

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**Okahumka RE T LLC/CON application #10827**

400 Rella Boulevard, Suite 200  
Montebello, New York 10901

Authorized Representative: Rob Manela, Chief Executive Officer  
(718) 705-6878

**Osceola SNF LLC/CON application #10828**

1800 N. Wabash Avenue, Suite 300  
Marion, Indiana 46952

Authorized Representative: Ryan M. Ott  
(765) 664-5400

**2. Service District/Subdistrict**

District 3/Subdistrict 3-7 (Lake and Sumter Counties)

**B. PUBLIC HEARING**

A public hearing was not requested or held regarding the proposed projects.

**Letters of Support**

**Okahumka RE T LLC (CON application #10827)** provides eight letters of support in the application's Exhibit 1 and includes quotes from several of these in the application.

**Osceola SNF LLC (CON application #10828)** includes ten letters of support in the application's Exhibit 1 with two quoted within the application. Eight letters were from residents of three Florida nursing homes located in Marion, Pasco and Polk counties.

**C. PROJECT SUMMARY**

**Okahumka RE T LLC (CON application #10827)**, referred as the applicant or Okahumka proposes to add 16 beds to its approved (CON#10737P) 147-bed community nursing home project under development in Lake County (Subdistrict 3-7). The applicant states it will contract with Millennial Health Care Services (Millennial), a management company which manages 16 central Florida (five in Subdistrict 3-7) nursing homes. If approved, the project adds four private and six semi-private rooms, with the 163-bed facility having 71 private rooms and 46 semi-private rooms. The project is located on a 12.5-acre property at 27891 U.S. Highway 27 in Leesburg, Florida 34748.

Total project cost is \$3,272,300 and includes building, equipment, project development, financing, and start-up costs. The project involves 6,454 gross square feet (GSF) of new construction and construction cost of \$2,420,300.

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

Okahumka RE T LLC proposes two conditions to the project's approval:

- 1. The facility will establish the following Centers of Excellence, specialized programs to promote optimal health and quality of life and reduce hospitalizations:**
  - **Cardiac Center of Excellence Program**
  - **Infectious Disease Management Center of Excellence Program**
  - **Memory Enhanced Unit Center of Excellence Program**
  - **Orthopedic Center of Excellence Program**
  - **Respiratory Center of Excellence Program**
  - **Stroke Center of Excellence Program**
  - **Wound Care Center of Excellence Program**

Measurement of the condition includes a print-out of the FloridaHealthFinder profile page for the facility identifying available programs and services as well as company policies and literature regarding such programs available to residents.

**2. The facility will partner with the following colleges and universities to promote career development in the nursing field, serving as a training location:**

- **Lake Technical College**
- **Taylor College**
- **Lake-Sumter State College**

Measurement of the condition includes a copy of the agreement with the institution and number of persons participating in the training/internships annually.

The reviewer notes Okahumka's 147-bed project (CON #10737P) has the above conditions and is also conditioned to include a 20-bed memory care unit, four bariatric rooms and on-site dialysis.

**Osceola SNF LLC (CON application #10828)**, referred to as the applicant or Osceola SNF, proposes to construct a new 108-bed community nursing home in Subdistrict 3-7 (Lake and Sumter Counties). Osceola states in accord with s. 408.034 (6), Florida Statutes, the project will utilize the subdistrict's 16-bed fixed need pool (FNP) numbers and the FNPs of three contiguous subdistricts – 38 from Subdistrict 3-4 (Marion County); nine from Subdistrict 3-5 (Citrus County) and 45 beds from Subdistrict 3-6 (Hernando County).

Osceola SNF's project site yet to be identified, is planned to be in zip code 34785 (Wildwood) in Sumter County, near the convergence of several major roadways, including Interstate 75, Florida's Turnpike, U.S. 301, and State Road 44. The applicant contends that "the facility site will provide reasonable geographic access" for residents in those subdistricts, considering the bed requirements in each area. Further, the site will provide convenient north-south access to Sumter, Marion, and Hernando Counties, east-west access to Citrus County, and southeast-northwest access to Lake County.

Osceola SNF LLC has no operational history and is a wholly owned subsidiary of Tender Loving Care Management, Inc (TLC Management or TLC), which operates four Florida skilled nursing facilities that have Joint Commission accreditation. Exhibit 2 shows TLC has 20 SNFs with four in Florida, 15 in Indiana and one in Ohio. TLC's Florida nursing homes include assisted living facilities (ALFs) on their campus.

Total project cost is \$37,605,685 and includes land, building, equipment, project development, financing, and start-up costs. The applicant indicates the facility will have 108 private rooms with two bariatric rooms, in 72,045 GSF of new construction and \$27,016,875 in construction cost.

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

Osceola SNF LLC proposes two conditions the project’s approval:

1. The facility will provide all private resident rooms and bathrooms.
2. The facility will apply for Joint Commission Accreditation by the second year of operations.

<b>CON#</b>	<b># of Beds</b>	<b>GSF</b>	<b>Project Cost (\$)</b>	<b>Cost/Bed (\$)</b>
CON application #10827 (Okahumka)	16	6,454	\$3,272,300	\$204,519
CON #10737P (Okahumka)	147	102,703	\$44,636,100	\$228,962
CON application #10738 (Osceola)	108	72,045	\$37,605,685	\$348,201

Source: Schedules 1 and 9, CON application numbers 10827, 10828 and CON #10737P.  
Note: the reviewer includes CON#10737P to illustrate the Okahumka facility’s overall cost.

*The proposed conditions and measures are as stated by the applicants. Should a project be approved, the applicant’s proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3), Florida Administrative Code. However, Section 408.043 (3) Florida Statutes states that “Accreditation by any private organization may not be a requirement for the issuance or maintenance of a certificate of need under ss. 408.031-408.045, Florida Statutes.”*

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

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

**D. REVIEW PROCEDURE**

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

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

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

As part of the fact-finding, the consultant, Sarah Zimmerman, analyzed the application with consultation from Financial Analyst Derron Hillman of the Bureau of Central Services, who evaluated the financial data, and Scott Waltz of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

**E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA**

The following indicate the level of conformity of the proposed project with the criteria and application content requirements found in Florida Statutes, Sections 408.035 and 408.037; applicable rules of the State of Florida, Chapter 59C-1 and 59C-2 and 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, published a fixed need pool (FNP) of 16 community

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nursing home beds in Subdistrict 3-7 for the July 2027 planning horizon.

As of August 9, 2024, Subdistrict 3-7 had 19 community nursing homes 2,057 licensed and 187 CON approved community nursing home beds, which include 40 beds at The Lakes of Clermont and Rehabilitation Center (CON #10728) and Okahumka RE T LLC’s 147 beds (CON #10737P), in Lake County. During the six months ending June 30, 2024, Subdistrict 3-7 experienced 92.14 percent occupancy at the 19 existing community nursing homes. Subdistrict 3-7 community nursing homes reported 91.59 percent occupancy during the 12 months ending June 30, 2024. See the table below.

**Subdistrict 3-7 (Lake & Sumter Counties)  
Community Nursing Home Utilization 12-months ending June 30, 2024**

<b>Facilities</b>	<b>Beds</b>	<b>Patient Days</b>	<b>Total Occupancy</b>
Avante at Leesburg, Inc.	116	38,424	90.50%
Avante at Mt. Dora, Inc.	116	38,409	90.47%
Bayview Center	120	40,014	91.11%
Bedrock Rehab. and Nursing Center at Lake Eustis	90	31,261	94.90%
Clermont Health and Rehabilitation Center	182	64,107	96.24%
Lady Lake Specialty Care Center	145	51,045	96.18%
Lake Port Square Health Center	70	20,290	78.55%
Lakes of Clermont Health & Rehabilitation Center, The	80	27,360	93.44%
Lakeview Terrace Rehabilitation & Health Care Center	20	5,101	69.69%
North Campus Rehabilitation and Nursing Center	90	30,667	93.10%
Ruleme Center	138	45,212	89.51%
Solaris Healthcare Waterman	120	42,443	96.64%
South Campus Care Center and Rehab	120	42,101	95.86%
The Edgewater at Waterman Village	120	34,834	79.31%
Villages Healthcare and Rehabilitation Center	120	39,737	90.48%
<b>Lake County Total</b>	<b>1,657</b>	<b>551,005</b>	<b>89.73%</b>
Buffalo Crossings Healthcare & Rehabilitation Center	120	38,953	88.69%
Cypress Care Center and Rehab	180	61,859	94.20%
Freedom Pointe Healthcare Center	50	18,075	100.00%
Osprey Point Nursing Center	60	19,479	88.70%
<b>Sumter County Total</b>	<b>410</b>	<b>138,366</b>	<b>92.90%</b>
<b>Subdistrict 7 Total</b>	<b>2,057</b>	<b>689,371</b>	<b>91.59%</b>

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict published October 4, 2024.

**Okahumka RE T LLC (CON application #10827)** holds CON #10737P to establish a 147-bed community nursing home and is proposing to add 16 beds to the project in response to the fixed need pool for community nursing home beds published by the Agency on October 8, 2024. Okahumka RE T LLC notes that the subdistrict’s high utilization supports need for additional beds.

The applicant indicates the following health planning benefits for the facility include factors that improve access and availability, increase utilization, and enhance quality:

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- Bed accessibility is improved by the addition of beds in South Leesburg, near Okahumpka, Lake County
  - Location is near a proposed new hospital and "Wellness Village", south of existing nursing homes serving The Villages
  - Wide support for the project from health and service providers that care for area seniors
- Service Accessibility is improved by the proposed programs and services, including:
  - On-site Urgent Care Center
  - Centers of Excellence for the following programs:
    - Cardiac Center of Excellence Program
    - Infectious Disease Management Center of Excellence Program
    - Memory Enhanced Unit Center of Excellence Program
    - Orthopedic Center of Excellence Program
    - Respiratory Center of Excellence Program
    - Stroke Center of Excellence Program
    - Wound Care Center of Excellence Program
- Quality is enhanced with the applicant having
  - Joint Commission Accreditation in its facilities
  - A regional management team of experts (Millennial Healthcare Services) with knowledge of the service area
  - Millennial's established Centers of Excellence
- Increases Utilization
  - the above benefits result in a facility that is highly utilized
  - All facilities served by Millennial Healthcare Services have occupancy rates above 90 percent, with those in Lake and Sumter counties topping 94 percent. By proposing similar services and programs available at these facilities that are in high demand, utilization will increase
  - A facility designed and equipped with a secure memory care unit and bariatric beds to serve those with special needs

Okahumka RE T LLC states that its project is a single-story NH with 119,234 gross square feet (GSF), with the bed addition adding 6,454 GSF which includes four private and six semi-private rooms, resulting in 71 private and 46 semi-private rooms. The reviewer notes the CON #10737P 147-bed project has 102,703 GSF and this project's 6,454 GSF computes to 109,157 GSF. The facility will also feature a 20-bed memory care unit with a secure courtyard, four specially designed bariatric rooms, and onsite dialysis services to meet specialized needs. Okahumka notes that subdistrict 3-7 is home to many seniors, largely due to The Villages which spans Marion, Lake, and Sumter counties. The applicant contends The Villages southward expansion will increase the demand for

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health care beds and services. UF Health plans the construction of a hospital about 4.5 miles from its proposed site, south of existing nursing facilities which will be part of a new 248-acre Wellness Village being developed by The Villages near County Road 470 and Florida's Turnpike. The application's Exhibit 3 includes three new articles on The Villages expansion plans.

Okahumka RE T LLC's Figure 1-1 (on the application's page 1-4) includes an aerial view of the 12.5-acre site project location at 27891 U.S. Highway 27, Leesburg, Florida 34748 in south Leesburg, about 4.5 miles from the Sumter County border. The applicant contends this site will provide easy access and includes an Urgent Care Center which will be located at the front of the property along the highway to support the community and provide residents of the nursing home with convenient access to diagnostic services. Okahumka's Figure 1-2 (page 1-5) shows the distribution of nursing homes, acute-care hospitals and senior population age 65 and over within a 10, 20, and 30-mile radius of the proposed facility.

The applicant cites Florida Population Estimates and Projections 2020-2030, published January 2024, showing Subdistrict 3-7 has a total population of 568,238, of which 193,279 (34 percent) are 65 and older. This table shows that 112,670 (27 percent) age 65 and over individuals reside in Lake County, and 80,609 (53.3 percent) in Sumter County. Okahumka RE T LLC provides the January 2024 population age 65 and over for the state, health planning districts, Subdistrict 3-7, Lake County and Sumter County.

**Health Planning Districts Lake Sumter Counties,  
Subdistrict 3-7 & Florida**

<b>District</b>	<b>Total Population</b>	<b>65+ Population</b>	<b>Percent</b>
8	1,992,579	628,889	31.6%
3	1,970,116	564,526	28.7%
5	1,597,302	423,321	26.5%
9	2,286,579	601,956	26.3%
4	2,449,592	509,126	20.8%
6	2,933,182	582,841	19.9%
1	842,718	163,156	19.4%
10	1,996,260	384,416	19.4%
2	774,653	143,473	19.3%
11	2,881,580	528,556	18.3%
7	3,115,583	534,516	17.2%
<b>Florida</b>	<b>22,840,144</b>	<b>5,064,776</b>	<b>22.2%</b>
Lake	417,130	112,670	27.0%
Sumter	151,108	80,609	53.3%
<b>Subdistrict 3-7</b>	<b>568,238</b>	<b>193,279</b>	<b>34.0%</b>

Source: CON application #10827, page 1-6, Table 1-1, from Florida Population Estimates and Projections by AHCA District 2020-2030, published January 2024.



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The applicant notes that District 3 has seen the development of several retirement communities over the past two decades, with Subdistrict 3-7 being home to one of the largest in the nation, The Villages, listed by the U.S. Census Bureau as the fastest growing metropolitan area in the country from 2010 to 2020. Okahumka RE T LLC states that the Agency's January 2024 projections show the elderly population in Subdistrict 3-7 is expected to rise by 18 percent by January 2029 and in contrast, the overall population of the two counties is projected to increase by 12 percent, while the group aged 64 and younger is expected to grow by 9.5 percent.

Okahumka RE T LLC concludes that the senior population is increasing in both number and in proportion to the total population, leading to higher demand for health and social services, including nursing home care. The applicant provides projected population growth in the 64 and under and 65 and over age cohorts from July 2024 to July 2029 for Lake County, Sumter County, Subdistrict 3-7 and Florida overall below.

**Lake, Sumter, Subdistrict 3-7 and Florida Current and Projected Population by Age Cohort January 2024 – January 2029**

Area	January 2024 Population Estimates			January 2024 Population Estimates		
	0-64	65+	Total	0-64	65+	Total
Lake	304,460	112,670	417,130	72.99%	27.01%	100.0%
Sumter	70,499	80,609	151,108	46.65%	53.35%	100.0%
3-7 Total	374,959	193,279	568,238	65.99%	34.01%	100.0%
Florida	17,775,368	5,064,776	22,840,144	77.83%	22.17%	100.0%
Area	January 2029 Population Estimates			January 2029 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Lake	331,200	134,892	466,092	71.06%	28.94%	100.0%
Sumter	79,535	93,265	172,800	46.03%	53.97%	100.0%
3-7 Total	410,735	228,157	638,892	64.29%	35.71%	100.0%
Florida	18,406,249	5,865,659	24,271,908	75.83%	24.17%	100.0%
Area	Five Year Increase			Five Year Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Lake	26,740	22,222	48,962	8.78%	19.72%	11.74%
Sumter	9,036	12,656	21,692	12.82%	15.70%	14.36%
3-7 Total	35,776	34,878	70,654	9.54%	18.05%	12.43%
Florida	26,740	22,222	48,962	8.78%	19.72%	11.74%

Source: CON application #10827, page 1-7, Table 1-2, from Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024.

Okahumka RE T LLC refers to Figure 1-2 and Exhibit 4 to present the projected elderly population age 65 and over by Zip Code for 2024. The reviewer notes that the applicant's Figure 1-2 shows areas but not zip codes. Exhibit 4's population by zip codes shows the facility will be located in Lake County's highest age 65 and population and the subdistrict's third highest concentration in this age cohort.

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The applicant’s Table 1-3 below displays the distribution of community nursing home beds in Subdistrict 3-7, District 3, and Florida for comparison. Okahumka RE T LLC asserts that currently, there are 11 beds per 1,000 people aged 65 and older in Lake and Sumter Counties, 15 beds per 1,000 in District 3, and 16 beds per 1,000 in Florida and that if this project is approved for all 16 beds, the bed supply would decrease to 10 in Lake and Sumter, 14 in District 3, and 15 in Florida.

**Community Nursing Home Bed Availability  
Subdistrict 3-7, District 3, and Florida**

<b>Area</b>		<b>January 2024</b>	<b>January 2029 (Without the Project)*</b>	<b>January 2029 w/CON Approved Beds**</b>
<b>Subdistrict 3-7</b>	Beds	2,057	2,244	2,260
	Pop (65+)	193,279	228,157	228,157
	Beds/1000	11	10	10
<b>District 3</b>	Beds	8,679	9,123	9,139
	Pop (65+)	564,526	646,326	646,326
	Beds/1000	15	14	14
<b>Florida</b>	Beds	82,438	82,438	85,811
	Pop (65+)	5,064,776	5,865,659	5,865,659
	Beds/1000	16	14	15

Source: CON application #10827, page 1-3, Table 1-3, from Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024 & Florida Nursing Home Utilization by District and Subdistrict, published October 4, 2024.

The applicant’s citing 82,438 beds for the state without the project does not follow in that there are 3,373 CON approved beds or 85,811 beds licensed and approved as of August 9, 2024, and it is reasonable that most if not all of these will be licensed by January 2029. Regardless, the 16 beds impact on beds per thousand minimal under any projection as it is less than a bed for the subdistrict (9.84 before and 9.91 with to the 228,157 population). Okahumka RE T LLC’s Figure 1.3 on the application’s page 1-9 compares Subdistrict 3-7, District 3 and Florida showing the subdistrict’s utilization percentage was higher than the district’s and states’ during 12-month periods ending June 30, 2024.

Okahumka states Millennial Healthcare has established referral sources and offers the chart below showing Millennial facilities high utilization to support its contention its project will enhance utilization to needed services. The applicant notes the facility will feature many private rooms and specialized spaces to meet the increasing demand for skilled care, including memory care.

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**Millennial Healthcare Services LLC Affiliated Skilled Nursing Facilities  
12-months ending June 30, 2024 Utilization**

<b>Facility Name</b>	<b>County</b>	<b>Bed Days</b>	<b>Patient Days</b>	<b>Occupancy</b>
Park Meadows Healthcare & Rehab Center	Alachua	54,168	49,055	90.56%
Terrace Healthcare & Rehab Center	Alachua	50,508	43,955	87.03%
The Plaza Health & Rehab Center	Alachua	65,880	61,011	92.61%
Rockledge Healthcare & Rehab Center	Brevard	39,162	37,079	94.68%
Viera Healthcare & Rehab Center	Brevard	41,724	40,196	96.34%
Citrus Health & Rehab Center	Citrus	40,626	37,811	93.07%
Grove Health & Rehab Center, The	Citrus	43,920	42,258	96.22%
Lady Lake Specialty Care Center	Lake	53,070	51,045	96.18%
North Campus Rehab & Nursing Center	Lake	32,940	30,667	93.10%
South Campus Care Center & Rehab	Lake	43,920	42,101	95.86%
The Villages Healthcare & Rehab Center	Lake	43,920	39,737	90.48%
Williston Care Center	Levy	43,920	40,967	93.28%
The Lodge Healthcare & Rehab Center	Marion	36,234	34,746	95.89%
Club Healthcare & Rehab Center at The Villages, The	Marion	24,888	20,562	82.62%
Courtyards Of Orlando Care Center	Orange	43,920	41,848	95.28%
Cypress Care Center	Sumter	65,670	61,859	94.20%
<b>Total/Average</b>		<b>724,470</b>	<b>674,897</b>	<b>93.16%</b>
<b>Lake and Sumter Total</b>		<b>239,520</b>	<b>225,409</b>	<b>94.11%</b>

Source: CON application #10827, page 1-10, Table 1-5, from Florida Nursing Home Bed Need Projections by District & Subdistrict, October 4, 2024.

Okahumka RE T LLC’s Table 1-6 provides the Agency’s CY 2023 hospital discharges for renal failure patients in Lake and Sumter Counties to demonstrate that 1,324 patient discharges, classified under Diagnostic Related Groups (DRG) 682, 683, and 684, noting that most of these patients (644) went home, often (269) with home health care services, while 225 patients (about 17 percent) were discharged to a skilled nursing facility. Okahumka RE T LLC will have onsite dialysis for patients that require treatment of end stage kidney disease.

The applicant states that in Lake and Sumter Counties, among residents aged 65 and older, Diseases of the Nervous System (MDC 01) ranked fifth for discharges to skilled nursing facilities, with 782 discharges linked to conditions such as Alzheimer's Disease, Parkinson's Disease, and stroke. Okahumka RE T LLC cites The Alzheimer’s Association’s 2024 report to support the need for proactive management of Alzheimer's and similar conditions and responds that it plans to include a 20-bed Memory Care unit in their nursing home to align with their Memory Enhanced Unit and Stroke Center of Excellence programs.

Okahumka RE T LLC indicates that The Centers for Disease Control and Prevention reports that over 40 percent of U.S. adults are obese, with this number continuing to rise alongside the demand for specialized care. The facility will have four private rooms specially designed and dedicated to the care of bariatric residents in its facility as response to this growing need. There is nothing in this that is specific to the 16-bed project.

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The applicant reiterates the physical attributes of the 16-bed addition to the approved facility noting that the original 147-bed facility was designed to include 67 private rooms (include four bariatric rooms) and 80 semi-private rooms (including a 20-bed memory care secure unit consisting of 10 semi-private rooms) and that the new 163-bed facility will have 71 private rooms (four of which are bariatric rooms), and 46 semi-private rooms (ten in the 20-bed memory care secure unit).

Okahumka RE T LLC argues that Subdistrict 3-7 has fewer beds per thousand seniors compared to District 3, leading to limited availability and increased demand for nursing home services which results in areas with more available beds having higher usage rates. Subdistrict 3-7 recorded 689,371 patient days, which is 3,764 days per 1,000 seniors aged 65 and older, while District 3 had 5,016 days per 1,000. The applicant concludes that nursing home use rates are generally higher in areas with more available beds in reference to the chart below.

**Subdistrict 3-7 Patient Days, Use Rates and Occupancy,  
July 1, 2023 - June 30, 2024**

District or Subdistrict	Current (7/23 — 6/24) Utilization	
	SD 3-7	District 3
Patient Days	689,371	2,831,460
Average Daily Census	1,889	7,757
Subdistrict 3-7 Population 65+ (January midpoint)	183,169	564,526
<b>Use Rate (Days Per 1,000 Persons, 65+)</b>	<b>3,764</b>	<b>5,016</b>
Current Existing Community Beds	2,057	8,679
<b>Occupancy</b>	<b>91.59%</b>	<b>89.14%</b>

Source: CON application #10827, page 1-13, Table 1-7, from Florida Nursing Home Utilization by District and Subdistrict, October 4, 2024 and Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024.

The applicant’s Table 1-8 utilizes the use in the above table to project the subdistrict’s utilization for the year ending June 30, 2029, which is the proposed second year of the project. The table below shows the project and 163-bed facility projections for the same period.

**Projected Utilization for the 16-Bed Addition and Total 163-Bed Facility  
First Two Years of Operation**

16-Bed Addition	Admits	Patient Days	Occup. Rate	ADC
Year 1 (7/27-6/28)	69	2,940	50.20%	8
Year 2 (7/28-6/29)	147	5,043	86.35%	14
<b>Total Facility (N=163)</b>				
Year 1 (7/27-6/28)	946	29,963	50.22%	82
Year 2 (7/28-6/29)	1,621	41,348	86.31%	113

Source: CON application #10827, page 1-15, Table 1-9.

Okahumka RE T LLC contends that future population estimates will maintain the current balance of beds in the subdistrict, ensuring it is not over-bedded and that the recent average occupancy rate of 91.59 percent (ending June 30, 2024) shows that existing facilities will not be

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negatively affected. Initial year one occupancy is stated to reflect a ramp up in admissions given the required time obtain Medicare and Medicaid certification. As shown above, in year two, the 16 beds are projected to have 86.35 percent occupancy with an ADC of 14 and the 163-bed facility 86.31 percent occupancy and an ADC of 113 residents.

Okahumka RE T LLC concludes that its application establishes consistency with the published need for additional 16 community nursing home beds at its facility. The applicant contends that its proposed location in Leesburg is centrally located, serving almost the entire population within a 20-mile radius adding that the continued elderly population growth and the expected increase in utilization supports this project. The Millennial Healthcare partnership will ensure existing relationships with area providers that will serve the medical needs of the community and benefits include a secure memory care unit, on-site dialysis, the establishment of Centers of Excellence for a variety of conditions and the development of an on-site Urgent Care Center through an affiliate or third-party.

**Osceola SNF LLC (CON application #10828)** does not directly respond to this section. The reviewer provides the applicant's response located in its Executive and Program Summary sections. The applicant states health planning benefits for the facility include factors that improve access and availability, increase utilization, and enhance quality:

- Nursing home availability is maximized by developing all the beds for which the state has determined a need
  - Increases the availability of community nursing home beds as the existing nursing homes within Subdistricts 3-7, as well as Subdistricts 3-4, 3-5, and 3-6 are highly occupied
  - Osceola SNF LLC is the only applicant that seeks to fulfill for the bed need in Subdistrict 3-6 (Hernando County), the subdistrict exhibiting the greatest need in District 3
- Bed accessibility is improved by the proposed location in Wildwood, Sumter County
  - which is centrally located in the five-county proposed service area with approximately 80 percent of the service area's age 65+ population residing within a 30-mile radius, near a convergence of major roadways, providing reasonable geographic access for residents
  - There is wide support for the project from health and service providers that care for area seniors
- Service accessibility is improved by the proposed programs and services, including:
  - 24-hour RN coverage
  - Individualized recovery programs

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- Specialized Post-Acute Rehabilitation Programs for:
  - Orthopedic
  - Post-Surgery
  - Cardiac
  - Pulmonary
  - Neuro-Muscular
  - Post-Stroke
- Quality is enhanced with the applicant's
  - commitment to Joint Commission Accreditation
  - TLC Management's record of operating post-acute care facilities, including four Florida skilled nursing facilities
  - The proposed facility will be operated by the applicant's parent company, in contrast to an outside third party
  - experienced management personnel through TLC Management to develop and operate the proposed facility
  - TLC Management facilities are accredited by The Joint Commission, have high quality ratings, and receive far fewer citations during their annual surveys than their peers
- Increases utilization
  - In TLC Management's experience, the above benefits result in highly utilized facilities
  - TLC's four Florida SNF's occupancy rates exceed 88 percent (one facility (Blue Heron Health & Rehab) added 35 beds in September 2024). By proposing programs and services similar to those provided at its current facilities that are in high demand, utilization will increase
  - The new, state-of-the-art facility will feature all private resident suites, including private, ensuite bathrooms. These features are valued by residents for their privacy and the greater sense of control over their environment
  - A facility equipped with bariatric beds will serve those with special needs

The applicant states TLC Management's historical experience demonstrates a profound commitment to serving medically underserved groups through continuous innovation, strategic partnerships, and a steadfast dedication to quality care. Further, the proposed project will leverage this extensive experience to further address the health-related needs of low-income individuals, people with disabilities, and minorities, ensuring they receive the comprehensive care they deserve.

Osceola SNF notes TLC Management's Joint Commission SNFs include:

- Bridgewater Park Health & Rehab Center, a 120-bed skilled nursing facility, along with Bridgewater Park Assisted Living,

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within On Top of the World's deed-restricted retirement community in Ocala, Marion County

- Oak Hill Health & Rehab, a 109-bed skilled nursing facility, along with Oak Hill Assisted Living, in Brooksville, Hernando County
- Astoria Health and Rehabilitation Center, a 132-bed skilled nursing facility, along with Astoria Assisted Living, an assisted living facility, on the same campus in Winter Haven, Polk County
- Blue Heron Health & Rehab, a 141-bed skilled nursing facility, along with Blue Heron Assisted Living, an assisted living facility, on the same campus in Wesley Chapel, Pasco County

The applicant provides a brief history for TLC Management noting that it has established a strong reputation as a leading health care consultant in Indiana, Ohio, and Florida that has focused on incorporating traditional values, leadership principles, and a commitment to quality service throughout its operations which have been essential in meeting the health care needs of medically underserved groups, including low-income individuals, people with disabilities, and minorities. TLC's approach emphasizes providing a continuum of care through various options such as health and rehabilitation centers, assisted living, and independent retirement communities, ensuring access for these underserved populations.

Osceola SNF states that currently TLC operates 21 skilled nursing facilities, 10 assisted living facilities, and three independent living facilities across Indiana, Ohio, and Florida. The applicant also contends TLC's having managed a Long-Term Acute Care Hospital for eight years, demonstrates its ability to care for high-acuity patients. As previously stated, Osceola SNF's Exhibit 2 lists 20 TLC Management facilities.

Osceola SNF shares that TLC has partnered with major health care and university entities to enhance health care delivery and implementation of innovative technology platforms, like electronic medical records, positioning TLC as a leader in post-acute care with high star ratings. Further, TLC through its extensive research and outreach, aims to expand its community-oriented skilled nursing services to Sumter County, providing essential services with a focus on compassionate medical care to the residents in Sumter, Lake, Marion, Citrus, and Hernando counties. The applicant states Subdistrict 3-7 has the oldest median age (65.3 years) and the highest proportion of elderly residents in the U.S. attributing this to the rapid growth of The Villages, an age-restricted community with over 80,000 residents and the fastest-growing metropolitan area in the country. The applicant contends that its proposed location is well-suited to serve the increasing senior population and support The Villages' expansion.

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Osceola SNF notes that as of July 2024, Subdistrict 3-7 has a population of 576,453, with 73 percent in Lake County and 27 percent in Sumter County adding that 31.12 percent (196,706 individuals) are aged 65 and older, with 53.33 percent in Sumter County where The Villages are located. By 2029 (the project’s second year of operation), Subdistrict 3-7’s age 65+ population is projected to increase by 17.62 percent (34,668 individuals), exceeding District 3 (14.20 percent) and Florida overall (15.55 percent). Osceola’s Table B-1 on the application’s page 6, labelled (District 7 Current and Projected Population and Growth by Age Cohort and Subdistrict) shows the expected population growth in the proposed service area’s five counties from July 2024 to July 2027, compared to the district and state.

**Current and Projected Population and Growth  
by Age Cohort and Subdistrict**

Area	July 2024					
	Estimates			Distribution		
	Age 0-64	Age 65+	Total	Age 0-64	Age 65+	
Sumter	71,544	81,765	153,309	46.67%	53.33%	
Lake	308,203	114,941	423,144	72.84%	27.16%	
Marion	280,243	126,628	406,871	68.88%	31.12%	
Citrus	102,415	59,673	162,088	63.18%	36.82%	
Hernando	144,081	60,892	204,973	70.29%	29.71%	
<b>Subdistrict 3-7</b>	379,747	196,706	576,453	65.88%	34.12%	
<b>District 3</b>	1,412,639	572,733	1,985,372	71.15%	28.85%	
<b>Florida</b>	17,849,270	5,143,769	22,993,039	77.63%	22.37%	
Area	July 2027					
	Estimates			Distribution		
	Age 0-64	Age 65+	Total	Age 0-64	Age 65+	
Sumter	76,943	89,327	166,270	46.28%	53.72%	
Lake	325,744	128,846	454,590	71.66%	28.34%	
Marion	284,693	136,868	421,561	67.53%	32.47%	
Citrus	103,052	63,681	166,733	61.81%	38.19%	
Hernando	146,854	65,073	211,927	69.29%	30.71%	
<b>Subdistrict 3-7</b>	402,687	218,173	620,860	64.86%	35.14%	
<b>District 3</b>	1,448,549	622,415	2,070,964	69.95%	30.05%	
<b>Florida</b>	18,239,668	5,627,845	23,867,513	76.42%	23.58%	
Area	Three-Year Growth					
	Numerical Increase			Growth Rate		
	Age 0-64	Age 65+	Total	Age 0-64	Age 65+	Total
Sumter	5,399	7,562	12,961	7.55%	9.25%	8.45%
Lake	17,541	13,905	31,466	5.69%	12.10%	7.43%
Marion	637	4,008	4,645	0.62%	6.72%	2.87%
Citrus	2,773	4,181	6,954	1.92%	6.87%	3.39%
Hernando	22,940	21,467	44,407	6.04%	10.91%	7.70%
<b>Subdistrict 3-7</b>	4,450	10,240	14,690	1.59%	8.09%	3.61%
<b>District 3</b>	35,910	49,682	85,592	2.54%	8.67%	4.31%
<b>Florida</b>	390,398	484,076	874,474	2.19%	9.41%	3.80%

Source: CON application #10828, page 6, Table B-1, from Florida Population Estimates and Projections by AHCA District 2020 to 2030, AHCA, Published January 2024. (Reviewer reproduced).



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Osceola SNF contends that the population projections highlight the increasing demand for residential health services, such as skilled nursing care, in Lake and Sumter Counties that can expand to meet future demand and provide adequate access for Subdistrict 3-7 residents. The applicant states that its proposed site, located near The Villages, is in the zip code with the second-highest concentration of residents aged 65 and older (49.7 percent) in the service area, within a county that has the highest concentration of elderly residents in the state and has surrounding areas that have similarly high concentration of elderly residents.

The applicant states that its analysis of population data by zip code in Sumter and Lake Counties, its proposed facility in Wildwood, zip code 34785, is situated adjacent to zip code 32162 (The Villages), which together contains nearly 88 percent of the county's population aged 65 and older. Osceola SNF's table below shows the population distribution for Sumter County by zip code, highlighting the zip code for the proposed facility.

**Sumter County Population by Zip Code**

<b>Zip Code</b>	<b>City/Town</b>	<b>Population Age 65+</b>	<b>% of County Population 65+</b>	<b>Total Population</b>	<b>% of County Total Population</b>	<b>% of Total Population Age 65+</b>
32162	The Villages	45,454	59.60%	51,603	38.93%	88.08%
33513	Bushnell	3,299	4.33%	13,193	9.95%	25.01%
33514	Center Hill	490	0.64%	2,634	1.99%	18.60%
33521	Coleman	166	0.22%	626	0.47%	26.52%
33538	Lake Panasoffkee	1,034	1.36%	5,011	3.78%	20.63%
33585	Sumterville	258	0.34%	1,483	1.12%	17.40%
33597	Webster	1,832	2.40%	8,821	6.66%	20.77%
34484	Oxford	2,100	2.75%	5,622	4.24%	37.35%
34785	Wildwood	21,633	28.37%	43,551	32.86%	49.67%

Source: CON application #10828, page 7, Table B-2, from Maptitude, Caliper Corporation, utilizing U.S. Census Bureau data.

Osceola SNF asserts that Lake County's population is more evenly dispersed, with the highest concentration of elderly residents is located in the northwest corner, where The Villages extends into the county. The applicant's Table B-3 (CON application #10828, page 7) details the population distribution by zip code in Lake County.

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**Lake County Population by Zip Code**

<b>Zip Code</b>	<b>City/Town</b>	<b>Population Age 65+</b>	<b>% of County Population 65+</b>	<b>Total Population</b>	<b>% of County Total Population</b>	<b>% of Total Population Age 65+</b>
32102	Astor	547	0.54%	2,199	0.60%	24.87%
32159	Lady Lake	17,304	17.11%	29,963	8.19%	57.75%
32726	Eustis	4,607	4.55%	24,231	6.62%	19.01%
32735	Grand Island	1,521	1.50%	5,435	1.49%	27.99%
32736	Eustis	2,175	2.15%	11,955	3.27%	18.19%
32767	Paisley	566	0.56%	3,623	0.99%	15.62%
32776	Sorrento	2,349	2.32%	12,476	3.41%	18.83%
32778	Tavares	8,538	8.44%	24,489	6.69%	34.86%
32784	Umatilla	2,561	2.53%	10,360	2.83%	24.72%
34705	Astatula	483	0.48%	3,142	0.86%	15.37%
34711	Clermont	14,011	13.85%	67,464	18.44%	20.77%
34714	Clermont	2,900	2.87%	24,588	6.72%	11.79%
34715	Clermont	4,441	4.39%	24,622	6.73%	18.04%
34731	Fruitland Park	44990	4.93%	15,119	4.13%	33.00%
34736	Groveland	4524	4.47%	23,584	6.45%	19.18%
34737	Howey in the Hills	1,111	1.10%	3,521	0.96%	31.55%
34748	Leesburg	17,995	17.79%	43,711	11.95%	41.17%
34753	Mascotte	519	0.51%	6,792	1.86%	7.64%
34756	Montverde	603	0.60%	4,216	1.15%	14.30%
34762	The Villages	435	0.43%	1,080	0.30%	40.28%
34788	Leesburg	7,982	7.89%	21,832	5.97%	36.56%
34797	Yalaha	991	0.98%	1,508	0.41%	65.72%

Source: CON application #10828, page 7, Table B-3, from Maptitude, Caliper Corporation, utilizing U.S. Census Bureau data.

Osceola SNF contends that Subdistricts 3-4, 3-5, and 3-6, located in west central Florida, have some of the highest percentages of residents aged 65 and older in the state, with Citrus County (Subdistrict 3-5) having the 4th highest concentration, Marion County (Subdistrict 3-4) having the 9th highest, and Hernando County (Subdistrict 3-6) having the 11th highest concentration. As of July 2024, these subdistricts total population is 773,932, with approximately 32 percent (247,193) being aged 65 and over. Citrus County (3-5) had 162,088 residents, with 36.82 percent (59,673) aged 65 and older; Marion County (3-4) had 406,871 residents, with 31.12 percent (126,628) aged 65 and older; and Hernando County (3-6) had 204,973 residents, with 29.71 percent (60,892) aged 65 and older. Osceola SNF concludes that by 2029, the elderly population in these subdistricts is projected to grow by approximately 11-13 percent, totaling an increase of 30,862 seniors demonstrates the increasing demand for residential health services. The applicant contends its project will ensure sufficient bed availability for residents in Subdistricts 3-4, 3-5, 3-6, and 3-7, rather than relying on ad hoc expansions of existing facilities.

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Osceola SNF states it plans to locate its facility centrally within the service area, close to Sumter, Lake, and Marion Counties which will be within 30 miles of the majority the population - approximately 77 percent of the total population and 81 percent of the elderly population. The applicant's map - Figure B-2 (10-, 20-, & 30- Mile Radii of Proposed Facility) on page 10 shows the zip codes and age 65+ population clusters in its proposed service area.

The applicant notes that Subdistrict 3-7 has 19 nursing homes, with four in Sumter (410 licensed beds) and 15 in Lake (1,647 licensed beds), totaling 2,057 licensed community beds. Osceola SNF notes that the subdistrict's 187 CON approved beds pending licensure are located in Lake County and its project is proposed to be in Sumter County, which has no approved beds pending licensure.

Osceola SNF states that as of June 30, 2024, Subdistrict 3-7 had only 10.46 community beds per 1,000 residents aged 65 and older, ranking 5th lowest among subdistricts and significantly below the ratios for District 3 (15.15) and Florida (16.03). The applicant notes that subdistrict's occupancy rate was 91.59 percent, higher than District 3 (89.14 percent) and the state average (84.36 percent). Further, if the 187 approved additional community beds are operational by 2029, the ratio of beds per 1,000 elderly residents would decline to 9.84 due to a disproportionate increase in the elderly population and remain significantly below both District 3 (14.28) and state (14.63) averages.

Subdistrict 3-4 (Marion County) has 12 nursing homes with a total of 1,620 community beds, averaging 135 beds per facility. Osceola SNF notes Marion Operations, LLC, has been approved for 103 beds but is not yet operational and Hawthorne Center for Rehabilitation and Healing of Ocala has received approval to add 22 beds to its existing 120 beds. The applicant contends that this will increase the total community beds in Marion County to 1,745. As of June 30, 2024, Marion County has only 12.79 community beds per 1,000 residents aged 65 and older, which is significantly lower than the ratios in both District 3 and the state overall. Additionally, the county's occupancy rate was 90.25 percent, exceeding District 3 (89.14 percent) and the state's (84.36 percent) noting if the 125 approved additional beds are added by 2029, the ratio would increase slightly to 12.26, still below District 3 (14.28) and state (14.63) rates.

Subdistrict 3-5 (Citrus County) has nine nursing homes with a total of 1,103 community beds, averaging 123 beds per facility and PruittHealth — Citrus County LLC, has been approved for an additional 93 beds, which will increase the total to 1,196. As of June 30, 2024, Citrus County had 18.48 community beds per 1,000 residents aged 65 and older, with an occupancy rate of 90.77 percent, which is higher than

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both District 3 (89.14 percent) and the state (84.36 percent) and that if the approved additional beds are added by 2029, the beds per 1,000 elderly residents is projected to decrease slightly to 18.22.

Subdistrict 3-6 (Hernando County) has six nursing homes with 769 community beds, or 128 beds per facility, and no CON approved beds pending licensure. As of June 30, 2024, Hernando County had 12.63 community beds per 1,000 residents aged 65 and older, which is significantly lower than both District 3 and state averages. Osceola SNF cites Hernando’s 87.63 percent occupancy, which is higher than the state’s overall and contends that without an increase in community beds, the beds per 1,000 elderly residents is projected to decrease to 11.47 by 2029, well below District 3 (14.28) and State (14.63).

Osceola SNF’s Table B-4 on the application’s page 12, addresses the four subdistrict’s population age 65+ and community nursing home beds as of 2024 and projections for 2029. Osceola SNF argues that despite the proposed or approved beds, bed availability will worsen in all four subdistricts over the next five years.

**Community Nursing Home Bed Availability**

<b>Area Subdistrict</b>	<b>Population Age 65+</b>	<b>Community Beds</b>	<b>Beds per 1,000</b>	<b>Proposed/ Approved Beds</b>	<b>Population Age 65+</b>	<b>Community Beds</b>	<b>Beds per 1,000</b>
3/7	196,706	2,057	10.46	187	228,157	2,244	9.84
3/4	126,628	1,620	12.79	125	142,324	1,745	12.26
3/5	59,673	1,103	18.48	93	65,642	1,196	18.22
3/6	60,892	769	12.63	0	67,036	769	11.47
District 3	572,733	8,679	15.15	444	646,326	9,123	14.12
Florida	5,143,769	82,438	16.03	3,373	5,865,659	85,811	14.63

Source: CON application #10828, page 12, Table B-4 from Florida Nursing Home Bed Need Projections by District and Subdistrict, AHCA, July 2023-June 2024.

Osceola SNF contends its analysis shows that the service area, especially Subdistrict 3-7 where the proposed facility is anticipated to be located, has strong demand for nursing home care. Osceola SNF adds that its graph Figure B-4 (Service Community Nursing Home Bed Occupancy Rates Compared to District 3 and Florida) on page 15 shows that all four subdistricts have returned to pre-COVID occupancy levels, with rates exceeding both the state and District 3 averages, and three of the subdistricts exceeding the District 3 average. The applicant presents Table B-5 (Service Area Community Nursing Home Bed Utilization Compared to District 3 and Florida) on page 14 noting that it shows most subdistricts continue to experience growth in utilization, suggesting strong demand in the coming years.

Osceola SNF notes that during the 12 months ending June 30, 2024, Sumter County, where the proposed nursing home will be located, had

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four facilities - one had 100 percent occupancy, another 94 percent, and the remaining two had approximately 89 percent occupancy. In Lake County, 11 out of 15 nursing homes reported occupancy rates above 90 percent during the same period. Osceola SNF's Table B-6 (Subdistrict 3-7 Community Nursing Home Bed Utilization (2019-2024)) on the application's page 16 illustrates the nursing home occupancy rates in both counties with the applicant noting the existing nursing home in the applicant's proposed zip code has maintained an occupancy rate exceeding 94 percent for the last two years.

The applicant provides two excerpts to support its argument of "outsized demand" -

Cheryl Chestnut, VP Site Administrator and CCO, UF Health Spanish Plaines Hospital located in The Villages:

*"[Osceola SNF's] project will be instrumental in addressing the increasing demand for high-quality post-acute care in Sumter County, particularly considering the ongoing growth of our senior population... The addition of these beds is directly aligned with the needs we consistently observe within our community."*

Brian Hudson, General Counsel, The Villages writes:

*"There is a noticeable need for more senior living and rehabilitation facilities in the area... we believe this facility would be a great fit for the community and play a crucial role in elevating the quality of services available throughout Sumter County. There is a high demand for specialized care in the Wildwood area that is only projected to grow in the coming years; if Osceola SNF LLC is awarded the certificate for 108 beds, they will make access to professional care more convenient for seniors in their vicinity."*

Osceola SNF argues that its data suggests that the proposed 108-bed community nursing home will quickly reach full capacity due to the lack of available beds in the region and the "strong reputation" of its parent company. The applicant notes Subdistrict 3-7 has four acute care hospitals, two inpatient rehabilitation hospitals, one long-term care hospital, and one psychiatric hospital. Osceola SNF adds that its proposed facility will be located in the same zip code as the Orlando Health 30-bed micro hospital under development, which provides proximity to acute care hospital services.

Osceola SNF states the Agency's hospital discharge data for the 12 months ending June 30, 2024, indicates Subdistrict 3-7 hospitals discharged 13,144 residents aged 65 and older to Medicare-certified skilled nursing facilities (no specific DRGs were provided and the applicant's table B-10 total computes to 8,669 hospital discharges to SNFs). The applicant indicates that these accounted for 23.5 percent of

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all elderly discharges in Sumter County and 18.1 percent in Lake County, equating to a rate of 66.82 discharges per 1,000 elderly residents, which is a lower rate compared to the states' (79.50). Osceola contends the service area's lower rate may be due to retirement communities like The Villages that enable residents to recover post-hospitalization without full-time skilled nursing facility (SNF) care. Osceola SNF argues that the high nursing home occupancy rates suggest that hospitals are facing challenges in securing available nursing homes for patient discharges.

The applicant notes that its data indicates that hospitals in Sumter and Lake have been discharging more patients in recent years. Osceola SNF states it could not confirm specific figures for discharges to SNFs due to a three-week outage of the Hospital Inpatient Query, but argues it is reasonable to infer that discharges of elderly patients to SNFs likely follow the trend of increasing overall hospital discharges. Osceola SNF's Table B-7 (Subdistrict 3-7 Hospital Discharges, 2019-2023) on the application's page 17 shows the upward trend in hospital discharges.

Osceola SNF notes the adjacent three subdistricts hospital inventory with Marion County having three acute care hospitals, one micro hospital, one inpatient rehabilitation hospital, one long-term care hospital, and one psychiatric hospital, Citrus County two acute care hospitals and an inpatient rehabilitation hospital and Hernando County having three acute care hospitals, an inpatient rehabilitation hospital, and a psychiatric hospital.

Osceola SNF indicates that during the 12 months ending June 30, 2024, 20,856 residents aged 65 and older were discharged to Medicare-certified SNFs, or nearly 58 percent of all elderly resident discharges in Subdistricts 3-4, 3-5, and 3-6. The discharge rates per 1,000 residents for these three subdistricts exceeded the state average for the state. Osceola SNF's Table B-8 below shows subdistrict 3-4, 3-5, and 3-6 hospital discharges of residents age 65+ to Medicare-certified SNFs.

**Service Area Hospital Discharges to SNFs**

Hospital County	Age 65+ Population				Total Population			
	# Discharges	% of Discharges	Population	Discharges per 1,000	# Discharges	% of Discharges	Population	Discharges per 1,000
Marion County	10,554	19.2%	126,628	83.35%	12,031	11.3%	280,243	42.93
Citrus County	5,285	24.2%	59,673	88.57%	5,994	16.9%	102,415	58.53
Hernando County	5,017	14.6%	60,892	82.39%	5,651	8.2%	144,081	39.22
Florida	408,927	17.8%	5,143,769	79.50%	479,782	8.6%	17,849,270	26.88

Source: CON application #10828, page 18, Table B-8 from Agency Hospital Inpatient Discharge Query.

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Osceola SNF provides Table B-9 (Subdistricts 3-4, 3-5, and 3-6 Hospital Discharges, 2019-2023) on pages 18 and 19 to demonstrate that like Subdistrict 3-7, the majority of hospitals in the three subdistricts have progressively increased patient discharges in recent years. The application's pages 19-20 provide hospital discharges by MS DRG Tables B-10 (Subdistrict 3-7), B-11 (Marion County), B-12 (Citrus County) and B-13 (Hernando County). Subdistrict 3-7 hospitals top three MS DRG discharges to SNFs were septicemia/severe sepsis, major hip and knee joint replacements, and heart failure, accounting for approximately 26 percent of all SNF discharges during the 12 months ending June 20, 2024.

Osceola SNF summarizes that the nursing homes in all four subdistricts are experiencing high (and increasing) utilization and over the next five years, this will likely lead to reduced bed availability, highlighting the need for SNF services from a qualified provider known for quality care. The applicant reiterates that it is responding to the Agency need publication for aggregated need from Service Areas 3-7, 3-4, 3-5, and 3-6 resulting in a facility of 108 beds that will ensure reasonable geographic access for residents in the respective areas, reflecting the bed requirements across the subdistricts.

Osceola SNF provides Table B-14 (Service Area Utilization for Year Ending June 30, 2024) page 21 showing that for the year ending June 30, 2024, Subdistrict 3-7 nursing homes reported 689,371 patient days, an average daily census of 1,884 and 91.59 percent occupancy. The applicant notes Subdistricts 3-7, 3-4, and 3-6 have fewer beds available per 1,000 people aged 65 and over compared to District 3. Osceola concludes that limited bed availability creates unmet demand, and nursing home use rates are higher in areas with more available beds.

Osceola SNF contends that the urgent need for more community beds due to rapid population growth supports need for a facility that can grow and fill demand quickly. Table B-15 on the application's page 22 projects the FY 2028 and FY 2029 service area utilization for each of the four subdistricts and District 3. The applicant offers Table B-16 (Projected Utilization First Two Projected Operating Years) on page 23 showing its first two years patient days, occupancy and ADC by quarter.

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**Projected Utilization First Two Projected Operating Years**

	<b>Patient Days</b>	<b>Occupancy</b>	<b>ADC</b>
<b>FY 2028 - Year One</b>			
1 <sup>st</sup> Quarter	1,372	13.81%	15.0
2 <sup>nd</sup> Quarter	3,588	36.11%	39.0
3 <sup>rd</sup> Quarter	5,582	56.80%	61 .3
4 <sup>th</sup> Quarter	7,826	79.63%	86.0
<b>Year 1</b>	<b>18,368</b>	<b>46.47%</b>	<b>50.3</b>
<b>FY 2029 - Year Two</b>			
1 <sup>st</sup> Quarter	9,108	91.67%	99.0
2 <sup>nd</sup> Quarter	9,108	91.67%	99.0
3 <sup>rd</sup> Quarter	8,910	91.67%	99.0
4 <sup>th</sup> Quarter	9,009	91.67%	99.0
<b>Year 2</b>	<b>36,135</b>	<b>91.67%</b>	<b>99.0</b>

Source: CON application #10828, page 23, Table B-16.

Osceola SNF concludes that the project is expected to benefit residents without significantly affecting existing nursing homes in the service area as well as offering residents a high-quality option that is conveniently located near major roads, ensuring easy access for most of the area's population.

**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.

**If need is aggregated from more than two subdistricts, the location of the proposed nursing home site must provide reasonable geographic access for residents in the aggregated subdistricts given the relative bed need in each subdistrict.**

**Okahumka RE T LLC (CON application #10827)** responds that this criterion is not applicable as this project is to add 16 beds to its approved 147-bed community nursing home in response to published need. The applicant adds that there is a competing application that plans to build a 108-bed nursing home in Subdistrict 3-7, Sumter County, by combining bed needs from three nearby subdistricts. Okahumka notes Osceola SNF’s 108-bed Sumter County proposal and raises concerns about accessibility for residents from neighboring areas due to the large distance involved. The applicant states its map (CON application



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#10827, page 2-3) spans 7,225 square miles. The reviewer notes the five counties (Marion, Citrus, Hernando, Lake and Sumter) in subdistricts 3-4 through 3-7 land mass is approximately 4,095 miles. Okahumka notes that travel times to Wildwood, a central point in Sumter County, can be significant: from Ocala in Marion County is 30.5 miles and takes about 36 minutes; from Homosassa Springs in Citrus County is 37 miles and about 50 minutes; and from Spring Hill in Hernando County is 60 miles, taking an hour and given these distances and travel times, many residents from adjacent counties may find it difficult to access the proposed facility. The applicant concludes that given the travel time and distances, it is unlikely that many residents within the adjacent counties would find the Sumter County facility accessible.

Okahumka RE T LLC also contends that applicants proposing to address bed need in Subdistricts 3-4 and 3-5 keep the beds within the required service areas allowing existing or new facilities to expand gradually according to local need aligns with the state's methodology and enhances the financial viability of current facilities and the feasibility of proposed facilities.

The applicant’s Table 2-1, page 2-4 shows that in 2023, 8,972 senior residents from Lake and Sumter Counties were discharged to skilled nursing facilities with the majority of these from SD 3-7 hospitals. See the table below.

**Hospital Discharges to Nursing Homes for Lake and Sumter Residents Age 65 and Older by Hospital County, CY 2023**

<b>Hospital County</b>	<b>Volume</b>	<b>Percent</b>
Lake	4,796	53.46%
Sumter	2,214	24.68%
Orange	618	6.89%
Marion	553	6.16%
Alachua	260	2.90%
Pasco	124	1.38%
Volusia	93	1.04%
Citrus	74	0.82%
Seminole	61	0.68%
Osceola	42	0.47%
Hillsborough	34	0.38%
Polk	23	0.26%
Hernando	17	0.19%
All other Florida counties	63	0.70%
<b>Total</b>	<b>8,972</b>	<b>100.00%</b>

Source: CON application #10827, page 2-4, Table 2-1, from FL Hospital Patient Discharge Data, CY 2023 (hospital types include long-term acute care, short-term acute care, and rehabilitation).

As shown above, Lake County hospitals had 53.46 percent, Sumter County hospitals 24.68 percent, Marion County hospitals 553 discharges (6.16 percent), Citrus County hospitals 0.82 percent and Hernando County hospitals 0.19 percent of Subdistrict 3-7 resident total

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discharges. The applicant notes that while there is some overlap with Marion County, Citrus and Hernando County hospitals do not generally serve Lake and Sumter residents, therefore aggregating the need from these areas to establish the Sumter County facility does not align with hospital and SNF use patterns shown in the service area.

Okahumka also provides the CY 2023 hospital discharges for residents age 65 and over of the three other counties in Osceola’s aggregate need (see the table below).

**Hospital Discharges to Nursing Homes  
for Marion, Citrus, and Hernando Residents  
Age 65 and Older by Hospital County, 2023**

Facility County	Marion		Citrus	Hernando		
	Volume	Percent	Volume	Percent	Volume	Percent
Marion	4,613	84.19%	252	7.97%	7	0.23%
Sumter	418	7.63%	19	0.60%	2	0.07%
Alachua	186	3.39%	60	1.90%	4	0.13%
Lake	60	1.26%	13	0.41%	4	0.13%
Citrus	42	0.77%	2,374	75.10%	7	0.23%
Orange	30	0.55%	24	0.76%	7	0.23%
Hillsborough	19	0.35%	33	1.04%	92	3.00%
Putnam	14	0.26%	1	0.03%	0	0.00%
Volusia	11	0.20%	2	0.06%	0	0.00%
Seminole	8	0.15%	0	0.00%	1	0.03%
Duval	7	0.13%	4	0.13%	1	0.03%
Polk	7	0.13%	3	0.09%	3	0.10%
Hernando	6	0.11%	302	9.55%	2,576	83.91%
All other Florida counties	49	0.89%	74	2.34%	366	11.92%
<b>Grand Total</b>	<b>5,479</b>	<b>100.00%</b>	<b>3,161</b>	<b>100.00%</b>	<b>3,070</b>	<b>100.00%</b>

Source: CON application #10827, page 2-5, Table 2-2, from FL Hospital Patient Discharge Data, CY 2023 (hospital types include long-term acute care, short-term acute care, and rehabilitation).

The applicant’s table demonstrates that that Sumter and Lake County hospitals serve few Marion County residents (8.89 percent of Marion’s total resident discharges to SNFs) and serve 1.01 percent of Citrus County’s and 0.2 percent of Hernando County resident totals.

Okahumka concludes that given the alternative applications to add beds in the service areas with fixed need, a project aggregating beds from four counties has less health planning benefits

- Accessibility is limited, given the distance residents of Marion, Citrus, and Hernando Counties must travel to Sumter County
- The 108-bed facility would overbed Subdistrict 3-7, negatively impacting licensed and previously approved providers, including Okahumka RE T LLC
- The state has alternate proposals that keep beds within the areas of need, adding capacity to existing and proposed nursing homes that have the potential to improve operations and efficiencies.

**Osceola SNF LLC (CON application #10828)** aggregates need from four subdistricts, resulting in a facility with a total of 108 beds private beds, including two bariatric units. The applicant argues that it will provide reasonable geographic access for residents in the respective subdistricts, given the relative bed need in each subdistrict listed below.

- 16 community nursing home beds in Subdistrict 3/7 (Lake and Sumter Counties)
- 38 community nursing home beds in geographically contiguous Subdistrict 3/4 (Marion County)
- Nine community nursing home beds in geographically contiguous Subdistrict 3/5 (Citrus County)
- 45 community nursing home beds in geographically contiguous Subdistrict 3/6 (Hernando County)

Osceola SNF indicates that a specific site has not yet been selected, the applicant proposes to locate the facility in zip code 34785 (Wildwood), Sumter County, near the convergence of several major roadways, including Interstate 75, Florida's Turnpike, U.S. 301, and State Road 44 which it contends will provide convenient north-south access to Sumter, Marion, and Hernando counties, east-west access to Citrus County, and southeast-northwest access to Lake County. The applicant refers to its Figure B-3 on page 13 which denotes with a yellow star the general site of the proposed 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 polices.**

**Okahumka RE T LLC (CON application #10827)** 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 a brief narrative of the following services:

- Physical therapy
- Occupational therapy
- Speech therapy
- Orthopedic rehabilitation
- Neurological rehabilitation
- Pulmonary rehabilitation
- Medical management
- Memory care

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- Palliative care
- Hospice care
- Wound care

Sixteen other services and amenities that Okahumka RE T LLC indicates provide support, comfort and security include:

- Full time Medical Director
- 24-Hour Registered Nurse Coverage
- On site X-rays and Clinical Lab testing
- Ostomy Care
- Enteral Care
- Foley catheter care, changes, and teaching
- Diabetic care and management
- Medication Management
- Bowel and bladder training
- IV Therapy
- Dialysis Support
- Structured activities seven days a week
- Pet Therapy
- Security System
- Daily Transportation
- Beauty/barber shop

The applicant notes that Millennial Healthcare Services has policies and procedures used at affiliate facilities that will serve the new facility, including care planning, admission, and discharge procedures.

Regarding admissions, the applicant points out that a multidisciplinary team, consisting of the Nursing Center's administrator, medical director, and other health care professionals, evaluates the needs of each resident. Further, decisions to transfer are based on consultation with the Care Team, as well as with the resident and his or her family and physician. Okahumka RE T LLC states that each resident receives an admission packet which details the agreement between the facility representative and the resident, his legal representative, or other responsible party. Twenty applicable forms for facility admissions are listed on page 2-8 of the application.

The applicant addresses Florida's Long-Term Care Ombudsman Program and resident rights stating that upon admission, program information is given to residents addressing their rights at the facility. Further, staff receive appropriate training to delineate Federal Requirements for Nursing Home Resident Rights ensuring that all are prepared and

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trained to provide residents the highest measure of dignity, courtesy, and good care that is expected by the residents, the families, and by the community.

Discussing care planning, Okahumka comments that developing a resident care plan is the single most important task undertaken for the resident and the care plan affects every aspect of his or her life in the facility, as well as the perception of the quality of life. Okahumka lists staff members responsible for the development and/or implementation of the resident's care plan include:

- Attending physician
- Director of Nursing
- The Charge Nurse responsible for resident care
- Registered Nurse assigned to the resident
- Nursing Assistants responsible for the resident's care
- Dietary Manager
- Social Services Manager
- Activities Director
- Therapists, as appropriate
- Consultants, as appropriate
- Others, as appropriate or necessary to meet the needs of the resident

Okahumka RE T LLC states that ongoing monitoring through the Quality Assurance and Performance Improvement (QAPI) process provides feedback to enhance care toward improvement and recovery and to avoid hospital readmissions. Further, information addressed during the initial evaluation by the admitting nurse includes but is not limited to:

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

Regarding discharge planning, the applicant states admission “must recognize the potential of each resident for discharge”. This approach makes placement into a nursing home a last resort, as the facility environment reduces the independence of individuals. Okahumka emphasizes that an initial length of stay will be estimated, particularly for Medicare beneficiaries, after which date the expectation will be for

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discharge and that discharge plans begin with the initial assessment. Medically related social service or home-based services cited include:

- Making arrangements for obtaining adaptive equipment
- Making referrals and obtaining services from outside entities, e.g., home health, private duty referral, community services, Meals on Wheels, Transportation
- Follow up appointment with physician
- Prescriptions written or called in for (1) medications, (2) outpatient therapy, (3) labs
- Home evaluation by Therapy
- Discharge meeting with family, patient, and/or caregivers and
- Home health guidelines for eligibility.

Discharge plans involve an interdisciplinary team approach: dietary, all therapies, nursing, family, patient, caregiver, and third-party payer sources to provide the best care after the patient is discharged from the facility. A resident is discharged only on the orders of the attending physician and at that time, a record is made of the resident's care with an appropriate discharge summary of prior treatment, diagnosis, rehabilitation potential, physician orders for immediate care, and other pertinent information which is then available to physicians or other providers such as home health agencies or ALFs. Upon discharge, Okahumka RE T LLC's director of nursing and social services director will discuss the aftercare plans with the resident and his or her family and any other aftercare provider, as appropriate and will provide a written plan to the person, to his or her responsible party, and to the attending physician. The applicant assures that when the discharge plan calls for follow-up, appropriate follow-up will occur with the referral agent to acknowledge that the person has begun the aftercare program.

Okahumka RE T LLC offers that the facility will have short-term and long-term patients, accepting a variety of payers including Medicare, Medicaid, and private insurance. The applicant notes the table below is based on facilities in the area with similar utilization patterns as those expected at its facility.

**Projected Admissions, Patient Days, Average Length of Stay and Average Daily Census  
First Two Years of Operation for the 16-Bed Addition and 163-Bed Facility**

Factor	16 Beds		163 Beds	
	Year One	Year Two	Year One	Year Two
Admissions	93	159	946	1,621
Patient Days	2,940	5,043	29,963	51,348
ALOS	31.6	31.7	31.7	31.7
ADC	8	14	82	141

Source: CON application #10827, page 2-11, Table 2-3.

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Okahumka projects the facility will reach an occupancy level of 86.3 percent in the second year, similar to other nursing home start-ups around the state and within the Subdistrict 3-7 average for the 12-month period ending June 30, 2024, of 91.6 percent. Okahumka RE T LLC assures that staffing provided on Schedule 6 show that the facility meets or exceeds the minimum staffing standards.

Okahumka RE T LLC next examined the Agency’s Hospital Patient Discharge Data from January 1, 2023 to December 31, 2023 to nursing homes for Lake and Sumter County residents aged 65 and over, to determine the level of need for specific nursing home resident services. Four MDCs (MDCs 08, 05, 18, and 01 musculoskeletal, circulatory, infectious diseases, and nervous system conditions) accounted for 62.32 percent of residents aged 65 and older discharges to SNFs. The MDC discharge table below shows the four most frequently occurring and combines the others.

**Florida Hospital Discharges to Skilled Nursing Facilities by MDC For Lake and Sumter County Residents Ages 65+, CY 2023**

MAJOR DIAGNOSTIC CATEGORY	CY 2023	
	Cases	Percent
08 Diseases & Disorders of the Musculoskeletal System and Conn Tissue	2,053	22.88%
05 Diseases & Disorders of the Circulatory System	1,438	16.03%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	1,265	14.10%
01 Diseases & Disorders of the Nervous System	835	9.31%
<b>Total Top Four</b>	<b>5,591</b>	<b>62.32%</b>
<i>Remaining 20 MDCs</i>	3,381	37.68%
<b>Grand Total</b>	<b>8,972</b>	<b>100.00%</b>

Source: CON application #10827, page 2-13, Table 2-4 (partially reproduced).

Okahumka notes that the MDC data above identifies the top conditions for admissions to skilled nursing facilities and show the most common types of conditions expected for its project which determines what services are appropriate. The applicant will offer a variety of specialized programs and continue to innovate to best meet residents' needs, and that the facility design includes a large therapy suite equipped for rehabilitation and occupational therapy for activities of daily living with staff personnel to deliver therapies.

Okahumka RE T LLC states that it will have a variety of specialized programs and continue to innovate to best meet residents' needs. 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 to achieve functional capabilities and innovative technologies used will allow individual programming as functional improvements occur. The overall objective is to provide restorative programs that focus on avoiding hospital admission or readmission with protocols to ensure healing and promote higher

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functional levels that ensure residents' health and quality of life improves. Millennial Healthcare is committed to providing compassionate, personalized care that meets the unique needs of each individual patient and offers skilled nursing services such as 24/7 care from licensed nurses, wound care, medication management, and rehabilitation services such as physical, occupational, and speech therapy. They also provide long-term care for people with chronic conditions, along with special programs that cater to specific needs. Services include:

- Alzheimer's Care
- Hip Replacement Rehabilitation Program
- Stroke Rehabilitation Program
- Cardiac Rehabilitation Program
- PD & HD Dialysis - a dialysis program that provides onsite dialysis services for patients with kidney failure
- TPN Therapy (Total Parenteral Nutrition)
- Infectious Disease
- Trach Care/Respiratory
- Wound Care
- Therapy Equipment Intervention:
  - Electronic Stimulation Devices
  - Ultrasound and Heat Therapy
  - Adaptive Equipment
  - Balance Training Equipment
  - Virtual Reality Therapy

Okahumka will provide specialized equipment and beds including orthopedic beds for optimal support and comfort for patients recovering from orthopedic procedures, stroke rehabilitation equipment to help stroke patients regain strength and mobility, and CHF/COPD monitoring equipment for patients with congestive heart failure or chronic obstructive pulmonary disease.

Schedule 6A assumptions indicates that the 147-bed approved project is considered the “current staff” and includes 114.50 FTEs in the first year ending June 30, 2028, and 176.50 in the second year ending June 30, 2029. FTEs are proposed to increase to 122.20 in year one and to 191.80 in year two with the 16-bed addition. The total FTEs increase from year one to year two for administration, nursing, ancillary, dietary, social services, housekeeping, laundry, and plant maintenance for both the 147-bed approved project and the proposed 16-bed addition.

The applicant's Schedule 7 shows the 163-bed facility is projected to have 10,487 Medicaid patient days in year one and 17,972 patient days in year two (35.0 percent of each year's total patient days).



**Osceola SNF LLC (CON application #10828)** states that it will participate in both the Medicare and Medicaid programs to promote access to both short-term and long-term care as well as its staffing pattern, patient assessment tools, admission policies, and discharge policies. The applicant bullets 26 special features on pages 58 and 59 that its proposed facility will offer on pages 58 and 59. Osceola SNF states it will offer physical, occupational, and speech therapies, restorative therapy, on-site complex wound care with a dedicated wound nurse and neurological rehabilitation & counseling.

Individualized recovery programs include:

- Post-Cardiac
- Complex Wound Care
- Congestive Heart Failure
- Dietician Monitored Meals and
- Cardiopulmonary
- Consultations
- Pneumonia
- Tracheostomy Care
- Orthopedic
- IV Therapy: Peripheral, PICC & Central Line
- Post-Stroke
- Outpatient Therapy Services
- Diabetes

The applicant's "Specialized Post-Acute Rehabilitation Programs" include orthopedic, cardiac, neuro-muscular, post-surgery, pulmonary and post-stroke rehabilitation.

Osceola SNF also offers state-of-the-art therapeutic modalities and rehabilitation equipment designed for older adults and lists 16 of these. Osceola SNF notes that it will provide physical, speech, and occupational therapists, according to each resident's specific needs, through a contract services agreement with Creative Health Solutions (CHS) that currently holds contracts with all TLC Management skilled nursing facilities, including the four Florida facilities. The applicant will also use respiratory therapists, as Osceola and Brevard residents are likely to require this type of skilled care.

Osceola SNF's professional medical team include:

- Advanced Trained Assessment Nurses
- Quality Assurance Registered Nurses
- Nurse Practitioners

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- Licensed Physical, Occupational, and Speech Therapists
- Doctors and Specialists
- Certified Wound Nurses
- Registered Dietician

Osceola SNF states medical services provided via contract and available by appointment which include physicians, psychiatry, podiatry, pharmacy, laboratory, dental, optical, x-ray and counseling services. Non-medical services include specialized activities, social services, Family support and assistance with activities of daily living.

Osceola SNF's Schedule 6 indicates 85.2 FTEs in year one ending June 30, 2028, and 119.3 in the second year ending June 30, 2029. The FTE count increases from year one to year two for administration, nursing, ancillary, dietary, social services, laundry, and plant maintenance. The Schedule 6 Assumptions indicates that physical, speech, and occupational therapy services, along with the medical director, will be contracted services.

The applicant's Schedule 7 shows the facility is projected to have 7,146 Medicaid patient days in year one and 13,505 patient days (38.9 percent) in year two (37.4 percent).

Osceola SNF states that it has analyzed the Agency's Hospital Patient Discharge Data from July 1, 2023-June 1, 2024 for residents aged 65+ in the Subdistricts 3-7, 3-4, 3-5, and 3-6 to determine the level of need for specific services at the new facility. The applicant examined the top diagnoses of patients discharged to SNFs to inform the facility's clinical programming, identifying conditions and disorders that residents will have upon admission.

The applicant notes that residents aged 65+ in Subdistrict 3-7 were discharged to nursing homes at a rate of 66.82 per 1,000, which is lower than the state rate of 79.50 per 1,000. The other subdistricts in Osceola's proposed service area had discharge rates per thousand age 65+ that were higher than the state rate, as follows:

- Subdistrict 3-4 (Marion County): 83.35 per 1,000
- Subdistrict 3-5 (Citrus County): 88.57 per 1,000
- Subdistrict 3-6 (Hernando County): 82.39 per 1,000.

Osceola SNF notes that the primary diagnoses leading to patient discharges from Subdistrict 3-7 hospitals to SNFs included diseases of the circulatory, digestive, and respiratory systems, along with infectious/parasitic diseases and injuries and poisoning, representing nearly 70 percent of all discharges for the year ending June 30, 2024.

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Additionally, Subdistricts 3-4, 3-5, and 3-6 had the same top five diagnoses, which accounted for 63.7 percent of their total discharges.

**Subdistrict 3-7 Hospital Patients (Age 65+)  
Discharged to SNFs by Principal Diagnosis**

<b>Principal Diagnostic Group</b>	<b># of Discharges</b>	<b>% of Total Discharges</b>
Diseases of the Circulatory System	18,354	27.98%
Diseases of the Digestive System	7,659	11.68%
Infectious & Parasitic Diseases	7,523	11.47%
Diseases of the Respiratory System	6,351	9.68%
Injury and Poisoning	5,996	9.14%
<b>Total Top Five</b>	<b>45,883</b>	<b>69.95%</b>
<i>Remaining 12 MDCs</i>	19,717	30.06%
<b>Grand Total</b>	<b>65,600</b>	<b>100.01%</b>

Source: CON application #10828, page 29, Table B-17 (partially reproduced) and Table B-18 from Agency Hospital Patient Discharge Data, July 2023-June 2024 (Includes acute, comprehensive medical rehabilitation, and long-term care hospitals)

**Subdistrict 3-4, 3-5, 3-6 Hospital Patients (Age 65+)  
Discharged to SNFs by Principal Diagnosis**

<b>Principal Diagnostic Group</b>	<b># of Discharges</b>	<b>% of Total Discharges</b>
Diseases of the Circulatory System	27,420	25.03%
Injury and Poisoning	12,590	11.49%
Diseases of the Respiratory System	10,834	9.89%
<b>Total Top Three</b>	<b>50,844</b>	<b>46.46%</b>
<i>Remaining 10 MDCs</i>	58,715	53.59%
<b>Grand Total</b>	<b>109,559</b>	<b>100.05%</b>

Source: CON application #10828, pages 29 and 30, Table B-18 (partially reproduced) from Agency Hospital Patient Discharge Data, July 2023-June 2024 (Includes acute, comprehensive medical rehabilitation, and long-term care hospitals)

The applicant notes that the top three MDCs (diseases of the circulatory system, diseases of the digestive system, injury and poisoning, and infectious and parasitic diseases) accounted for 84,380 discharges, representing 48.17 percent of the total 175,159 discharges to nursing homes in 2024. Further, these three categories include musculoskeletal and cardiac conditions, along with other medically-complex cases and also share similarities with respect to restorative and normalizing activities designed to improve functional capabilities.

Osceola SNF argues that circulatory conditions, the most frequent MDC, significantly benefit from therapies aimed at enhancing cardiac and circulatory functions, including physical and occupational therapy.

The applicant notes that the second MDC group is diseases of the digestive system noting that these patients often have additional, compounding health issues and require specialized diets.

Osceola SNF argues that its analysis focused on the most frequently occurring DRGs in Subdistricts 3-7, 3-4, 3-5, and 3-6 to identify additional conditions that might lead to nursing home admissions.

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The applicant includes Table B-19, page 31 listing the 10 most frequently occurring DRGs for Subdistrict 3-7 age 65+ residents, and for Subdistricts 3-4, 3/5, and 3-6 age 65+ residents, respectively, discharged to a SNF.

### Top 10 DRGs for Subdistrict 3-7 Residents Age 65+ Discharged from Hospitals to Nursing Homes, FY 2024

	DRG	DRG Description	Discharges	% of Total	Running
1	871	Septicemia or Severe Sepsis Without MV >96 Hours With MCC	1,030	11.88%	11.88%
2	470	Major Hip and Knee Joint Replacement or Reattachment of Lower Extremity Without MCC	692	7.98%	19.86%
3	291	Heart Failure and Shock With MCC	536	6.18%	26.05%
4	481	Hip and Femur Procedures Except Major Joint With CC	481	5.55%	31.60%
5	177	Respiratory Infections and Inflammations With MCC	267	3.08%	34.68%
6	872	Septicemia or Severe Sepsis Without MV >96 Hours Without MCC	230	2.65%	37.33%
7	689	Kidney and Urinary Tract Infections With MCC	209	2.41%	39.74%
8	853	Infectious and Parasitic Diseases With O.R. Procedures With MCC	142	1.64%	41.38%
9	682	Renal Failure With MCC	139	1.60%	42.98%
10	65	Intracranial Hemorrhage or Cerebral Infarction With CC or TPA in 24 Hours	137	1.58%	44.56%
<b>11</b>		<b>All Other Diagnoses</b>	<b>4,806</b>	<b>55.44%</b>	

Source: CON application #10828, page 31, Table B-19, from Agency Hospital Patient Discharge Data, July 2023-June 2024 (Includes acute, comprehensive medical rehabilitation, and long-term care hospitals)

	DRG	DRG Description	Discharges	% of Total	Running
1	871	Septicemia or Severe Sepsis Without MV >96 Hours With MCC	1,426	10.06%	10.06%
2	470	Major Hip and Knee Joint Replacement or Reattachment of Lower Extremity Without MCC	977	7.66%	17.72%
3	481	Hip and Femur Procedures Except Major Joint With CC	734	6.23%	23.96%
4	291	Heart Failure and Shock With MCC	770	6.98%	30.93%
5	552	Medical Back Problems Without MCC	235	2.29%	33.22%
6	177	Respiratory Infections and Inflammations With MCC	464	4.62%	37.84%
7	682	Renal Failure With MCC	334	3.49%	41.33%
8	683	Renal Failure With CC	351	3.80%	45.14%
9	65	Intracranial Hemorrhage or Cerebral Infarction With CC or TPA in 24 Hours	164	1.85%	46.98%
10	690	Kidney and Urinary Tract Infections Without MCC	384	4.40%	51.38%
<b>11</b>		<b>All Other Diagnoses</b>	<b>7,772</b>	<b>54.83%</b>	

Source: CON application #10828, page 31, Table B-20 from Agency Hospital Patient Discharge Data, July 2023-June 2024 (Includes acute, comprehensive medical rehabilitation, and long-term care hospitals)

The applicant contends that when analyzed by DRG rather than MDC, DRG 871 (Septicemia or Severe Sepsis) without mechanical ventilator with Major Conditions/Comorbidities, emerges as the most common

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DRG for residents aged 65 and older in the service area noting that these patients will require intravenous (IV) antibiotics and will have other conditions requiring a comprehensive program of care. Osceola SNF argues that it will focus on medically-complex residents and will be equipped to provide disease-specific care while managing their other conditions.

Osceola SNF states that the second and third most frequent diagnosis groups for residents aged 65 and older discharged to nursing homes are DRG 470 (Hip and Femur Procedures except Major Joint with conditions/comorbidities) and DRG 481 (Hip and Femur Procedures Except Major Joint with CC). The applicant ensures it will implement an orthopedic program to rehabilitate patients with musculoskeletal conditions, providing a comprehensive range of physical and occupational therapies to facilitate optimal recovery and will partner with local hospitals to create a clinical pathway for “smooth” transitions from hospital to nursing home, focusing on effective pain management for residents.

The applicant indicates that it will offer three programs based on its analysis: orthopedic rehabilitation, cardiac rehabilitation, and one focused on services for medically complex cases. Osceola SNF notes that it will employ its medically complex program by providing IV administration of drugs along with dietary management, speech therapy, catheter care, incontinence services, bowel and bladder training, pain management, training on how to avoid infections and a variety other supportive service which may be either temporary or permanent.

The applicant states that it will have additional programs that include glucose monitoring and wound care noting that it will employ the iPro@2 Continuous Glucose Monitoring program for 24/7 monitoring of glucose levels and that the wound and skin app in the PointClickCare EHR system adding that its partnership with KCI has been able to improve outcomes and patient satisfaction while lowering the cost of care each of the facilities using the system.

Osceola SNF provides the following table below:

**Table B-21 Projected Utilization**

	<b>Year One</b>	<b>Year Two</b>
Admissions	608	1,208
Patient Days	18,368	36,135
ALOS	30.2	29.9
ADC	50.3	99

Source: CON application #10828, page 32, Table B-21.

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Schedule 5 indicates the facility will have 46.47 percent occupancy during year one and 91.67 percent in year two.

Regarding admissions, Osceola SNF will provide a thorough assessment upon the patient's admission and create a discharge-focused care plan. Its interdisciplinary team approach, involving staff and family, will set objectives to guide daily treatment plans noting that the plan will be regularly reviewed and adjusted depending on the patient's needs. The applicant emphasizes a patient-centered approach by having staff regularly visit each resident to assess their interests and leisure activities, ensuring they find fulfillment in their daily lives. Cultural diversity is considered for each patient at admission, enabling Osceola SNF to provide staff with clear instructions on how to communicate with and care for the resident.

Osceola SNF notes that the patient's medical care plan, as prescribed by a physician, outlines the individual's care requirements and serves as a guideline for staff when conducting medical outcomes assessments and bullets nine staff members that are responsible for its development and/or implementation:

- Attending physician
- Director of Nursing
- Nursing Assistants responsible for the resident's care
- Dietary Manager
- Social Services Manager
- Activities Director
- Therapists, as appropriate
- Consultants, as appropriate
- Others, as appropriate or necessary to meet the needs of the resident

Each resident upon admission is evaluated for special needs and a care plan is developed. Information addressed during the initial evaluation by the admitting licensed nurse includes, but is not limited to, the following:

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

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Osceola SNF states that the guidelines in the “Resident Assessment Instrument (RAI)” manual suggest the following care planning areas for consideration in the long-term care setting: functional status, rehabilitation/restorative nursing, health maintenance, discharge potential, medications and daily care needs. The components that provide structure include problem/concern statements, goal/objective statements, approaches, identifying responsible discipline and having a review date for the care plan. The applicant notes that its social worker provides family members or caregivers a schedule for care planning meetings and includes their input.

Osceola SNF contends TLC Management’s Transition-to-Home Program sets it apart when compared to other SNFs because during a patient's stay and discharge from the Specialized Post-Acute Rehabilitation Program, a team of health care professionals (doctors, nurses, nurse practitioners, therapists, social workers, and dieticians) will provide education, resources, and post-discharge instructions to support the patient's recovery and well-being at home that include:

- Home Safety
- Medication Management
- Nutritional Health
- Activities of Daily Living
- Home Health

Discharge plans start with an initial assessment, which evaluates patient and family needs along with the admission diagnosis. Further, Osceola SNF will identify any social service or home care needs related to the resident's medical condition and ensure those needs are addressed by the right professionals which include:

- Making arrangements for obtaining adaptive equipment
- Making referrals and obtaining services from outside entities, e.g., home health, private duty referral, community services, Meals on Wheels, Transportation
- Follow up appointment with physician
- Prescriptions written or called in for medications, outpatient therapy, and/or labs
- Home evaluation by therapy
- Discharge meeting with family, patient, and/or caregivers and
- Home health eligibility guidelines.

Osceola SNF indicates that upon discharge, the Director of Nursing and Social Services will review aftercare plans with the resident, their family, and any relevant aftercare providers. A resident is discharged only on the orders of the attending physician noting that if follow-up care is necessary, it will be coordinated with the referral agent. The written plan

outlining treatment history, diagnosis, rehabilitation potential, and immediate care orders will be distributed to the resident, their responsible party, and the attending physician.

**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.**

**Both applicants** – respond that it has not had a nursing facility licensed denied, revoked, or suspended within the past 36 months.

- 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.**

**Both applicants** – respond that it has not had a nursing facility placed into receivership within the past 36 months.

- 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.**

**Both applicants** - 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.**

**Both applicants** - 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.**

**Both applicants** - 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.**

**Both applicants** - respond that 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. 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.**

As of August 9, 2024, Subdistrict 3-7 had 19 community nursing homes 2,057 licensed and 187 CON approved community nursing home beds. The 187 approved beds pending licensure are at The Lakes of Clermont and Rehabilitation Center in Lake County and 147 awarded to CON #10737P, Okahumka RE T LLC (originally Okahumka SNF LLC). During the six months ending June 30, 2024 Subdistrict 3-7 experienced 91.59 percent occupancy at the 19 existing community nursing homes. Subdistrict 3-7 community nursing homes reported 88.85 percent occupancy during CY 2023.

As previously stated, an FNP for 16 community nursing home beds in Subdistrict 3-7 was published in Volume 50, Number 195 of the Florida Administrative Register dated October 4, 2024.

**Okahumka RE T LLC (CON application #10827)** maintains that availability often refers to how much of a service exists, and that as of August 9, 2024, there are 15 skilled nursing facilities in Lake County with a total of 1,677 beds, including 30 sheltered beds and that The Lakes of Clermont Health and Rehabilitation Center was recently approved to add 40 beds to its existing 80-bed facility. The applicant further notes that Sumter County has four nursing homes for a total of 432 beds, 22 of which are sheltered beds. The applicant notes Subdistrict 3-7's occupancy for the most recent annual period ending June 30, 2024, was 91.59 percent.

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The applicant reiterates that District 3 ranks second in having one of the largest concentrations of residents aged 65 and older and that Subdistrict 3-7 has 11 community nursing home beds per 1,000 persons age 65+ when compared to 15 community beds per 1,000 persons age 65+ District 3. Okahumka RE T LLC adds that compared with the State of Florida, which had 16 beds per thousand seniors, Subdistrict 3-7 is experiencing significant reduced availability for nursing home beds and assures that if approval of the 16-bed addition is given, the bed supply would be maintained at 10 beds per 1,000 seniors.

The applicant asserts that its project benefits from an experienced team of having the knowledge, tools, and expertise to continuously maintain high quality nursing home standards it will utilize through Millennial Healthcare Services LLC. Quality of care is addressed in item E.3.b. of this report. The applicant states that it presents detailed information about its approach to achieving quality services and improving performance confirming that it has the experience and ability to assure quality care within nursing facilities in accordance with the CMS regulations and state licensing regulations.

Okahumka contends that management is dedicated to improving the quality-of-care standards, invests in technologies, and utilizes protocols to engage staff in quality improvement initiatives and education. The project is to focus on rehabilitation to promote recovery and return to the community, while also providing long-term care adding that the facility fosters resident-centric care and having at least 66 private rooms (67 with the 147-bed partial request), which it contends will improve quality.

- All Millennial Healthcare Services facilities seek Joint Commission Accreditation and Millennial affiliates in Subdistrict 3-7 currently accredited include Cypress Care Center, Lady Lake Specialty Care Center, North Campus Rehab & Nursing Center and South Campus Care Center & Rehab. These are stated to maintain strong relationships with Hospitals, Veterans Affairs, ACOs and Managed Care Providers
- Millennial uses state of the art Artificial Intelligence software and other industry leading software to minimize the workload of its leaders to give the required time back to them at the bedside, on the floor, with the staff and to improve clinical outcomes to include staffing/visitor screening and rehospitalization risk reports to reduce the prevalence of unnecessary rehospitalization.

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- Additional partnership with an outside regulatory group to provide ongoing services to support 24/7 Compliance Assistance, 24/7 Crisis Management, Compliance and Ethics Training and a Hotline Service 24/7 for compliments and concerns.
- Fully integrated Electronic Health Record (Point Click Care)
- Enhanced infection control protocols and procedures based on the current guidance by the Centers for Disease Control (CDC), Centers for Medicare and Medicaid Services (CMS), and the local and state Departments of Public Health (DPH).
- Center practices include but are not limited to on-site Certified Infection Preventionist nurse, adherence to use of personal protective equipment (PPE) protocols as indicated, rigorous environmental disinfectant cleaning, and visitor and staff screening procedures.
- 2022 Clinical Metrics to include reduction of rehospitalization rates post implementation of Artificial Intelligence Software

Okahumka defines access as how potential users obtain a service or gain admittance or entry to a facility providing the service, listing the components of access as 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.

Regarding geographic access the applicant refers to is fixed need response in item E.1.a. showing the locations of hospitals and nursing homes within the 20-mile radius are within 30-minute driving distance to the proposed site, with four hospitals well within range. Regarding accessibility, the applicant includes a list and a map of the four acute care hospitals and nursing homes within a 20-mile radius of the proposed site on pages 3-3 and 3-4 of the application. The acute care hospitals include AdventHealth Waterman (300 beds), Orlando Health South Lake Hospital (177 beds), UF Health Leesburg Hospital (330 beds) and UF Health Spanish Plainses Hospital (307 beds).

Regarding service access, Okahumka reiterates the hospital discharge data discussed in item E.2. of this report (the four most frequently occurring discharges based on MDCs) and explains that those patients would benefit from the proposed project's services and special programs, including on-site dialysis and Alzheimer's care. The applicant adds that not all Subdistrict 3-7 SNFs have Alzheimer's care programs or an Alzheimer's secured unit and only a select few offer on-site dialysis to their residents.

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Regarding financial access, the applicant states that it will make every effort to remove any financial barriers that could impede access to nursing home care, working closely with hospital discharge planners and those who may make direct admissions. Okahumka notes that there are multiple insurers offering Medicare Advantage plans within the Subdistrict, including Aetna Health, Humana, and Wellcare and states it plans to accept a variety of these plans to maximize access to care.

Okahumka RE T LLC reiterates its response regarding the extent of utilization, using the Florida Nursing Home Bed Need Projections by District and Subdistrict (October 4, 2024), with five facilities affiliated with Millennial Healthcare Services highlighted to provide support to its argument that Millennial facilities are in high demand.

Okahumka notes that the five Millennial facilities in Subdistrict 3-7 had an average total occupancy of 94 (94.11) percent and a Medicaid occupancy of 70 (57.81) percent in CY 2022 which was higher than the Subdistrict 3-7 (91.59 percent total / 56.93 percent Medicaid), District 3 (89.14 total/60.63 Medicaid), and Florida (84.36 total/62.33 Medicaid) averages. The reviewer notes that in CY 2022 the five Millennial affiliates had a higher total occupancy but lower Medicaid occupancy than Subdistrict 3-7, District 3, and the state. During CY 2023, the applicant had a higher total occupancy rate when compared to Subdistrict 3-7 and D3 but was higher than the state average. Additionally, the total Medicaid was lower in CY 2023 when compared to Subdistrict 3-7, District 3, and Florida.

Okahumka concludes that Millennial facilities high occupancy indicates facility-specific demand which assures that its facility will have a quick fill rate, and “the project is expected to increase utilization as access improves for residents of Lake and Sumter Counties”.

Okahumka responds to Rule 59C-1.030, Health Care Access Criteria on the application’s pages 3-7 through 3-9 and provides its utilization projections on the application’s page 3-9 (see the table below).

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**Admissions and Patient Days by Payer for Okahumka RE T LLC's  
163-Bed Nursing Home, First Two Years of Operation**

<b>163 BEDS</b>	<b>Year One (7/27-6/28)</b>		<b>Year Two (7/28-6/29)</b>	
<b>Payer</b>	<b>Days</b>	<b>Percent</b>	<b>Days</b>	<b>Percent</b>
Self-Pay	29,963	10%	5,135	10%
Medicaid Managed Care	10,487	35%	17,972	35%
Medicare & Medicare HMO	16,480	55%	28,241	55%
Total	29,963	100%	51,348	100%
<b>16 BEDS ONLY</b>	<b>Year One (7/27-6/28)</b>		<b>Year Two (7/28-6/29)</b>	
<b>Payer</b>	<b>Days</b>	<b>Percent</b>	<b>Days</b>	<b>Percent</b>
Self-Pay	294	10%	504	10%
Medicaid Managed Care	1,029	35%	1,765	35%
Medicare & Medicare HMO	1,617	55%	2,774	55%
Total	2,940	100%	5,043	100%

Source: CON application #10827, Table 3-2, page 3-9.

**Osceola SNF LLC (CON application #10828)** states that its application responds to that calculated, aggregated need. Further the applicant provides “The AHCA published a Fixed Need Pool on October 4, 2024 for:

- 16 community nursing home beds in Subdistrict 3/7 (Lake and Sumter Counties)
- 38 community nursing home beds in geographically contiguous Subdistrict 3/4 (Marion County)
- Nine community nursing home beds in geographically contiguous Subdistrict 3/5 (Citrus County)
- 45 community nursing home beds in geographically contiguous Subdistrict 3/6 (Hernando County).

**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.**

**Okahumka RE T LLC (CON application #10827)** restates it will contract with Millennial Healthcare Services LLC. The applicant comments that the importance of continuity of care and staff training and development provide the basis for tracking progress and developing ongoing monitoring of the care within each nursing home. Further, management’s philosophy is committed to enhancing the lives of its residents, whether needing short-term rehabilitation, traditional long-term support, or specialized care providing the highest level of quality with its devoted and experienced staff and comprehensive clinical services.

The applicant reiterates that all Millennial Healthcare Services facilities seek Joint Commission Accreditation and that all of its facilities exhibit high occupancy rates, averaging over 93 percent. Several of the facilities

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have ranked on the list by US News and World Reports for Best Nursing Homes 2025 in the state of Florida noting the detailed information on its awards can be found in Exhibit 6.

- The Club Healthcare and Rehabilitation Center was ranked with an overall rating of five out of five stars
- The Villages Healthcare and Rehabilitation Center was ranked with an overall rating of five out of five stars and was a recipient of the 2019 American Health Care Association and National Center for Assisted Living (AHCA/NCAL) Gold National Quality Award
- The Plaza Health and Rehab Center and Viera Health and Rehab Center were also ranked on this list with an overall rating of four out of five stars, while also receiving three out of three stars for short-term rehabilitation
- Williston Care Center and The Lodge Health and Rehabilitation Center achieved, respectively, the 2022 and 2024 Bronze National Quality Award

Okahumka cites Millennial Healthcare Services' vision to be a leading provider of exceptional nursing home care that enhances the quality of life for its residents and the ultimate goal is to improve the health and well-being of its residents and make a positive impact on their lives. Millennial Healthcare Services Mission and Vision Statement is quoted—“Millennial Healthcare is dedicated to ensuring that each and every resident receives the highest quality of care possible. Our mission is to create an environment that is safe, supportive, and compassionate, where our residents can thrive physically, emotionally, and socially”.

The applicant indicates that Millennial Healthcare Services achieves this vision through its “Core Values”, which include compassion, respect, integrity, excellence, teamwork and accountability and provides details on the application's pages 4-3 and 4-4. Millennial Healthcare Services goal is to provide compassionate, respectful, and high-quality care for its residents in a safe and supportive environment.

The applicant bullets the 12 steps in the Centers for Medicare and Medicaid Services (CMS) QAPI at a Glance (page 4-5) and maintains that these key action steps establish a foundation for QAPI in nursing homes. In addition to a QAPI program, the applicant's Quality Assurance and Assessment Program seeks to assure that the facility meets or exceeds the needs, expectations and requirements of the patients while maintaining good patient outcomes and exceptional person-centered care where the residents are involved in their own care and their needs are addressed individually. The applicant adds that its Risk Management/ Quality Assurance Committee, which will meet monthly and plans of correction for areas that need improvement will be developed.

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Okahumka explains that the goal is to prevent failure of those core processes that could cause substandard quality of care and place the facility in danger of regulatory non-compliance.

Okahumka RE T LLC discusses its QAPI guiding principles on pages 4-5 and 4-6 of the application. The administrator is stated to be responsible for the Quality Assurance Performance Improvement Program and that its committee “shall meet at least quarterly to identify areas of concern as well as to recommend, implement, monitor, and evaluate changes. The committee ensures that training, resources, and time is provided to those individuals participating on the Performance Improvement Projects (PIPS).” The applicant’s annual data review is to provide a process for feedback, data systems, and monitoring. Okahumka states that each PIP subcommittee will use Root Cause Analysis to improve existing processes, analyzing the collected data to determine the effectiveness of change, concluding with summary report, analysis of activities, and recommendations for the QAPI Committee.

Okahumka’s facility will uphold the CMS guideline to develop, implement, and maintain an effective, comprehensive, data driven QAPI program that focuses on indicators of the outcomes of care and quality of life and its procedures to fulfill this policy include documenting evidence of the continuing QAPI program, presenting the QAPI plan to the State Survey Agency no later than one year after the promulgation of regulation -483.75(a)(2). The application’s Exhibit 7 includes a summary of the QAPI Process Policy and the Program Systematic Analysis procedures.

The QAPI Program Systematic Analysis and Systemic Action policy states that the facility will take actions aimed at performance improvement and, after implementing those actions, measure its success, and track performance to ensure that improvements are realized and sustained and includes procedures to implement this policy that include utilizing a systematic approach to determine underlying causes of problems impacting larger systems. Okahumka shares that this could include root cause analysis, causal factor differentiation, group discussion, and causal graphing and that procedures also state that the facility will develop corrective actions that will be designed to effect change at the systems level to prevent quality of care, quality of life, or safety problems.

Okahumka will employ the use of the Electronic Medical Records platform, PointClickCare, which it states allows for accurate, timely patient data to be accessed 24 hours a day, seven days a week to every authorized staff member and allows directors to track care plan progress, change in health or mobility status, or patient transfers to area hospitals and whether transfers could be prevented with appropriate intervention.

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Millennial Healthcare Services uses Artificial Intelligence software and other industry leading software to minimize the workload to give the required time back to them at the bedside, on the floor, with the staff and to improve clinical outcomes to include staffing/visitor screening and rehospitalization risk reports to reduce the prevalence of unnecessary rehospitalization. The applicant contends that EMR improves the facility's capability to obtain and maintain quality standards and timely meet requirements of state licensure and federal certification enhances the quality and efficiency in managing patient outcomes.

Benefits to occur with EMR include:

- The provision of statistical data on all aspects of care and those of its contractors which aides in its quality assurance and program compliance, while partners and vendors can use the information to assess their own quality performance indicators and
- The integration of pharmacy which permits the reviewing and the tracking of all medication orders, checking for contraindications among the prescriptions as well as providing feedback and education to the medical staff, the patient, and the family resulting in effective management of medicines.

Okahumka addresses its Emergency Management and Hurricane Preparedness on the application’s page 4-8 and Activities and Resident Council on the application’s pages 4-8 and 4-9.

Millennial affiliated nursing homes had 38 substantiated complaints 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**

<b>Complaint Category</b>	<b>Number</b>
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
<b>Total</b>	<b>56</b>

Source: Agency for Health Care Administration complaint data.



**Osceola SNF LLC (CON application #10828)** reiterates that it is a newly formed entity with no operational history and a wholly owned subsidiary of TLC Management. Osceola indicates it will be guided by TLC's mission and offers the following:

Mission Statement

TLC Management, Inc. is committed to restoring our residents to their highest potential through kind, compassionate medical care.

Our Vision

Our vision can best be illustrated by thinking of a 3-legged stool. We intend to be:

1. The Employer of Choice in this Community.
2. The Provider of Choice in this Market.
3. An Innovative Leader in the Use and Development of Technology in Delivering our Services.

Our Values

We are committed to providing maximum personal comfort, emotional security, physical safety, and quality nursing care to all our residents. Furthermore, we believe that this commitment is best achieved in a philosophy of Christian concern and compassion. To this end, we seek the assistance of those individuals and groups who will contribute to each resident's spiritual needs over and above their physical, mental, and emotional needs.

We expect our employees to demonstrate each of the following behaviors and characteristics every day:

- Recognizing the dignity of all people and being compassionate
- Being concerned about the aging citizen and having a genuine concern for everyone who is entrusted to our care
- Being committed to long-term employment with us in order to ensure continuity of care
- Being an effective member of our team, dedicated to providing the very best quality care for all our residents

The applicant notes that TLC Management is a family-operated company with over 35 years of experience and more than 3,000 employees, owns and operates 21 skilled nursing facilities, 10 assisted living facilities, and three independent living facilities in Indiana, Ohio, and Florida. Further, the company has managed a Long-Term Acute Care (LTAC) Hospital for eight years, which it contends demonstrates its capability to handle high-acuity patients. TLC focuses on a continuum of care, providing a variety

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of health and rehabilitation options to ensure underserved populations have access to essential health care services.

Osceola SNF argues that because TLC Management has only operated its four Florida facilities for approximately four years, its history is limited regarding its star ratings since nursing homes require at least three years of inspection data for their first star rating. Further, CMS also “froze” some ratings during the COVID-19 pandemic due to changes in evaluation methods and as a result, the star ratings for TLC's Florida facilities do not accurately reflect their current performance; however, these ratings are anticipated to improve in the near future.

The applicant asserts this can be “confirmed in part by current residents in the various testimonials included in Exhibit 1 in the Additional Information section at the end of this application”. Osceola SNF states that despite this, two of TLC Management's Florida facilities are currently rated five stars for Quality Measures (Astoria and Bridgewater), and two are rated four stars (Blue Heron and Oak Hill). Further, TLC Management currently has five facilities listed in the "Top Nursing Homes" in Indiana for 2024, as published on Medicare.gov. Osceola SNF adds that TLC facilities receive fewer citations during annual surveys compared to nursing homes in Florida and the U.S. and currently, have an average of 4.6 citations, while the Florida average is 7.7 and the national average is 9.6.

Osceola SNF describes six TLC Management Performance, Teamwork, Perfect Surveys, awards including:

- TLC Gold Award - Performance: Given every year to a TLC facility that has consistently exceeded all financial and operational expectations set by the organization. This award is the highest honor a facility can receive.
- TLC Silver Award - Teamwork: Given every year to a TLC facility that has maintained an exemplary teamwork environment in the midst of the challenges faced in the business of long-term care.
- TLC Bronze Award - Servant Leadership: This award recognizes a TLC Management Consultant or Administrator who has modeled servant leadership and has gone above and beyond performance expectations.
- TLC Chairman Award - Perfect Survey: Given to a facility within the TLC family that has maintained an overall quality of care environment as evidenced by excellent federal and state inspections.
- Twelve Month Overall Census Development Award: Given to a TLC facility that has increased overall census during a 12-month period.

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- Operations Award Most Improved: This award is given to a facility within the TLC family that has improved overall business operations as reflected in survey management, employee turnover and census execution.

TLC also gives out the “Servant Heart Award” that is selected by its board through staff, residents, and family’s nomination. One TLC Florida facility “recently had a staff member made the short-list nomination”.

Osceola SNF states that its Quality Assurance and Performance Improvement (QAPI) program will focus on improving safety and quality through a systematic, data-driven approach that includes residents and families in problem-solving. Further, TLC Management mandates that each facility establish a Strategic Quality Plan and a performance improvement process. A Performance Improvement Committee will be formed to identify and implement improvement activities aimed at exceeding customer expectations. The applicant ensures that all staff will receive training on the QAPI process and “their specific role” in the program upon hire, annually, and as needed.

Osceola SNF’s QAPI process will:

- Focus on continually improving the delivery of care/services to residents
- Appropriately involve all departments
- Address key facility practices
- Be led by a facility-based QAPI Team that acts as a liaison between the facility and company management

Osceola’s QAPI Team will include the facility administrator, medical director or physician, director of nursing, and infection preventionist, along with representatives from social services, activities, housekeeping, and dietary. The medical director and pharmacy consultant will join the QAPI meetings at least once a quarter. The QAPI team will conduct observations, assessments, and interviews at least three times a year to ensure high-quality patient care with at least one element of each of the following areas will be monitored on an annual basis:

- Quality of Life
- Nursing and Medical Practice
- Management of the Environment of Care
- Leadership

The applicant adds that TLC Management utilizes Alliant Quality, who manages the Quality Innovation Network - Quality Improvement Organization (QIN-QIO) for Florida and five other states to provide resources, training, and support to nursing homes to improve quality of care.

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Osceola SNF shares that TLC facilities use the PointClickCare EHR system for both documenting care and auditing compliance adding that its QAPI Team (and other staff) can analyze this data for Quality Improvement projects, with quality measure scores being reviewed monthly. The applicant explains that this quality control process helps identify problems early to minimize risks and start corrective actions as well as decreasing the number of transfers to acute care hospitals.

The applicant notes that TLC facilities also utilize eNTERACT, along with another software program called SimpleLTC, to track admissions, discharges, and rehospitalizations. TLC uses this data to find ways to decrease readmissions by identifying residents at risk for readmission within 30 days as well as those who have been readmitted.

Osceola SNF states that TLC Management uses evidence-based methods for Quality Improvement and actively seeks feedback from residents, families, and staff to identify high-risk or common problems and opportunities for improvement. Further, this feedback focuses on all aspects of care as seen by residents and their families coming from multiple sources, including:

- Resident and family satisfaction surveys
- Resident Council meetings
- Family Council meetings
- Care plan meetings
- Grievance log
- One-on-one discussion with management
- Suggestion or comment boxes

Osceola states all identified issues will be prioritized and addressed either through regular data monitoring or by creating sub-committees for performance improvement projects. TLC Management is developing a customer satisfaction reporting and benchmarking module with two key advantages: continuous monitoring of satisfaction levels through regular data collection, and a reporting method that allows staff to quickly identify concerns and conduct root cause analysis for resolution.

Osceola SNF asserts that TLC shows its commitment through the quality of its facilities noting that all of its Florida facilities are accredited by The Joint Commission, which provides a strong foundation for delivering consistent, high-quality care. TLC Management facilities are included in the U.S. News and World Report's Best Nursing Homes list with three of its Florida facilities being designated as "High Performing" for their short-term rehabilitation. TLC's Bridgewater Park in Ocala, Marion County has also won the following awards:

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- Vohra Wound Care Center of Excellence
- Ocala Best of the 352 for 2024 for Skilled Nursing Facilities
- 3rd place in Florida Healthcare Association's Long Term Care Photo Contest

Blue Heron Health and Rehabilitation has been recognized for its excellence earning accreditation from The Joint Commission and been nominated for a second consecutive year for the North Tampa Bay Chamber's Celebrating Excellence in Integrity Award.

The applicant asserts that the most recent AHCA survey results show that one of the 19 nursing homes in Subdistrict 3-7 and six of 27 nursing homes in Subdistricts 3-4, 3-5, and 3-6 (approximately 36 percent of the beds) received a one-star rating, highlighting a significant need for improvement in the quality of nursing homes in the area.

Osceola SNF offers on pages 43-44 two excerpts from letters of support from current TLC Management residents.

Florida's Long-Term Care Ombudsman Program and Resident Rights is addressed on the application's pages 44 and 45. Upon admission, program information is given to residents addressing their rights at the facility. Staff receive appropriate training to delineate Nursing Home Federal Requirements for Resident Rights ensuring that all are prepared and trained to provide residents the highest measure of dignity, courtesy, and care that is expected by the residents, the families, and by the community. TLC Management's Residents' Rights policies are included in the application's Exhibit 4.

Osceola SNF states that TLC Management promotes and assists resident and family groups that gather for mutual support, facilitated by the activities director. The monthly resident council meeting is open to all residents, with staff attending only by invitation. The council is responsible for creating bylaws, electing officers, and designating a member to connect with the board of directors/owners and recording meeting minutes. Osceola SNF notes that a department supervisor may attend to address specific problems with approval from the residents. Issues are revisited for progress tracking, and copies of the minutes are shared with the administrator and relevant departments. Residents are encouraged to participate in the council to voice their concerns.

Osceola SNF informs that it will use the free How's Mom app to enhance communication between families and caregivers of residents which enables families to access real-time health information, including medication lists, vitals, conditions, and nutrition, as well as submit

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grievances as well as allowing TLC facilities to send mass notifications about events or emergencies. The applicant contends that this initiative promotes transparency in care and builds trust between residents and their families.

Osceola SNF states that activities are tailored to support treatments outlined in residents' care plans and serve as socially relevant tasks. Objectives include providing a variety of meaningful activities that align with residents' interests and skills, promoting adaptation and restoration of functions, fostering individual interests for enjoyment and creativity, and maximizing personal expression through group interaction, family involvement, spiritual growth, and independence. A list of daily activities to be provided include but is not limited to morning exercise, Wii bowling, daily chronicle, giant crossword, church services, board, card and other games, bingo, movies, etc.

Osceola SNF adds that TLC Management facilities recently hosted the Golden Senior Olympics, where residents participated in various inclusive events such as bowling, 40-yard dashes (with divisions for wheelchairs, walkers, and runners), wheelchair volleyball, checkers, darts, putting, corn hole, quiz bowl, and a spirit in motion relay.

The applicant offers two excerpts from a resident and staff member from its letters of support on page 47 pertaining to this event.

TLC's four Florida facilities had nine substantiated complaints during December 19, 2021 - December 19, 2024. A single complaint can result in multiple categories being cited. See the table below.

<b>Complaint Category</b>	<b>Number</b>
Quality of Care/Treatment	6
Resident/Patient/Client Rights	5
Dietary Services	3
<b>Total</b>	<b>14</b>

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? 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. In the case of a development stage company with no historic

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operations in which to evaluate short-and long-term financial positions, we will evaluate the applicants' access to capital on a standalone basis for this project and any others cited in the application.

**Okahumka RE T LLC (CON application #10827)** is a development stage company with only \$250,000 in cash, with minimal operations. The applicant indicated that funding will be provided by cash on hand and a third-party interest.

### **Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects total \$47,908,400, which includes this project (\$3,272,300) and CON #10737P (\$44,636,100).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$250,000) and non-related company financing (\$3,022,300). The applicant provided a letter of interest, dated December 11, 2024, from Renasant Bank stating their 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.

**Osceola SNF LLC (CON application #10828)** is a development stage company with only \$250,000 in cash, with no operations. The applicant indicated that funding will be provided by cash on hand and non-related company financing.

### **Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects total \$188,951,517, which includes this project (\$37,605,685), CON #10836 (\$33,493,135), CON #10831 (\$27,402,697), and other capitalization (\$90,450,000).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$83,333) and non-related company financing (\$37,522,352). The applicant provided a letter of commitment, dated 12/13/24, from TLC Management stating their commitment in providing construction financing. The applicant also provided letters from Regions Bank & Merchants Bank discussing loan terms.

**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).

**Okahumka RE T LLC (CON application #10827)** - 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		
	Total	PPD	Highest	Median	Lowest
Net Revenues	23,439,100	456	472	398	326
Total Expenses	22,778,000	444	501	397	333
Operating Income	661,100	13	34	0	-86
Operating Margin	2.82%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	51,348	86.31%	96.28%	89.69%	72.35%
Medicaid	17,972	35.00%	81.49%	63.68%	25.10%
Medicare	28,241	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.



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

Operating profits from this project are expected to increase from a net loss of \$2,647,900 in year one to a net profit of \$661,100 in year two.

**Conclusion:**

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

**Osceola SNF LLC (CON application #10828)** - 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		
	Total	PPD	PPD		
			Highest	Median	Lowest
Net Revenues	18,675,862	517	472	398	326
Total Expenses	16,748,225	463	501	397	333
Operating Income	1,927,637	53	34	0	-86
Operating Margin	10.32%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	36,135	91.67%	96.28%	89.69%	72.35%
Medicaid	13,505	37.37%	81.49%	63.68%	25.10%
Medicare	22,265	61.62%	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 CPD falls within the group range and are considered reasonable. The projected NRPD and profit are above the highest in the group range and may be overstated. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

Operating profits from this project are expected to increase from a net loss of \$2,772,157 in year one to a net profit of \$1,927,636 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.**

**Both applicants** - 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.**

**Okahumka RE T LLC (CON application #10827)** - 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

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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.

**Osceola SNF LLC (CON application #10828)** - The applicant has not submitted all the information and documentation necessary to demonstrate compliance with the architectural review criteria. The plans submitted with this application were too small to determine if the proposed schematic design is in substantial compliance with applicable codes and standards. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appears to be reasonable. A review of the 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. As noted above, the architectural plans were reduced to size which prevented a review of the documents for compliance with the architectural criteria of this application. If the application is approved, the project must be reviewed by the Office of Plans and Construction before beginning construction. Compliance with current codes and standards will be verified as part of that review.

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.**

**Okahumka RE T LLC (CON application #10827)** has no operational history but notes that Millennial Healthcare facilities provided 383,459 Medicaid patient days during the 12 months June 30, 2024, resulting in an average Medicaid occupancy rate of 56.82 percent. The applicant's Schedule 7 indicates that Medicaid will account for 35.0 percent of the 16-bed project's year one (2,940) and year two (5,043) patient days. The

## **CON Application Numbers 10827 & 10828**

163-bed facility is projected to have 35.0 percent Medicaid occupancy in year one (10,487 Medicaid HMO days) and year two (17,972 days).

**Osceola SNF LLC (CON application #10828)** is a newly established organization without any operational history, which provides TLC Management's four Florida nursing homes Medicaid utilization during the 12-month periods starting July 2020 and ending June 2024. The applicant indicates that TLC facilities current average Medicaid occupancy rate is 35.8 percent.

Osceola SNF's table (B-23 on page 58) and Schedule 7 indicate that Medicaid Managed Care will total 7,146 days in year one (38.9 percent of the facility total) and 13,505 days in year two (37.4 percent) of the 108-bed facility's total year two days.

### **F. SUMMARY**

**Okahumka RE T LLC (CON application #10827)** proposes to add 16 beds to its CON approved 147-bed community nursing home in Lake County, within Subdistrict 3-7 that is currently in development.

Total project cost is \$3,272,300. The project involves 6,454 GSF of new construction and \$2,420,300 total construction cost.

Issuance of license is expected to be in June 2027 and initiation of service in July 2027.

Okahumka RE T LLC proposes two conditions on its project.

**Osceola SNF LLC (CON application #10828)** proposes to construct a new 108-bed community nursing home in Sumter County (District 3-7), based on the 3-7 FNP and the 92 beds from the FNP for Subdistricts 3-4 (38), 3-5 (nine) and 3-6 (45).

Total project cost is \$37,605,685. The project involves 72,045 GSF of new construction and \$27,016,875 total construction cost.

Issuance of license is expected to be in June 2027 and initiation of service in July 2027.

Osceola SNF LLC proposes two conditions on its project.

**Need/Access:**

**Okahumka RE T LLC (CON application #10827)**

- the application was filed in response to the 16-bed FNP for Subdistrict 3-7
- Major need justifications cited by the applicant include:
  - District 3 ranks second in having one of the largest concentrations of residents aged 65 and older and its continued population growth shows the demand for future need
  - The positive effect on the service area, increasing availability where it is most needed noting the proposed location is near a planned UF Health hospital and "Wellness Village" being developed by The Villages
  - Existing high and expected occupancy demonstrates the need and the need to maximize availability
  - Access and availability are improved by its programs including - On-site Urgent Care Center, Center of Excellence Programs: Cardiac, Infectious Disease Management, Memory Enhanced Unit, Orthopedic, Respiratory, Stroke, Wound Care, and On-site dialysis
  - Specific patient/resident services planned are consistent with the most commonly occurring Lake and Sumter County hospital MDC discharges to SNFs during CY 2023.
  - The 16-bed addition is projected to have 50.20 percent and 86.35 percent total occupancy in years one and two and the 163-bed facility 50.22 percent and 86.31 percent in years one and two, respectively.

**Osceola SNF LLC (CON application #10828)**

- Contends nursing home availability is maximized by developing all the beds for which the state has determined a need, and its project increases the availability of community nursing home beds as the existing Subdistricts 3-4 through 3-7 nursing homes are highly occupied
- Osceola SNF LLC is the only applicant that seeks to fulfill for the bed need in Subdistrict 3/6 (Hernando County), the subdistrict exhibiting the greatest need in District 3
- Bed accessibility will be improved by the proposed location in Wildwood, Sumter County as the proposed location is centrally located in the five-county proposed service area, near a convergence of major roadways, has reasonable geographic access for residents and approximately 80 percent of the service area's age 65+ population residing within a 30-mile radius of the proposed site

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- There is wide support for the project from health and service providers that care for area seniors
- Service accessibility is improved by the proposed programs and services, including 24-hour RN coverage, individualized recovery programs and specialized post-acute rehabilitation programs
- Quality will be enhanced as TLC's facilities are Joint Commission accredited and the applicant
  - commits to Joint Commission Accreditation for its facility
  - TLC Management has over 35 years of operating post-acute care facilities, including four Florida skilled nursing facilities
  - The proposed facility will be operated by the applicant's parent company, in contrast to an outside third party
  - TLC programs and services that are in high demand will be used which will increase utilization
  - The new, state-of-the-art facility will feature all private resident suites, including private, ensuite bathrooms and.
  - the facility will have bariatric beds to serve those with special needs
- The 108-bed facility is projected to have 48.60 percent and 91.7 percent total occupancy in years one and two.

### **Quality of Care:**

- **Both** applicants provide detailed description of the ability to provide quality care.

### **Okahumka RE T LLC (CON application #10827)**

- During the 36 months ending December 19, 2024, the 16 Millennial affiliated facilities had 56 substantiated complaints.

### **Osceola SNF LLC (CON application #10828)**

- During the 36 months ending December 19, 2024, the four TLC Management affiliated facilities had 14 substantiated complaints.

### **Financial Feasibility/Availability of Funds:**

#### **Okahumka RE T LLC (CON application #10827)**

- Funding for this project is in question.

#### **Osceola SNF LLC (CON application #10828)**

- Funding for this project should be available as needed.

### **Both applicants**

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

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

### **Architectural Review:**

#### **Okahumka RE T LLC (CON application #10827)**

- The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria

#### **Osceola SNF LLC (CON application #10828)**

- The applicant has not submitted all the information and documentation necessary to demonstrate compliance with the architectural review criteria.
- The plans submitted with this application were too small to determine if the proposed schematic design is in substantial compliance with applicable codes and standards.

### **Both applicants**

- 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:**

#### **Okahumka RE T LLC (CON application #10827)**

- Millennial Healthcare facilities provided 383,459 Medicaid patient days (56.82 percent of the total) during the 12 months ending June 30, 2024
- Medicaid Managed Care is projected to total 1,029 days in year one and 1,765 days in year two, or 35.0 percent of the project's total during each year
- The 163-bed facility is projected to have 9,902 year one and 16,655 year two Medicaid Managed Care days, or 35.0 percent of each year's annual patient days

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### **Osceola SNF LLC (CON application #10828)**

- Provides TLC facilities Medicaid provision during the 12-month periods of July 1, 2020—June 30, 2024, and notes TLC's current average Medicaid occupancy rate is 35.8 percent.
- Medicaid Managed Care is projected to total 7,146 days in year one (38.9 percent of the facility total) and 13,505 days in year two (37.4 percent) of the 108-bed facility's total year two days.

*CON application #10827, (Okahumka RE T LLC), on balance, combined with the two other applicants proposing to serve Subdistrict's 3-4 and 3-5 best satisfied the statutory and rule criteria - this includes:*

- *Osceola SNF proposes to aggregate need from four subdistricts, the five counties have a combined land mass of approximately 4,095 square miles*
- *Okahumka RE T LLC keeps the usual 20 to 30 minute service area radius for nursing homes while Osceola's project location in Sumter County is not demonstrated to be conducive to serving the needs of the individual service areas*
- *Okahumka RE T LLC's response to architectural review criteria was better than Osceola SNF's*
- *Okahumka RE T LLC's project and total facility are projected to have a lower project cost than Osceola SNFs*
- *Okahumka RE T LLC's projections for the total facility proposes to serve more Medicaid HMO residents and the other subdistrict applicants combined will serve more Medicaid HMO residents than Osceola SNF*

## **G. RECOMMENDATION**

Approve CON #10827 to add 16 beds to the 147-bed community nursing home project approved by CON #10737P in District 3, Subdistrict 7, Lake County. The total project cost is \$3,272,300. The project involves 6,454 GSF of new construction and a construction cost of \$2,420,300.

### **CONDITIONS:**

- 1. The facility will establish the following Centers of Excellence, specialized programs to promote optimal health and quality of life and reduce hospitalizations:**
  - **Cardiac Center of Excellence Program**
  - **Infectious Disease Management Center of Excellence Program**
  - **Memory Enhanced Unit Center of Excellence Program**
  - **Orthopedic Center of Excellence Program**



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- **Respiratory Center of Excellence Program**
- **Stroke Center of Excellence Program**
- **Wound Care Center of Excellence Program**

Measurement of the condition includes a print-out of the FloridaHealthFinder profile page for the facility identifying available programs and services as well as company policies and literature regarding such programs available to residents.

**2. The facility will partner with the following colleges and universities to promote career development in the nursing field, serving as a training location:**

- **Lake Technical College**
- **Taylor College**
- **Lake-Sumter State College**

Measurement of the condition includes a copy of the agreement with the institution and number of persons participating in the training/internships annually.

Deny CON #10828.

**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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