unsigned from Tampa General Hospital Crystal River staff.

C. PROJECT SUMMARY

Citrus Hills Nursing and Rehab LLC d/b/a The Grove Healthcare and Rehabilitation Center and Rehab (CON application #10826) also referenced as Citrus Hill, The Grove, or the applicant proposes to add nine community nursing home beds its facility located at 124 West Norvell Bryant Highway, Hernando, Florida, in District 3, Subdistrict 3-5 (Citrus County). The reviewer notes the facility name on its license reads Grove Healthcare and Rehabilitation Center and Rehab, The.

Citrus Hill Nursing and Rehab LLC states the nine-bed project will be part of a 26-bed expansion at the facility. Exemption #E240010 approved December 16, 2024, authorizes the addition of 12 beds. The

applicant indicates five of the 26-bed 'expansion' involve converting existing semi-private rooms to private rooms that will be added to the new wing.

Citrus Hill Nursing and Rehab LLC states it is affiliated with Millennial Healthcare Services LLC (Millennial), which manages several facilities throughout Central Florida, including Citrus Health and Rehabilitation Center. The applicant's Exhibit 5 includes a list showing Millennial has 16 affiliated Florida nursing homes.

The applicant indicates that the project will be licensed in June 2027 and begin service in July 2027.

The project includes 13,273 gross square feet (GSF) of new construction and a total construction cost of \$4,608,000. The total project cost is \$6,630,000 and includes land, building, equipment, project development and financing costs.

No conditions to project approval are proposed.

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, 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, 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 195 of the Florida Administrative Register dated October 4, 2024, a fixed need pool (FNP) of nine community nursing home beds was published for District 3-5 (Citrus County) for the July 2027 planning horizon.

As of August 9, 2024, the subdistrict has nine community nursing homes with 1,103 licensed beds and 93 CON approved community nursing home beds (CON #10758 PruittHealth – Citrus County, LLC) pending licensure. Citrus County nursing homes reported 91.64 percent occupancy in the six months, and 90.77 percent occupancy during the 12 months ending June 30, 2024. Effective December 16, 2024, Citrus Hills Nursing and Rehab LLC was approved via Exemption #120010 to add 12 community nursing beds to its 120-bed facility.

Citrus Hills Nursing and Rehab LLC cites the Agency's nine-bed FNP and states its proposal effectively addresses the calculated need, noting it is sole application to establish additional beds in the subdistrict. The applicant provides additional factors in support of the project for the

planning area. These include District 3 having the second-highest concentration of residents aged 65 and older and Citrus County’s population age 65+ of 59,050, which makes up 36.61 percent of the County’s total population. The applicant notes that by January 1, 2029 the 65 and over population is projected to increase by 6,592 residents (11.16 percent) and be approximately 38.85 percent of Citrus County’s total population. The applicant contends that the increasing senior population not only raises the numbers and proportion relative to the total population, but will increase demand for health and social services, including nursing home care.

The applicant’s Table 1-3 (CON application 10826, page 1-6) shows the five-year growth rate for Citrus County’s elderly population by zip codes. The Grove is located in zip code 34442, which has the second highest age 65+ population and by January 2029, is expected to see a 15.5 percent increase in its senior population, while the average growth rate for seniors in the service area is 15.9 percent, compared to an overall average population growth of 6.5 percent. Citrus Hills next addresses nursing home bed availability by examining the number of nursing home beds relative to the number of seniors. See the table below.

District 3-5 & Florida - Beds to Age 65+ Population Ratio				
Area		Jan-24	Jan-29 Without the Project	Jan-29 With the Project
Citrus	Beds	1,103	1,196	1,205
	Pop 65+	59,050	65,462	65,642
	Beds/1000	19	18	18
Florida	Beds	82,438	85,811	85,802
	Pop 65+	5,064,776	5,865,659	5,865,659
	Beds/1000	16	15	15

Source: CON application #10826, page 1-7, Table 1-4, 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. Notes: The table projects that all CON approved beds are licensed by 2029. Adding the applicant’s 12-bed exemption improves the ‘with the project’ totals to 19 beds per 1,000.

Using the population estimates and the most recent publicly available nursing home bed data, Subdistrict 3-5 has 19 beds per 1,000 persons aged 65 and older as of July 1, 2024, whereas Florida has 16 beds per 1,000 seniors. By January 1, 2029, when the applicant will be in their second year of operations for the proposed bed addition project, the availability in Subdistrict 3-5 is projected to decrease to 18 beds per 1,000 seniors due to population growth.

Table 1-5 on page 1-8 illustrates the facility’s utilization for the past five years, ending on June 30, compared to the utilization of Subdistrict 3-5, District 3, and Florida. The applicant’s facility consistently maintained at least 90 percent occupancy over the past five years, including during

the COVID-19 pandemic years. In fact, its occupancy levels reached over 94 percent last year and over 96 percent this past year. The applicant concludes that addition of nursing home beds to its highly utilized facility ensures that beds are available as demand for skilled nursing services is expected to increase.

Citrus Hills contends it has the experience and capability to provide high-quality care while adhering to regulations set by the Centers for Medicare and Medicaid Services (CMS) and state authorities. The facility is Joint Commission accredited and has achieved a four out of five-star rating in the Agency Nursing Home Guide Inspection, indicating strong compliance and quality of care. The facility offers a wide range of skilled nursing services, including short-term and post-acute specialties, effectively meeting the diverse needs of its patients. The applicant concludes its credentials demonstrate its ability to successfully expand capacity while maintaining quality care standards.

Nursing home admissions often arise due to conditions that cannot be managed elsewhere, particularly for patients with increased fragility and chronic illnesses. The demand for higher intensity services, such as wound care, tube feeding, and post-surgical recovery, has necessitated a rise in staff skill levels and associated costs. As residents are living longer and their needs have evolved, nursing homes are adapting accordingly. This shift is driving the use of advanced technology and the integration of innovative treatment modalities to meet the changing health care landscape.

Citrus County is served by two hospitals offering acute care services: HCA Florida Citrus Hospital and Tampa General Hospital Crystal River. As illustrated in Figure 1-5 on page 1-10, HCA Florida Citrus Hospital is located within the applicant's 10-mile radius, while Tampa General Hospital is within a 15-mile radius. This proximity provides residents with ready access to essential diagnostic and surgical services. Additionally, the nursing home is recognized as a preferred provider for patients requiring rehabilitation following acute illnesses or surgeries.

Utilization rates applied to future population estimates maintain the existing balance of beds, including any previously CON approved beds, to avoid over-bedding the subdistrict. The recent average occupancy rate within the subdistrict of 90.77 percent for the 12-month period ending June 30, 2024, indicates that existing facilities will not be negatively impacted.

In reviewing the application, the reviewer identified an incorrect statement in the original text, which has been paraphrased as follows:

"Schedule 5 of the application presents the forecast of utilization for the 60-bed addition, resulting in a total facility capacity of 150 beds. The forecast assumes that the first month of operation for the bed addition will be January 2027 and indicates a fill-up period during the first year, consistent with similar projects across the state. It is expected that the facility will return to its average occupancy level of approximately 89 percent by the second year of operations following the bed addition." While the applicant's quote has some inaccuracies, the projected utilization for the first two years of the project is as follows.

**Projected Utilization for the Nine-Bed Addition and 129-Bed Facility
Years One and Two ending June 30 of 2028 and 2029**

Year	Nine-Bed Addition				Total Facility (N=129)			
	Admits	Patient Days	Occup. Rate	ADC	Admits	Patient Days	Occup. Rate	ADC
One	330	2,274	69.03%	6	808	43,703	92.56%	120
Two	336	2,924	89.01%	8	814	44,153	93.77%	121

Source: CON application # 10826, Page 1-12, Table 1-8.

Citrus Hills indicates the facility is expected to experience 10,806 patient days at an occupancy rate of 91.05 percent during the project's first quarter of operation. By the end of the first year, the facility is projected to reach 92.56 percent occupancy, which will increase to 93.77 percent in the second year of operation.

The Grove concludes that it has outlined the benefits of adding nine beds to an already highly utilized facility and has established the need for these additional beds in line with the Agency's FNP. Further, the proposal meets statutory criteria by demonstrating the need for expanded access and availability of skilled nursing care within the service area.

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.

- 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 polices.**

Citrus Hills Nursing and Rehab states it collaborates closely with local hospitals to address the significant demand for rehabilitative services. To illustrate the need for specific services offered by the nursing home and required by residents, the applicant analyzed acute care and rehabilitation hospital discharges for residents aged 65 and older in Subdistrict 3-5 (Citrus County). All Medical Diagnostic Categories (MDCs) were evaluated to determine the types of conditions and disorders pertinent to nursing admissions. The applicant’s table summarized below shows the Citrus County residents aged 65 and over discharged from acute, rehabilitation, and long-term care hospitals to skilled nursing facilities during CY 2023, which was the most recent data available.

**Florida Hospital Discharges to Skilled Nursing Homes by MDC
For Citrus County Residents Aged 65 and Over, CY 2023**

Major Diagnostic Category	Volume	Percent
08 Diseases & Disorders of the Musculoskeletal System and Connective Tissue	613	19.39%
05 Diseases & Disorders of the Circulatory System	576	18.22%
18 Infections & Parasitic Diseases, Systemic or Unspecified Sites	473	14.96%
11 Diseases & Disorders of the Kidney & Urinary Tract	306	9.68%
01 Diseases & Disorders of the Nervous System	286	9.05%
All Others	907	38.7%
Total	3,161	100.00%

Source: CON application # 10826, Page 2-4, Table 2-1, AHCA Hospital Patient Discharge Data, CY 2023.

As shown above, MDC 8, Diseases and Disorders of the Musculoskeletal System and Connective Tissue, accounts for 19.39 percent of all discharges. MDC 05, Diseases and Disorders of the Circulatory System, is the second largest, and together these MDC’s comprise 38 percent of discharges for residents over 65. The top five MDCs account for approximately 71 percent of nursing home discharges for the elderly in the area. These MDCs and their corresponding Diagnosis Related Groups (DRGs) detail the necessary services provided by the nursing home. The

facility offers specialized programs and conducts thorough assessments during admission to create tailored care plans focused on restoring functionality.

The leading three MDCs—MDC 8, MDC 5, and MDC 18—comprise about half (1,662) of discharges, addressing musculoskeletal, circulatory, and infectious or parasitic diseases. MDC 8 includes diagnoses such as hip and knee replacements, utilizing weight-bearing exercises to enhance mobility and strength. The facility also addresses wound care, including fractures. In MDC 5, the facility provides treatment for conditions like heart failure involving physical and occupational therapy to improve cardiac function. MDC 18 focuses on Infectious and Parasitic Diseases, and the facility has eight private rooms for isolation and plans for nine additional rooms to enhance infection control.

The Grove features a therapy gymnasium for delivering therapeutic services. Innovative technologies support individualized programs aimed at preventing hospital admissions or readmissions, thereby improving residents' health and quality of life. A comprehensive range of nursing and restorative care for short-term rehabilitation, long-term care, and complex medical conditions is available. Key services include physical, occupational, and speech therapy, as well as orthopedic and neurological rehabilitation. Additional offerings encompass pulmonary and medical management, respite care, palliative and hospice care, and specialized wound care.

Amenities include private rooms, separate short-term units, 24-hour nursing coverage, personalized discharge services, and admission seven days a week. The facility also provides dietary consultations, recreational programming, and a beauty shop. The Grove maintains established policies for care planning, admissions, and discharges, ensuring effective resident support. Staff training emphasizes Nursing Home Federal Requirements to ensure dignified and respectful care.

A multidisciplinary team, including the Nursing Center's Administrator, Medical Director, and other health care professionals, assesses each resident's needs. Transfer decisions are made in consultation with the Care Team, the residents, their family and physician. Each resident receives an Admission Packet outlining the agreement between the facility and the resident or their legal representative. This packet includes essential forms such as Medicaid interview documents, authorization to handle resident funds, smoking policy, informed consent for vaccinations, advance directive acknowledgment, Medicare information, bed hold policies and other significant agreements.

Upon admission, residents are informed of their rights and the Florida Long-Term Care Ombudsman Program. These documents ensure clear communication and prioritize residents' rights and health care needs.

The development of a care plan, crucial for each resident's quality of life, involves an interdisciplinary team, including the attending physician, director of nursing, nurses, nursing assistants, dietary and social services managers, activities directors, and therapists. Following an initial assessment, the care plan is created and continuously adjusted through the Quality Assurance Performance Improvement (QAPI) process to enhance care and minimize hospital readmissions. The initial evaluation covers essential aspects such as medical diagnosis, dietary needs, skin conditions, mobility, and cognitive status.

Discharge planning starts at admission, emphasizing independence and appropriate placement in the nursing home. The Social Services Director estimates the expected length of stay and collaborates with the residents and family to outline aftercare options and goals. Discharge plans address social services and home needs, facilitating equipment arrangements, referrals for home health, follow-ups, and home evaluations. Eligibility for home health services includes criteria like residency, being homebound, and having available caregivers. At discharge, a summary of the resident's care is documented and shared with health care providers, ensuring communication and coordination. Discharge occurs only at the attending physician's directive, and aftercare plans are reviewed with the resident and family, ensuring they receive a written plan with necessary follow-up instructions.

The facility accommodates a diverse range of payers, including Medicare, Medicaid, and private insurance. The applicant presented projections for utilization, average length of stay, and average daily census for the initial two years following the bed addition, aiming to maintain utilization patterns consistent with current operations. In year one, the applicant projects the facility will have an average length of stay (ALOS) of 54.1 days, accommodating both short-term rehabilitation and long-term care patients. The startup period for the additional beds is projected to have an ALOS of seven to nine days. By the end of the first year, the facility's census will increase to 119, including six additional patients from the expansion. In year two, the nine-bed addition is expected to add eight more patients, with the 129-bed facility having an ADC of 121 and 93.77 percent occupancy.

**Projected Admissions, Patient Days,
Average Length of Stay and Average Daily Census
First Two Years of Operation for
the Nine-Bed Addition and 129-Bed Facility**

Factor	Nine Beds		129 Beds	
	Year One	Year Two	Year One	Year Two
Admissions	330	336	808	814
Patient Days	6,2,274	2,924	43,703	44,153
ALOS	6.9	8.7	54.1	54.2
ADC	6	8	119	121

Source: CON application # 10826, Page 2-12, Table 2-2.

The applicant’s Schedule 6A indicates current staff number 137.95 full-time equivalent (FTE) positions and 8.09 FTEs will be added for this project, for a total of 146.00 FTEs in year one. Year two shows 137.95 FTEs for the current staff plus an additional 9.55 FTEs, leading to a total of 147.50 FTEs, which meet staffing standards.

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.

The applicant has not had a nursing facility license 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 home 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 provision 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 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 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.**

The applicant states The Grove will continue to provide the required data to the WellFlorida Council, Inc., that serves Health Planning District 3 and to the Agency for Health Care Administration. These data include the above-cited utilization reports as well as required licensure and financial requirements attendant to operating a licensed nursing facility.

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.**

"Availability" often refers to how much of a service exists, such as how many beds or facilities are in the market. The applicant provides the inventory and utilization data presently presented in Item E. 1. a. The applicant notes The Grove Healthcare and Rehabilitation Center has been accredited by the Joint Commission since August 27, 2022. Furthermore, the facility has received commendable scores from the Agency Nursing Home Guide Inspection Ratings. During the most recent rating period from April 2022 through September 2024, The Grove

attained an overall inspection rating of four out of five stars and was awarded the highest rating of five stars in several categories, including quality of life, administration, nutrition and hydration, restraints and abuse, pressure ulcers and dignity.

"Access" is defined as how potential users gain entry to a service or facility. In the context of health care services, access is typically evaluated based on several criteria, including eligibility requirements, financial considerations or payer specifications, the locations of facilities or admission centers, geographical elements such as roadways and railroads, the travel time or distance users must cover, and the availability of specific services or programs. The applicant contends that the project will enhance access by increasing the number of beds at a facility that is currently experiencing high occupancy rates and is situated near hospitals. As a certified Medicare and Medicaid facility, The Grove offers a comprehensive array of services suitable for both short-term rehabilitations following hospital stays and long-term care.

The applicant includes a map (Figure 3-1 on page 3-4) illustrating the 15-minute and 30-minute drive time contours surrounding The Grove, with locations of nearby hospitals and nursing homes clearly marked. According to the map, HCA Florida Citrus Hospital is located within a 15-minute drive from the facility, whereas Tampa General Hospital Crystal River is situated within a 30-minute drive. Citrus Hills Nursing and Rehab contends that increasing elderly demographic contributes to the heightened demand for nursing home services in the area and its facility is positioned to significantly improve access to essential health care services.

The Grove reiterates population and discharge data to address service access and contends economic barriers to accessing care are addressed by its participating in various payment programs, including Medicare, Medicaid, and contracts with managed care providers and commercial insurance companies. Schedule 7 in Exhibit 10 is referenced for its payor sources. The applicant states its diverse payment arrangements enable the facility to serve a broader pool of residents, thereby maximizing access to care and it commits to mitigating any financial barriers that may impede access to care and will collaborate closely with hospital discharge planners and other entities responsible for direct admissions to ensure that individuals receive comprehensive support for their needs. The applicant also states the facility's size and design, which include separate neighborhoods for short-term rehabilitation,

complex care, and long-term care needs, also contribute to its ability to provide a wide range of services and accommodate diverse patient requirements.

Historical utilization data for the facility and the subdistrict is presented, which outlines trends over the past five years. The applicant notes the strong demand (utilization) at The Grove. In response to the documented need for additional services, the planned nine-bed addition is poised to enhance utilization by better accommodating the escalating demand for step-down rehabilitation care following hospital stays. Given the applicant's existing facility already operates at a high occupancy rate, Citrus Hills maintains there is a clear indication of facility-specific demand that suggests the new nine-bed addition will experience a rapid fill rate, ultimately ensuring successful operations. The expansion will improve access to services and is expected to improve for residents of Citrus County, further increasing overall utilization of the facility. The addition will not only support those in need of rehabilitation but will also contribute to overall efficiency and responsiveness of care in the community.

The Grove concludes its submissions indicate strong alignment with the statutory health planning factors, including availability, quality of care, access, and the extent of utilization of existing nursing homes within the subdistrict. The planned expansion will be particularly beneficial for seniors aged 65 and over who need a step-down rehabilitation facility following an acute care hospital stay, thereby enhancing access to care for this vulnerable demographic. Further, it demonstrates a commitment to accepting a diverse range of payers and catering to individuals requiring skilled care and medical management for both acute and chronic conditions. Finally, the project will contribute positively to the local health care landscape, facilitating improved patient outcomes and access to essential rehabilitation services.

- 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.**

The Grove has achieved several notable accreditations, including Joint Commission Accreditation, and has earned high scores in the AHCA Nursing Home Guide Inspection Ratings. For the inspection period from April 2022 to September 2024, the facility received an overall rating of four out of five stars and achieved the highest ranking of five stars in several categories, such as quality of life and dignity.

Millennial facilities generally exhibit remarkable performance metrics, including occupancy rates averaging over 93 percent. Many have been recognized by US News and World Reports' Best Nursing Homes 2025, with several facilities earning top ratings. Additionally, centers have been awarded national quality honors, highlighting the emphasis on quality care within the Millennial network.

Millennial Healthcare Services' vision is to become a premier provider of outstanding nursing home care that significantly improves the quality of life for its residents. The organization is dedicated to fostering a safe, supportive, and inclusive environment where individuals can flourish both physically and emotionally, as well as socially. Millennial aspires to gain recognition for its unwavering commitment to compassion, integrity, excellence, and innovation, positioning itself as a trusted partner within the health care community. Ultimately, Millennial's goal is to enhance the health and well-being of its residents, positively impacting their lives.

Millennial Healthcare Services is committed to its Quality Assurance and Performance Improvement (QAPI) Program, designed to foster an exceptional person-centered care environment. This program promotes meaningful relationships among residents, physicians, staff, family members, and other providers while aiming for individualized, high-quality patient care. The QAPI Program is guided by principles that emphasize a structured approach to care practices. Staff members recognize their roles in performance improvement, focusing on systems and processes to identify potential errors. Goals are set for performance enhancement, with progress continuously measured and adjusted as necessary.

Led by the administrator, the QAPI Committee meets quarterly to identify concerns and implement changes. To support Performance Improvement Projects (PIPs), the committee ensures adequate training, resources, and time for staff involvement. The PIP subcommittee uses Root Cause Analysis to refine practices, collect data, and assess the effectiveness of changes, ultimately providing recommendations to the QAPI Committee. The facility adheres to CMS guidelines for a comprehensive, data-driven QAPI program that monitors care outcomes and quality of life. The Program Systematic Analysis and Systemic Action Policy outlines actions for performance improvement, with a focus on analyzing underlying issues and developing corrective measures that promote sustained improvement. The QAPI Process Policy and Program Systematic Analysis procedures, detailed in Exhibit 6, are stated to be crucial to Millennial Healthcare Services' commitment to continuous quality enhancement and ensuring that resident needs are met effectively.

Millennial Healthcare Services utilizes the fully integrated electronic medical record (EMR) platform, PointClickCare, which provides 24/7 bedside access to patient records for immediate response and reporting. Authorized staff can securely log in to view and update care plans, including vital information such as allergies, medications, and lab results, facilitating tracking of patient progress and transfers. The Grove also employs advanced artificial intelligence and leading software to reduce leaders' workloads, allowing them to spend more time with staff and improve clinical outcomes. This includes enhanced staffing and visitor screening, as well as reports on rehospitalization risks minimizing unnecessary hospital readmissions.

The EMR system generates essential statistical data for quality assurance and compliance, helping partners evaluate performance. Additionally, the integration of pharmacy information enables effective medication management by reviewing orders and checking for contraindications. Overall, the EMR enhances Millennial Healthcare Services' ability to maintain quality standards, meet licensure requirements, and improve patient outcomes through efficient management and data-driven care.

In response to severe hurricanes, The Grove prioritizes emergency management with established action and environment control plans for natural disasters. Equipped with a generator, the facility ensures resident safety during power outages. Its Comprehensive Emergency Management Plan details protocols for preparation, monitoring, reporting, and evacuation, alongside strategies for securing adequate supplies like food, water, and medications.

The Grove has a resident council to facilitate ongoing feedback from residents and their families. This independent group meets regularly to discuss issues, propose solutions, and organize meaningful events, allowing residents to influence decisions and enhance communication with staff. To promote engagement, the facility provides an activity calendar that helps residents schedule and attend events based on their interests. The activities are categorized into three core programs: self-directed programming, group programming, and one-on-one programming, all aligned with the six elements of the dimension of wellness: physical, cognitive, social, emotional, cultural, and spiritual.

The activities director plans activities based on individual care plans and resident interests, encouraging family participation. These activities focus on promoting physical health, mental stimulation, and social interaction. Regular programs and special events prioritize resident interests, while community outings offer additional opportunities for engagement and exposure to the wider community.

In summary, The Grove has effectively implemented a quality assurance program that supports continuous quality improvement. The applicant has achieved high ratings in both federal and state systems, as well as national recognition for its commitment to quality enhancement.

The Grove Healthcare and Rehabilitation Center and Rehab had no substantiated complaints and Millennial Healthcare Services affiliated nursing homes 38 substantiated complaints (56 total in the complaint categories) cited during the 36 months ending December 19, 2024. A substantiated complaint can encompass multiple complaint categories. See the table below.

**Millennial Healthcare Services Affiliates
Substantiated Complaint Categories
December 19, 2021 - December 19, 2024**

Complaint Category	Number
Quality of Care/Treatment	21
Physical Environment	4
Resident/Patient/Client Rights	6
Resident/Patient/Client Abuse	4
Administration/Personnel	4
Misappropriation of property	1
Elopement	4
Resident/Patient/Client Neglect	3
Admission, Transfer & Discharge Rights	1
Pharmaceutical Services	1
Falsification of Records/Reports	2
Dietary Services	4
Billing/Refunds	1
Total	56

Source: Agency for Health Care Administration complaint data.

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

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The 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. Below is our analysis:

CON 10826 Citrus Hills Nursing and Rehab LLC		
	Current Year	Previous Year
Current Assets	\$3,312,442	\$1,934,610
Total Assets	\$12,145,112	\$12,576,725
Current Liabilities	\$4,558,421	\$3,550,796
Total Liabilities	\$11,001,491	\$12,395,674
Net Assets	\$1,143,621	\$181,051
Total Revenues	\$14,380,364	\$5,666,961
Excess of Revenues Over Expenses	\$962,570	\$181,051
Cash Flow from Operations	\$2,123,409	(\$48,114)
Short-Term Analysis		
Current Ratio (CA/CL)	0.7	0.5
Cash Flow to Current Liabilities (CFO/CL)	46.58%	-1.36%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	563.4%	4885.3%
Total Margin (ER/TR)	6.69%	3.19%
Measure of Available Funding		
Working Capital	(\$1,245,979)	(\$1,616,186)

Position	Strong	Good	Adequate	Moderately Weak	Weak
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:

The applicant indicates on Schedule 2 capital projects totaling \$9,846,000 which includes this project (\$6,630,000), cash on hand (\$1,712,292), and non-related company financing (\$4,917,708).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$1,712,292) & non-related company financing (\$4,917,708). The applicant provided a letter of interest, dated December 17, 2024, from Huntington National Bank stating their interest in providing construction financing. A letter of interest is not considered a firm commitment to lend.

The applicant’s overall financial position is relatively weak based on the above analysis. While the applicant does have sufficient cash on hand to fund its portion of the project identified as cash, it also has current liabilities in excess of current assets. Despite the relatively weak financial position, the applicant’s operations did post a positive profit in the most recent year and according to the audit has access to a line of credit.

Conclusion:

Funding for this project should be available as needed.

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	17,596,300	399	472	398	326
Total Expenses	15,373,800	348	501	397	333
Operating Income	2,222,500	50	34	0	-86
Operating Margin	12.63%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	44,153	93.77%	96.28%	89.69%	72.35%
Medicaid	26,720	60.52%	81.49%	63.68%	25.10%
Medicare	12,534	28.39%	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 & profit falls within the group range and are considered reasonable. In addition, the total cost appears to include at least the minimum staffing required. It should also be noted that the most recent audited financial statements show that the current operations of this nursing home were profitable. Therefore, the overall profitability appears achievable.

Operating profits from this project are expected to increase from a net profit of \$2,186,900 in year one to \$2,222,500 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 cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in the nursing home industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The existing health care system's barrier to price-based competition via fixed price payers limits any significant gains in cost effectiveness and quality that would be generated from competition.

Conclusion:

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

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.**

The Grove notes it has maintained an average of 63.45 percent Medicaid patient days during the 12-month period ending June 30, 2024, accounting for 26,813 Medicaid patient days. The applicant's Table 9-1 shows the Medicaid days were 71.51 percent and 66.93 percent during the 12 months ending in June 30 of 2022 and 2023.

The applicant projects year one ending June 30, 2028, will have 26,399 Medicaid Managed Care patient days (60.4 percent of total days) and 26,720 year two Medicaid patient days (60.5 percent of year two total). Medicaid Managed Care is projected to be 60 percent of the project's year one and year two annual patient days.

F. SUMMARY

Citrus Hills Nursing and Rehab LLC d/b/a The Grove Healthcare and Rehabilitation Center and Rehab (CON application #10826) proposes to add nine community nursing home beds to its 120-bed SNF located at 124 West Norvell Bryant Highway in District 3, Subdistrict 3-5 (Citrus County).

The project includes 13,273 GSF of new construction and a total construction cost of \$4,608,000. The total project cost is \$6,630,000.

The applicant expects the project will be licensed in June 2027 and begin service in July 2027.

No conditions are proposed for the project.

Need: - This application is filed in response to the published need.

- The applicant's additional factors supporting its project include
 - By the midpoint of the second year, Citrus County's senior population will make up almost 38.85 percent of the total population for a five-year growth rate of 11.16 percent
 - The Grove has exhibited at least 90 percent occupancy, even during the years of the COVID-19 pandemic
 - The Grove provides MDC data supporting the conditions its facility provides treatment
 - The applicant cites its high occupancy concluding the projected high occupancy demonstrates the need for nursing home beds in the surrounding area that it serves

Quality of Care:

- The applicant provided a detailed description of the ability to provide quality care
- Millennial Healthcare Services affiliated nursing homes had 36 substantiated complaints during the 36 months ending December 19, 2024 – none of these were at The Grove.

Financial Feasibility/Availability of Funds:

- Funding for this project should be available as needed
- This project appears to be financially feasible based on the projections provided by the applicant.
- This project is not likely to have a material impact on competition to promote quality and cost effectiveness.

Architectural

- The applicant 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:

- The applicant provides The Grove's most recent three-year history of providing service to Medicaid patients
- The applicant projects Medicaid Managed Care will be 60 percent of the project's year one and two patient days and 60.4 percent and 60.5 percent of the 129-bed facility's year one and two patient days, respectively.

G. RECOMMENDATION

Approve CON #10826 to add nine community nursing home beds in District 3, Subdistrict 5 (Citrus County). The total project cost is \$6,630,000. The project involves 13,273 GSF of new construction and a total construction cost of \$4,608,000.

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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