

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Oakley Place SNF LLC/CON application #10830

2071 Flatbush Avenue, Suite 22
Brooklyn, New York 11234

Authorized Representative: Aharon Katz, Chief Executive Officer
Lion Care Services LLC
(646) 812-0423

Osceola SNF LLC/CON application #10831

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

Authorized Representative: Ryan M. Ott, President
(646) 812-0423

2. Service District/Subdistrict

District 5/Subdistrict 5-1 (Pasco County)

B. PUBLIC HEARING

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

Letters of support

Oakley Place SNF LLC (CON application #10830) includes six letters of support. These were from:

- Michael Griffiths, Director of Business Development, Gulfside Healthcare Services (Hospice, Palliative Care & Home Health)
- Roberta DeMeo, Executive Director, Grand Villa of New Port Richey (ALF)

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- Paul Lallanilla, President/Owner, Right at Home Pasco (Home Health Care)
- Dr. Nadeem Qazi
- Dr. Alfonso Ruiz
- Dolores Stefanski, ARNP, Behavioral Health Specialist Provider Balanced Wellbeing LLC, Ocala, Marion County

Osceola SNF LLC (CON application #10831) includes letters of support from

- Erik Wangsness, President and CEO, AdventHealth Wesley Chapel, Hospital
- Hope Kennedy, President/CEO, North Tampa Bay Chamber of Commerce, Lutz, Hillsborough and Pasco County
- and seven (two local) nursing home residents, two staff members and a pastor from out of the service area.

C. PROJECT SUMMARY

Oakley Place SNF LLC (CON application #10830), also referenced as Oakley Place or the applicant, proposes to add 44 community nursing home beds to its CON approved (CON #10798) 28-bed community nursing home in Subdistrict 5-1 (Pasco County). The facility will be constructed adjacent to a new 116-bed assisted living facility (ALF) located near the intersection of I-75 and State Road 54 in Wesley Chapel (zip code 33544).

The applicant states it is affiliated with Lion Care Services, an experienced operator and developer of 12 skilled nursing facilities located in Pinellas and Hillsborough Counties.

Oakley Place indicates that the project will be licensed in June 2027 and begin service in July 2027.

Total project cost is \$11,940,100, and includes land, building, equipment, project development, and financing costs. The project includes 22,865 gross square feet (GSF) of new construction and a total construction cost of \$8,574,375. The applicant indicates the 72-bed facility will have 12 private and 30 semi-private rooms.

The applicant does not propose any conditions on the project.

Osceola SNF LLC (CON application #10831), also referenced as Osceola SNF or the applicant, proposes to construct a new 44-bed community nursing home in zip code 33544 (Wesley Chapel) in Subdistrict 5-1

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(Pasco County). The applicant is a wholly owned subsidiary of Tender Loving Care Management, Inc. (TLC), which operates 21 skilled nursing facilities (SNFs), 10 assisted living facilities (ALFs) and three independent living facilities in Indiana, Ohio and Florida. TLC operates four Florida SNFs – Blue Heron Health & Rehab (Pasco County), Astoria Health and Rehabilitation Center (Polk County – D6-5), Bridgewater Park Health & Rehab Center (Marion County - D3-4) and Oak Hill Health & Rehab (Hernando County – D3-6).

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

Total project cost is \$27,402,697, and includes land, building, equipment, project development, financing cost and start-up costs. The project includes 49,371 gross square feet (GSF) of new construction and a total construction cost of \$18,514,125.

Osceola SNF LLC proposes two conditions to 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.

CON application	# of Beds	GSF	Project Cost (\$)	Cost/Bed (\$)
#10830 Oakley Place SNF LLC	44	22,865	\$11,940,100	\$271,366
#10831 Osceola SNF LLC	44	49,371	\$27,402,697	\$622,789

Source: Schedules 1 and 9.

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

Issuance of a CON is required prior to licensure of the project. 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 project. Meeting the applicable licensure requirements and licensure of the 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 Marcus Gunn 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, and Chapters 59C-1 and 59C-2 Florida Administrative Code.

1. Fixed Need Pool

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

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In Volume 50, Number 195 of the Florida Administrative Register dated October 4, 2024, a fixed need pool (FNP) of 44 community nursing home beds was published for Subdistrict 5-1 for the July 2027 planning horizon.

As of October 4, 2024, Subdistrict 5-1's 17 community nursing homes have 2,054 licensed beds and there are 63 CON approved community nursing home beds pending licensure. Thirty-five of the 63 CON approved beds pending licensure were added at Blue Heron Health and Rehabilitation (CON #10619) effective September 25, 2024.

Subdistrict 5-1 community nursing homes reported 88.48 percent occupancy during the six months and 87.54 percent occupancy during the 12 months ending June 30, 2024.

Oakley Place SNF LLC (CON application #10830) notes its project is “consistent with the forecast methodology” and “provides additional circumstances” to support need for its project including the significant and growing senior population, rising demand for skilled nursing services, shortage of available beds, and the increasing utilization of these services. Notably, over the past five years, existing nursing facilities in Pasco County have experienced higher occupancy rates than those in the District and the State, underscoring the urgent need for additional resources to meet the needs of the community.

Pasco County's January 2024 population of 147,575 age 65 and over comprises 23.98 percent of the county's total population and is projected to increase by 22,256, resulting in a 15.08 percent growth rate 25.42 percent of Pasco's total population by July 2029. Oakley Place states Pasco County's age 65 and older population growth underscores the need for residential and health care services, including skilled nursing care. The applicant's Table 1-1 (Current and Projected Population by Age Cohort, Pasco County and Florida) on page 1-3 includes Pasco County and Florida population estimates by age cohorts in support of its statement. Oakley offers a map, Figure 1-2 on page 1-4 showing the 2024 population age 65 and older by clusters, acute care hospitals and existing nursing homes in Pasco County.

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Current and Projected Population by Age Cohort, Pasco County and Florida

Area	January 2024 Population Estimates			2024 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Pasco	467,754	147,575	615,329	76.02%	23.98%	100.00%
Florida	17,775,368	5,064,776	22,840,144	77.83%	22.17%	100.00%
Area	January 2029 Population Estimates			2029 Population Distribution		
	0-64	65+	Total	0-64	65+	Total
Pasco	498,231	169,831	668,062	74.58%	25.42%	100.00%
Florida	18,406,249	5,865,659	24,271,908	75.83%	24.17%	100.00%
Area	Five Year Increase			Five Year Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Pasco	30,477	22,256	52,733	6.52%	15.08%	8.57%
Florida	630,881	800,883	1,431,764	3.55%	15.81%	6.27%

Source: CON application #10830, page 1-3, Table 1-1, from Florida Population Estimates and Projections by AHCA District 2020-2030, published January 2024.

Oakley Place’s Table 1-2 (Pasco County Population Projections by Zip Code) on page 1-5 of the application shows Pasco County’s projected 2029 population estimates with growth rates ranging from 14.35 percent to 34.1 percent and an average five-year growth rate at 19.60 percent for the age 65 and older cohort. Comparatively, the total population in each Zip Code is projected to see growth rates ranging from 6.86 percent to 16.64 percent for an average growth of 9.18 percent.

Pasco County Population Projections by Zip Code

Zip Code	Geography Name	2024 Pop, Age 65+	2024 Total Pop	2029 Pop, Age 65+	2029 Total Pop	5-Year Increase Pop, Age 65+	5-Year Increase, Total Pop	5-Year Growth Rate Pop, Age 65+	5-Year Growth Rate Total Pop
33523	Dade City	4,246	19,954	5,026	21,381	780	1,427	18.37%	7.15%
33525	Dade City	6,252	20,926	7,375	22,943	1,123	2,017	17.96%	93.64%
33570	Zephyrhills	3,993	10,882	4,679	11,780	686	898	17.18%	8.25%
33541	Zephyrhills	10,185	24,949	11,831	27,450	1,646	2,501	16.16%	10.02%
33542	Zephyrhills	9,239	24,080	10,565	25,732	1,326	1,652	14.35%	6.86%
33543	Wesley Chapel	5,987	40,790	7,724	46,254	1,737	5,464	29.01%	13.40%
33544	Wesley Chapel	4,769	30,033	5,936	32,793	1,167	2,760	24.47%	9.19%
33545	Wesley Chapel	3,079	27,129	4,129	31,644	1,050	4,515	34.10%	16.64%
33556	Odessa	6,487	35,635	8,095	39,478	1,608	3,843	24.79%	10.78%
33559	Lutz	2,468	17,793	3,066	18,964	598	1,171	24.23%	6.58%
33576	San Antonio	3,055	8,023	3,746	8,790	691	767	22.62%	9.56%
34610	Spring Hill	3,642	16,470	4,488	17,862	846	1,392	23.23%	8.54%
34637	Land O Lakes	2,517	11,312	2,995	12,741	478	1,429	18.99%	12.63%
34638	Land O Lakes	5,211	37,651	6,679	42,824	1,468	5,173	28.17%	13.74%
34639	Land O Lakes	5,396	30,384	6,614	32,746	1,218	2,362	22.57%	7.77%
34652	New Port Richey	8,294	28,229	9,899	30,321	1,605	2,092	19.35%	7.41%
34653	New Port Richey	10,481	36,167	12,271	38,623	1,790	2,456	17.08%	6.79%
34654	New Port Richey	6,928	25,520	8,242	27,304	1,314	1,784	18.97%	6.99%
34655	New Port Richey	14,142	50,409	16,688	54,940	2,546	4,531	18.00%	8.99%
34667	Hudson	15,677	37,742	18,085	40,257	2,408	2,515	15.36%	6.66%
34668	Port Richey	13,218	51,948	15,673	55,706	2,455	3,758	18.57%	7.23%
34669	Hudson	4,331	16,966	5,200	18,588	869	1,622	20.06%	9.56%
34690	Holiday	3,598	14,934	4,232	16,003	634	1,069	17.62%	7.16%
34691	Holiday	6,318	26,107	7,539	28,037	1,221	1,930	19.33%	7.39%
5-1 Total		159,513	644,033	190,777	703,161	31,264	59,128	19.60%	9.18%

Source: CON application #10830, page 1-5, Table 1-2.

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The applicant’s Table 1-3, page 1-6 shows the January 2024 and projected (2029) community bed availability. Oakley states that “as of January 1, 2024,” actually as of August 9, 2024, there are 2,054 and 63 CON approved community nursing home beds pending licensure in Pasco County. Oakley Place notes Blue Heron Health and Rehabilitation licensed the 35 beds approved by CON #10619, bringing the licensed bed count to 2,089.

Oakley Place applicant adds that as of January 2024, Pasco County has 14 beds for every 1,000 people aged 65 and older, while Florida has 16 beds. Further, by January 1, 2029, Pasco’s rate is projected to fall to 12 beds per 1,000, and Florida's will decrease to 14 beds. Oakley claims that adding the 44 new beds will increase Pasco's rate to 13 beds per 1,000 seniors by 2029, highlighting the need for these beds to maintain a level similar to the state.

Current (2024) and Projected (2029) Community Bed Availability

Area		January 2024	Jan 2029 (Without the Project)	Jan 2029 w/CON Approved Beds
Subdistrict 5-1	Beds	2,054	2,117	2,161
	Pop (65+)	147,575	169,831	169,831
	Beds/1000	14	12	13
Florida	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 #10830, page 1-6, Table 1-3, from Florida Population Estimates and Projections by AHCA District 2020-2030, published January 2024 and Florida Nursing Home Utilization by District and Subdistrict July 2023 to June 2024.

Oakley Place's Table 1-4 on the application’s page 1-7 shows Pasco County SNF utilization from July 2019 to June 2024. The applicant demonstrates that Pasco County nursing home occupancy decreased during the COVID pandemic but has steadily increased adding that by June 30, 2024, occupancy rates were 87.54 percent in Pasco County, and 83.37 percent and 84.36 percent for District 5 and the state, respectively. Oakley Place argues that the rising occupancy rates post-pandemic, coupled with population growth, indicate a continuing trend.

Oakley Place cites the support of Lion Care Services, which offers administrative and operational assistance and contends Lion Care nursing home affiliates have a history of providing quality care. Nine of Lion Care’s 12 Florida facilities have Joint Commission Accreditation. The applicant’s response to Quality of Care, outlines its methods for ensuring quality, which Oakley contends demonstrates an understanding of how to implement a comprehensive quality program with policies and procedures to achieve positive outcomes.

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Oakley Place provides Table 1-5 on the application’s page 1-9, which is “misabeled” as “District 7 and Subdistrict 7-3” Patient Days, Use Rates and Occupancy, July 1, 2023 - June 30, 2024) and its narrative states Pasco County reported 647,556 patient days of care, for an average daily census of 1,774 and an average occupancy rate of 86.37 percent. However, the table correctly notes the ADC of 1,803 and 87.54 percent occupancy rate, showing Pasco County occupancy is significantly higher than District 5 (Pasco and Pinellas Counties). During July 1, 2023 – June 30, 2024, Pasco’s patient days per thousand population 65+ was 4,454, compared to 6,996 for the district.

**Pasco County, District 5, and Florida
Patient Days, Use Rates and Occupancy, for the Most Recent Five Years**

Area	Current Utilization (7/23 -6/24)	
	Pasco	District 5
Patient Days (7/23 - 6/24)	658,076	29,619,582
Average Daily Census	1,803	8,114
Population 65+ (1/01/2024)	147,575	423,321
Use Rate (Days Per 1,000 Persons, 65+)	4,459	6,996
Current Existing Community Beds	2,054	9,659
Occupancy*	87.54%	83.37%

Source: CON application #10830, page 1-9, Table 1-5, 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.

Oakley Place utilizes the above use rates to project utilization for the subdistrict for the July 2027 planning horizon, the date the facility is expected to open, and for January 2029, the proposed midpoint of the second year of its project. Oakley Place notes that for Year One, it is estimated that there will be 737,308 patient days in Subdistrict 5-1 with an occupancy rate of 93.5 percent. Further, the entire district is projected to have 3,270,577 patient days and an 89 percent occupancy. The applicant adds that by Year Two, occupancy is expected to increase to 96 percent for Pasco County and 90.1 percent for the district (see the table below).

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Projected District 5 and Subdistrict 5-1 (Pasco County) Patient Days and Occupancy for the Midpoint of the First Two Years of the Project Based on Use Rates from Previous Table

Area	Pasco	District 5
Current (7/23 — 6/24) Use Rate	4,459	6,996
Population 654, January 1, 2028	165,343	467,488
Resident Days Forecasted for 7/27-6/28	737,308	3,270,577
Average Daily Census, 7/27 — 6/28	2,020	8,960
Projected Licensed Beds*	2,161	10,065
Projected Occupancy, 7/27 — 6/28	93.5%	89.0%
Population 65+, Jan. 1, 2029	169,831	478,316
Resident Days Forecasted for 7/28 —6/29	757,321	3,346,331
Average Daily Census, 7/28 — 6/29	2,075	9,168
Projected Licensed Beds*	2,161	10,065
Projected Occupancy, 7/28 — 6/29	96.0%	90.1%

Source: CON application #10830, page 1-10, Table 1-6, from Florida Nursing Home Utilization by District and Subdistrict, October 4, 202 and Florida Population Estimates and Projections by AHCA District 2020 to 2030, published January 2024.

*Assumes all approved beds and pending CONs become licensed by July, 1, 2027.

Oakley Place contends need for skilled nursing services will continue to increase, with existing facilities averaging higher occupancy rates that exceed the 92 percent threshold in rule for Pasco County, ultimately showing a high demand for nursing home care. Therefore, its proposal is needed to address the strong demand for nursing home care.

The applicant states that its Schedule 5 shows its projected usage, noting that the facility will open in July 2027. Oakley Place states that its forecast indicates a gradual increase in occupancy, with 65.94 percent in the first year and 92.85 percent in the second year which are consistent with recent nursing home openings in the area and the state (see the chart below).

**Projected Utilization for the New 72-Bed Facility
First Two Years of Operation**

Year	Admits	Patient Days	Occup. Rate	ADC
Year 1 (7/27 - 6/28)	688	17,377	65.94%	47
Year 2 (7/28 - 6/29)	915	24,400	92.85%	67

Source: CON application #10830, page 1-11, Table 1-7.

Oakley Place contends that its analysis supports adding 44 beds to its approved (CON #10798) 28-bed facility in Pasco County noting population growth in the age 65 and older cohort and projected utilization. The applicant also argues that demand from area hospitals supports demand for skilled nursing care. Oakley Place concludes that its proposal responds to the statutory criteria, demonstrates need and enhances access and availability in the service area.

Osceola SNF LLC (CON application #10831) does not directly respond to this section. The applicant’s Executive and Program Summary

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responses contend the project will improve access and availability, increase utilization, and enhance quality. These include:

- 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 Pasco County's nursing homes are highly occupied
 - offers a smaller, more intimate facility than current Pasco County SNFs. Research has shown that smaller nursing homes tend to have higher overall star ratings than larger nursing homes
 - Will be co-located with a ALF, providing skilled nursing residents more amenities and options for care
 - Bed accessibility is improved by the proposed Wesley Chapel location, which is close to two existing hospitals, and a third under construction that will be the County's largest hospital
 - 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
 - Specialized Post-Acute Rehabilitation Programs for:
 - Orthopedic
 - Post-Surgery
 - Cardiac
 - Pulmonary
 - Neuro-Muscular
 - Post-Stroke
- Quality is enhanced as the applicant
 - commits to Joint Commission Accreditation for its facility
 - is owned by TLC Management, a company with an over-35-year track record of operating post-acute care facilities, including four Florida SNFs- one which is located in Wesley Chapel (Blue Heron Health and Rehabilitation)
 - facility will be operated by the applicant's parent company, in contrast to an outside third party
 - has 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
 - as TLC Management's experience produces the above benefits that will result in a highly utilized facility

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- all four Florida TLC SNFs occupancy exceed 88 percent. Blue Heron Health and Rehabilitation's occupancy rate exceeded 84 percent in 2024, even while it added 35 additional beds.
- by offering programs and services similar to those at TLC's current facilities which are in high demand
- The state-of-the-art facility will feature including private, ensuite bathrooms, features that are valued by residents for their privacy and sense of control over their environment

Further, Osceola SNF notes that its proposed project is in line with Pasco County's Community Health Improvement Plan, which, for example, cites access to care as a priority focus area.

TLC Management's historical experience is stated to demonstrate a profound commitment to serving medically underserved groups through continuous innovation, strategic partnerships, and a steadfast dedication to quality care. The project will leverage TLC's extensive experience to address the health-related needs of low-income individuals, people with disabilities, and minorities, to ensure the comprehensive care they deserve.

Osceola SNF notes the four Florida SNFs that TLC Management operates all have ALFs on the same campus and all accredited by The Joint Commission. TLC Management's history is addressed with the applicant stating that TLC has established a strong reputation as a leading health care consultant in Indiana, Ohio, and Florida. 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. The applicant notes TLC operates 21 SNFs, 10 ALFs, and three independent living facilities across Indiana, Ohio, and Florida. Osceola contends that TLC having managed a Long Term Acute Care Hospital for eight years, demonstrates its ability to care for high-acuity patients. The application's Exhibit 2 lists 20 TLC Management facilities.

Osceola SNF states that TLC has partnered with major health care and university entities to enhance health care delivery as well as the 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 Pasco County, providing essential services with a focus on compassionate medical care to residents and TLC has "personal experience" in the subdistrict having operated Blue Heron Health and Rehabilitation for approximately four years.

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Osceola SNF notes Pasco County is on Florida’s west central coast and is the 11th most populous county in the state. As of July 2024, Pasco County had a population of 620,710, of which 24.12 percent (149,692) individuals were age 65 and older. The applicant notes that by 2029, Osceola SNF’s second year of operation, the elderly population in Pasco County is projected to grow by 14.93 percent (22,343 individuals), outpacing the growth rates of District 5 (12.76 percent) and similar to Florida overall (15.55 percent). The reviewer notes that the figures in the applicant’s Table B-1 do not represent the narrative that was presented in the application and Osceola’s Table B-3 which addresses the 2029 year indicates the age 65+ population will increase to 169,831 (January 2029 per the Agency’s population estimates) or by 20,139. The applicant’s Table B-1 shows that by 2027, Pasco’s age 65+ population is projected to grow by 8.94 percent (13,379 individuals), outpacing the growth rates of District 5 (7.72 percent) but not Florida (9.41 percent) by July 2027.

The applicant’s Table B-1 (District 5 Current and Projected Population and Growth by Age Cohort and Subdistrict) on page five shows the expected population growth in the proposed service area over the next three years, compared to the district and state, indicating the anticipated population when the project becomes operational in July 2027.

**District 5 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+
Pasco County	471,018	149,692	620,710	75.88%	24.12%
District 5	1,175,696	428,917	1,604,613	73.27%	26.73%
Florida	17,849,270	5,143,769	22,993,039	77.63%	22.37%

Source: CON application #10831, page 5, Table B-1, from Florida Population Estimates and Projections by AHCA District 2020 to 2030, AHCA, Published January 2024. (Reviewer reproduced).

Area	July 2027				
	Estimates			Distribution	
	Age 0-64	Age 65+	Total	Age 0-64	Age 65+
Pasco County	489,269	163,071	652,340	75.00%	25.00%
District 5	1,185,519	462,015	1,647,534	71.96%	28.04%
Florida	18,239,668	5,627,845	23,867,513	76.42%	23.58%

Source: CON application #10831, page 5, Table B-1, from Florida Population Estimates and Projections by AHCA District 2020 to 2030, AHCA, Published January 2024. (Reviewer reproduced).

Area	3-Year Growth					
	Numerical Increase			Growth Rate		
	Age 0-64	Age 65+	Total	Age 0-64	Age 65+	Total
Pasco County	18,251	13,379	31,360	3.87%	8.94%	5.10%
District 5	9,823	33,098	42,921	0.84%	7.72%	2.67%
Florida	390,398	484,076	874,474	2.19%	9.41%	3.80%

Source: CON application #10831, page 5, 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 Pasco County that can expand to meet future demand and provide adequate access for District 5 residents. The applicant notes that its proposed site, located in the Land O Lakes and Wesley Chapel areas, is in the zip code 33544 (Wesley Chapel), has one nursing home Blue Heron Health and Rehabilitation (Osceola SNF’s affiliate) and two hospitals AdventHealth Wesley Chapel (169 beds), and BayCare Hospital Wesley Chapel (86 beds).

The applicant contends that by July 2027 one in four Pasco County residents will be aged 65 and older. Further, the six zip codes that comprise the Wesley Chapel and Land O Lakes area in the central part of the county encompasses approximately 30 percent of the county's elderly population.

Osceola SNF’s Table B-2 (CON application #10831 page 6), shows the population distribution for Pasco County by zip code (see the table below).

Pasco County Population Projections by Zip Code

Zip Code	City/Town	Pop, Age 65+	% of County Pop Age 65+	Total Pop	% of County Total Pop	% Total Pop, Age 65+
33523	Dade City	3,098	16.39%	18,901	3.49%	2.52%
33525	Dade City	5,779	26.53%	21,779	4.02%	4.71%
33540	Zephyrhills	3,542	35.34%	10,023	1.85%	2.89%
33541	Zephyrhills	9,302	39.57%	23,509	4.34%	7.58%
33542	Zephyrhills	8,159	33.47%	24,378	4.50%	6.65%
33543	Wesley Chapel	5,006	14.23%	35,186	6.49%	4.08%
33544	Wesley Chapel	3,660	12.73%	28,742	5.30%	2.98%
33545	Wesley Chapel	2,389	9.28%	25,747	4.75%	1.95%
33576	San Antonio	2,463	46.16%	5,336	0.98%	2.01%
34637	Land O Lakes	1,723	16.40%	10,504	1.94%	1.40%
34638	Land O Lakes	3,858	12.22%	31,580	5.83%	3.14%
34639	Land O Lakes	5,292	17.56%	30,145	5.56%	4.31%
34652	New Port Richey	6,561	25.22%	26,019	4.80%	5.34%
34653	New Port Richey	9,552	27.52%	34,709	6.40%	7.78%
34654	New Port Richey	5,038	21.28%	23,673	4.37%	4.10%
34655	New Port Richey	11,211	23.02%	48,701	8.98%	9.13%
34668	Port Richey	11,063	22.52%	49,116	9.06%	9.01%
34667	Hudson	12,158	40.98%	29,666	5.47%	9.90%
34669	Hudson	3,597	23.96%	15,010	2.77%	2.93%
34679	Aripeka	26	26.80%	97	0.02%	0.02%
34690	Holiday	2,374	19.68%	12,061	2.23%	1.93%
34691	Holiday	4,208	21.21%	19,836	3.66%	3.43%

Source: CON application #10831, page 6, Table B-2.

The applicant notes Baldomero Lopez Memorial Veterans Nursing Home only accepts veterans and is not included in the community nursing home analysis. Further, Pasco County currently has 18 nursing homes with 2,054 licensed community beds, and the number of licensed and

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CON approved community beds will increase to 2,117, including Oakley Place SNF LLC’s 28-bed community nursing home in Wesley Chapel.

Osceola SNF states that as of June 30, 2024, Pasco County had only 13.72 community beds per 1,000 residents aged 65 and older, which is significantly lower than District 5’s rate of 22.52 and the state’s rate of 16.03 percent. Further, despite a total nursing home occupancy rate of 87.54 percent in Pasco, which exceeds both District 5 (86.67 percent) and the state (84.36 percent) the projected growth in the elderly population will lead to a reduction in beds per 1,000 seniors to 12.47 by 2029, remaining below both District 5 and state averages. See the table below.

District 5 Community Nursing Home Bed Availability

Area	2024			Proposed/ Approved Beds	2029		
	Pop Age 65+	Comm. Beds	Beds per 1,000		Pop Age 65+	Comm Beds	Beds per 1,000
Pasco County SD 5/1	149,692	2,054	13.72	63	169,831	2,117	12.47
Pinellas County SD 5/2	279,225	7,605	27.24	299	308,485	7,904	25.62
District 5 Total	428,917	9,659	22.52	362	478,316	10,021	20.95
Florida	5,143,769	82,438	16.03	3,373	5,865,659	85,811	14.44

Source: CON application #10831, page 8, Table B-3 from Florida Nursing Home Bed Need Projections by District and Subdistrict, AHCA, July 2023-June 2024.

Osceola SNF states its analysis of nursing home utilization reveals that Pasco County has experienced strong community bed occupancy, which has increased over the past three years following the addition of over 100 beds in 2020-2021. During 2024, Pasco County’s occupancy rate surpassed those of both District 5 and the state. Osceola SNF adds that its table (B-4 on the application’s page 9) and chart (Figure B-3 on page 10) illustrate that Pasco County (even with the addition of 106 community beds) has consistently exceeded District 5 and Florida occupancy rates. Table B-5 (on pages 10 and 11) illustrates individual Pasco County nursing home utilization over the past six years and highlights its affiliate Blue Heron Health and Rehabilitation’s occupancy during 2021-2024.

Osceola SNF argues that the demand for nursing home beds Pasco County is strong and has increased post-COVID, suggesting high future utilization. Further, the demand is confirmed by Erik Wangsness, President and CEO, AdventHealth Wesley Chapel and who wrote *“The addition of these beds aligns well with the needs that we continue to see daily.”* and Hope Kennedy, President/CEO of the North Tampa Bay Chamber who wrote *“This project comes at a crucial time, as the demand for high-quality post-acute care continues to rise with the steady growth of Pasco County’s senior population. The proposed beds align directly with*

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the needs we encounter daily and will help address these gaps in service.”
Osceola SNF’s Exhibit 1 contains these letters of support.

Osceola SNF notes that as of June 30, 2024, nine of Pasco County’s 17 community nursing home total occupancy exceeded 90 percent. The facility-level occupancy rates for Pasco County over the past six years are presented in Table B-5 on pages 10 and 11, with Osceola SNF's sister facility highlighted. Osceola SNF states that “only nursing homes that reported utilization for 2024 are listed –13 additional nursing homes reported bed utilization for one or more years between 2019 and 2023, indicating inconsistent and unstable care provision in the area”. It is not clear what the intent of this statement is, as there were 16 licensed community nursing homes prior to Blue Heron’s licensure in May of 2021, that did report utilization during 2019-2023.

Pasco County Community Nursing Home Bed Utilization (2019-2024)

Facility	City	Zip Code	2019	2020	2021	2022	2023	2024
Aspire at Ridge Haven	New Port Richey	34653						82.88%
Bear Creek Nursing Center	Hudson	34667	90.72%	86.76%	71.52%	76.67%	74.21%	80.79%
Blue Heron Health and Rehabilitation	Wesley Chapel	33544			0.00%	35.40%	84.04%	84.80%
Dade City Health and Rehabilitation Center	Dade City	33525					90.65%	92.25%
Heather Hill Healthcare Center	New Port Richey	34653	78.80%	74.53%	60.07%	64.71%	68.51%	70.02%
Hillside Health and Rehabilitation Center	Zephyrhills	33542						84.78%
Life Care Center of New Port Richey	New Port Richey	34653	90.25%	94.18%	99.76%	97.53%	95.50%	94.21%
Madison Pointe Care Center and Rehab f/k/a M. P. Care Ctr.	New Port Richey	34653	95.13%	94.51%	88.49%	86.71%	92.12%	93.47%
Nursing & Rehabilitation Center of Bayonet Point	Hudson	34667					76.30%	91.92%
Nursing & Rehabilitation Center of Port Richey	New Port Richey	34653					91.24%	88.68%
Royal Oak Nursing Center	Dade City	33525	90.08%	86.71%	75.19%	75.64%	83.83%	86.10%
Solaris Healthcare Bayonet Point	Hudson	34667	94.89%	90.56%	86.42%	92.70%	93.96%	91.64%
Solaris Healthcare Lake Zephyr	Zephyrhills	33542						94.50%
Solaris Healthcare Zephyrhills	Zephyrhills	33540						95.80%
Southern Pines Nursing Center	New Port Richey	34653	68.20%	74.34%	78.18%	75.56%	65.89%	67.68%
Trinity Regional Rehab Center	Trinity	34655	93.37%	94.16%	92.41%	91.82%	95.50%	94.40%
Windsor Woods Rehab and	Hudson	34667	94.38%	93.36%	85.39%	88.07%	89.08%	93.65%

Source: CON application #10831, pages 10 and 11, Table B-5 from Florida Nursing Home Utilization by District & Subdistrict, AHCA, editions July 2018-June 2019 to present.

Osceola SNF surmises that the data indicates that the proposed 44-bed community nursing home would quickly reach high occupancy, similar to the applicant's sister facility, which increased its occupancy from zero to over 84 percent in four years while adding beds. The applicant states its parent company considered adding more beds at Blue Heron but

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determined there wasn't enough space due to previous expansions. Further, Osceola SNF research suggests that smaller facilities tend to receive higher star ratings, leading the applicant to prefer a smaller, more intimate setting for the new nursing home.

Osceola SNF reiterates that Blue Heron Health and Rehabilitation is the only community nursing home and Oakley Place is constructing its 28-bed facility in Wesley Chapel. However, Wesley Chapel and Land O Lakes have over 15 percent of the county's 65 and over population and only 6.75 percent of the county's operational community beds. Osceola SNF concludes this highlights the need for an additional nursing home to provide much needed access.

Osceola SNF notes Pasco County has seven acute care hospitals, one long-term hospital, and two psychiatric hospitals, and its proposed facility will be in the same zip code as two existing (AdventHealth Wesley Chapel and BayCare Westley Chapel) and one future hospital (Orlando Health Wiregrass Ranch Hospital). AdventHealth Wesley Chapel has 169 beds and will add 24 beds soon, BayCare Wesley Chapel (86 beds) and Orlando Health Wiregrass Ranch (300 beds) is set to open in 2026. The applicant cites Erik Wangsness, President and CEO of AdventHealth Wesley Chapel support letter by quoting "*This state of the art skilled nursing facility will effectively complement (AdventHealth's) services as a collaborative partner in the community.*" The applicant concludes that its SNF's proximity to these hospitals "will provide patients access to diagnostic and surgical services".

Osceola SNF indicates the Agency's hospital discharge database shows that Pasco County hospitals discharged 12,263 Pasco residents aged 65 and older to Medicare-certified skilled nursing facilities during the 12 months ending June 30, 2024, which accounted for 18.5 percent of all discharges to SNFs. The applicant notes that this equates to a discharge rate of 81.92 per 1,000 residents, which is higher than Florida's rate of 79.50. Osceola SNF notes that the Pasco County discharges have been increasing in recent years, and while it could not specifically verify discharges to skilled nursing facilities (due to a brief shutdown of the Hospital Inpatient Query), it argues that it is reasonable to assume that elderly discharges to SNFs follow this upward trend. Osceola SNF's table below shows Pasco County hospital discharges during CYs 2019-2023.

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Pasco County Hospital Discharges, 2019-2023

Hospital	2019	2020	2021	2022	2023
AdventHealth Connerton	650	730	832	797	738
AdventHealth Dade City	2,487	2,842	3,769	4,033	4,437
AdventHealth Wesle Chapel	8,894	9,042	11 ,037	11,755	12,155
AdventHealth Zephyrhills	9,893	9,699	9,953	10,489	11,607
Bay Care Hospital Wesley Chapel					1,320
HCA Florida Bayonet Point Hospital			17,824	16,372	16,228
HCA Florida Trinity Hospital			15,787	15,351	16,140
HCA Florida Trinity West Hospital a Part of HCA Florida Trinity			2,228	1,738	698
Morton Plant North Bay Hospital	9,121	8,345	8,877	8,923	8,796
Morton Plant North Bay Hospital Recovery Center	3,605	3,050	3,043	3,177	2,974
Grand Total	69,622	67,279	73,350	72,635	75,093

Source: CON application #10831, page 12, Table B-6 from Agency Inpatient Discharges by Facility, 2019-2023.

The application’s Table B-7 on page 12 shows Pasco County Hospital Discharges to SNFs by Medicare Severity Diagnosis Related Groups (MS DRGs) during the 12 months ending June 30, 2024. Septicemia/severe sepsis, hip/femur procedures, and major hip/knee joint replacements, the top three MS DRGs were approximately 18.5 percent of all discharges to SNFs.

Pasco County Hospital Discharges to SNFs by MS DRG

MS DRG	MS DRG Description	# of Discharges	% of Total Discharges
871	Septicemia or Severe Sepsis Without MV >96 Hours With MCC	887	8.70%
481	Hip and Femur Procedures Except Major Joint With CC	569	5.58%
470	Major Hip and Knee Joint Replacement or Reattachment of Lower Extremity Without MCC	426	4.18%
291	Heart Failure and Shock With MCC	417	4.09%
689	Kidney and Urinary Tract Infections With MCC	324	3.18%
177	Respiratory Infections and Inflammations With MCC	306	3.00%
690	Kidney and Urinary Tract Infections Without MCC	271	2.66%
193	Simple Pneumonia and Pleurisy With MCC	221	2.17%
65	Intracranial Hemorrhage or Cerebral Infarction With CC or TPA in 24 Hours	216	2.12%
189	Pulmonary Edema and Respiratory Failure	202	1.98%
	All Other Diagnoses	6,361	62.36%

Source: CON application #10831, page 12, Table B-7 from Agency Hospital Inpatient Discharge Query.

Osceola SNF summarizes that nursing homes in Pasco County are facing high and increasing utilization rates, driven by a projected 15 percent growth in the elderly population over the next five years, which will add 22,343 elderly residents. The applicant contends that this population growth is likely to decrease bed availability, highlighting the urgent need for additional skilled nursing services from a provider with a proven track record of quality care. Osceola SNF reiterates its project responses to the 44-bed FNP and provides Table B-8 (Service Area Utilization for Year Ending June 30, 2024) on the applications’ page 13.

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Service Area Utilization for Year Ending June 30, 2024

Metric	Pasco County	District 5
Patient Days	658,076	2,961,582
Average Daily Census	1,798	8,092
Population 65+ (7/1/2024)	149,692	428,917
Use Rate (Days Per 1,000 Population 65+)	4,396	6,905
# of Community Beds in Operation	2,054	9,659
Occupancy	87.54%	83.37%

Source: CON application #10831, page 13, Table B-8 from Agency Florida Nursing Home Utilization by District and Subdistrict, July 2023-June 2024; AHCA's Florida Population Estimates and Projections by AHCA District 2020 to 2030 (published January 2024).

As shown above, during the year ending June 30, 2024, nursing homes in Pasco County had 658,076 patient days, with an average daily census of 1,798 and an occupancy rate of 87.54 percent. Further, the applicant notes that Subdistrict 5-1 had fewer beds available per 1,000 people aged 65 and over compared to District 5 and the state. Osceola SNF argues that limited bed availability creates “pent up demand”, leading to higher nursing home use rates in areas with more beds.

Osceola SNF’s Table B-9 below shows Pasco County SNF projected FY 2028 and FY 2029 (the project’s years one and two) utilization.

Pasco County Utilization for FY 2028 and FY 2029 (1st Two Projected Operating Years)

Metric	Pasco County	District 5
Current Use Rate (from Table B-8 above)	4,396	6,905
Population 65+, January 2027	165,343	467,488
Projected Resident Days	726,881	3,227,907
Projected Average Daily Census	1,986	8,819
Projected Licensed Beds (assuming all approved beds and this Proposed Project are operational)	2,161	10,065
Projected Occupancy (July 1, 2027 planning horizon)	91.90%	87.62%
Population 65+, January 2028	169,831	478,316
Projected Resident Days	746,611	3,302,672
Projected Average Daily Census	2,040	9,024
Projected Licensed Beds (assuming all approved beds and this Proposed Project are operational)	2,101	10,065
Projected Occupancy (January 1, 2028 - Year Two Midpoint)	94.40%	89.65%

Source: CON application #10831, page 22, Table B-15.

Osceola SNF provides its projected quarterly year one and two projected utilization in its Table B-10 (CON application #10831, page 14). The applicant contends that its analysis underscores the urgent need for more community beds in Subdistrict 5-1, emphasizing a facility's ability to quickly expand to meet the expected surge in demand due to rapid area growth. The applicant concludes that the project is strategically aligned with the identified need and addresses the rising demand for skilled nursing care driven by the increasing elderly population in Pasco County. Further, its Wesley Chapel area location will ensure that residents have continued access to essential health care services,

effectively alleviate pressure on current high-occupancy nursing homes and meet future demand.

2. Agency Rule Preferences

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

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

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

Oakley Place SNF LLC (CON application #10830), indicates that as an affiliate of Lion Care Services, it will offer 24/7 coverage from licensed nurses, wound care, medication management, and rehabilitation services such as physical, occupational, and speech therapy. Specialized programs include Alzheimer's care, hip replacement rehabilitation, stroke rehabilitation, cardiac rehabilitation, PD and HD dialysis, TNP therapy, infectious disease, trach care/respiratory and wound care. Therapy equipment interventions to be provided include electronic stimulation devices, ultrasound and heat therapy, adaptive equipment, balance training equipment, and virtual reality therapy. The applicant includes a quote from Paul Lallanilla, President/Owner, Right at Home Pasco, who states *"The proposed SNF will not only provide a dedicated setting for skilled nursing care but will also facilitate access to a broad range of essential healthcare services, including rehabilitation therapies, specialized medical care, comprehensive care management and so much more."*

Lion Care's comprehensive approach to admissions and care planning will ensure each resident receives personalized care. The process begins with a thorough evaluation of the individual's needs, involving collaboration with their family and health care professionals. This will

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provide a baseline plan of care, which is regularly reviewed and updated throughout the resident's stay. The care planning process is guided by federal guidelines and involves input from the following:

- Attending physician
- Director of Nursing
- Nursing Assistants
- Dietary Manager
- Social Services Manager
- Activities Director
- Therapists (as needed)
- Consultants (as needed)
- Other health care professionals as necessary.

During the admission process, the resident's special needs are evaluated, and a personalized care plan is developed. This plan addresses key factors such as medical diagnosis, skin condition, activity level, cognitive status, diet orders, weight, ADL performance, and physical impairments.

The applicant notes that the Resident Assessment Instrument (RAI) manual recommends key care planning areas for subacute settings, including functional status, rehabilitation/restorative nursing, health maintenance, discharge potential, medications, and daily care needs. To address these areas, the following components provide structure:

- Problem/concern statements
- Goal/objective statements that are:
 - Resident-centered
 - Clear, concise, observable, and measurable
 - Linked to a reasonable timeframe
 - Realistic and achievable
 - Determined in consultation with staff, resident/responsible party, and other health professionals
- Approaches that:
 - State what is to be done to assist the resident to achieve his or her outcomes
 - Relate to the cause of the problem identified during assessment
 - Is each approach specific and detailed in a manner that is easily understood such that any staff member assigned can carry out the action
 - Is reference to other documents in the clinical record made
- Responsible discipline is identified for each
- Review date for the care plan is noted

Oakley Place adds that family members or caregivers receive regular updates alongside the resident to monitor progress, discuss reactions to

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care, and address any concerns. They can also review and adjust options as needed to ensure effective care outcomes.

Oakley Place asserts that discharge planning begins with the initial assessment and evolves throughout the resident's stay as progress is made. The applicant notes that the plan addresses medical services, appointments, prescriptions, and other involvement with health and social systems. Key elements of the discharge plan include:

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

Oakley Place presents the seven criteria for a patient to be eligible for home health services. The applicant states case managers present a coordinated discharge plan to the resident and family, addressing any concerns or questions and includes a summary of the resident's care, prior treatment, diagnosis, rehabilitation potential, and physician orders for immediate care. Oakley Place will ensure, if requested, the case manager provides copies to the primary care physician and other caregivers.

Oakley Place states that the proposed facility is designed to provide short-term rehabilitation services, with a focus on returning patients to their homes. Medicare is expected to be the primary payer, along with some private pay. Oakley Place anticipates utilization, average length of stay (ALOS), and average daily census (ADC) for the bed addition's first two years will maintain current patterns. The 72-bed SNF's projected year one and two utilization is shown below.

**Projected Admissions, Patient Days, ALOS & ADC
First Two Years of Operation for the 72-Bed Facility**

Factor	Year One	Year Two
Admissions	688	915
Patient Days	17,377	24,400
ALOS	25.3	26.7
ADC	47	67

Source: CON# 10830, Page 2-7, Table 2-1

Oakley Place states the 116 ALF beds will provide a continuum of care. The facility is projected to have 92.85 percent occupancy in year two. Pasco County resident hospital discharges to SNFs is shown below.

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**Pasco County Patients Aged 65 and over
CY 2023 Acute Care Hospital MDC Discharges to SNFs**

Major Diagnostic Category	Cases	Percent
08 Diseases & Disorders of the Musculoskeletal System and Conn Tissue	1,516	20.35%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	1,174	15.76%
05 Diseases & Disorders of the Circulatory System	1,063	14.27%
11 Diseases & Disorders of the Kidney & Urinary Tract	782	10.50%
04 Diseases & Disorders of the Respiratory System	712	9.56%
Top 5 Total	5,247	70.44%
All Others	2,201	29.56%
Total	7,448	100.0%

Source: CON application #10830, Page 2-8, Table 2-2 (partially recreated) from AHCA Hospital Discharge Data, 2023; data excludes psychiatric and rehabilitation hospitals.

The top five MDCs account for 70.5 (72.44) percent of discharges and are stated to “have much in common with respect to restorative and normalizing activities designed to improve functional capabilities”. Oakley Place describes its specialized programs and therapies for MDCs 8, 18, 5, and 4, noting that the facility design includes a large therapy suite equipped for rehabilitation and occupational therapy for activities of daily living. Contracted personnel will deliver therapies, and the project will benefit “from innovative technologies that allow for programming for each individual as functional improvements occur”. Oakley Place concludes that the overall objective is to avoid hospital admission or readmission, ensure healing and promote higher functional levels to improve residents' health and quality of life.

Oakley Place’s Schedule 6A, projects 58.50 FTEs in year one ending June 30, 2028, and 74.90 FTEs in year two ending June 30, 2029. The reviewer notes that the total FTEs increase from year one to year two for administration, nursing, dietary, social services, housekeeping, laundry, and plant maintenance. The total for ancillary services contains a typographical error indicating these FTEs decrease from 4.50 to 3.20 from year one to year two. However, the therapy FTEs compute to 4.90 not 3.20 and Schedule 6A Assumptions indicate physical, speech, and occupational therapy services and the Medical Director will be contracted positions.

The applicant’s Schedule 7 shows the facility is projected to have 3,186 Medicaid patient days in year one (30.0 percent) and 4,473 patient days in year two (30.0 percent).

Osceola SNF LLC (CON application #10831), 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 application’s page 17 and 18 bullets 27 special features that its proposed facility will offer. Osceola SNF indicates TLC facilities

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provide physical, occupational and speech therapies; restorative therapy; on-site complex wound care with a dedicated wound nurse, and neurological rehabilitation and counseling service.

Individualized recovery programs include:

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

TLC offers a “Specialized Post-Acute Rehabilitation Program” with individualized rehabilitation programs including orthopedic, cardiac, neuro-muscular, post-surgery, pulmonary, and post-stroke.

State-of-the-art therapeutic modalities and rehabilitation equipment designed for older adults, include:

- Biodex Balance Trainer Machine
- Keiser Weight Training Equipment
- Biostep: Recumbent Stepper
- Electrical Simulation Unit
- Jintronix Virtual Therapy and Rehabilitation System
- Aspire 2 and Omnicycle

Diagnoses and conditions treated include, but are not limited to:

- Cardiovascular or neuromuscular disorders
- Wound care
- Stroke and other neurological conditions
- Post-surgical care
- Respiratory conditions
- Osteoarthritis
- Hip, knee, and back surgery
- Fractures and soft tissue conditions
- Pain management

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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), which currently contracts with all TLC Management (including Florida's) SNFs. Further, it will also use respiratory therapists, as Pasco County residents are likely to require this type of skilled care.

The applicant indicates that the members of the professional medical team include:

- Advanced Trained Assessment Nurses
- Quality Assurance Registered Nurses
- Nurse Practitioners
- Licensed Physical, Occupational, and Speech Therapists
- Doctors and Specialists
- Certified Wound Nurses
- Registered Dietician

Further, Osceola SNF contends that some of its medical services provided via contract and available by appointment include psychiatry, podiatry, pharmacy, laboratory, dental, optical, x-ray and counseling services. Non-medical services provided include specialized activities, psychological services, social services, family support, and assistance with activities of daily living. Regarding palliative care, the applicant ensures that it will be available as needed, including medical, social, spiritual, psychological, and emotional support.

Osceola SNFs Schedule 6 indicates 51.8 FTEs in the first year ending June 30, 2028, and 58.5 in the second year ending June 30, 2029. The reviewer notes that total FTEs increase from year one to year two for nursing, dietary, and laundry. Schedule 6 Assumptions indicate 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 2,344 Medicaid patient days in year one (19.4 percent) and 2,920 patient days in year two (19.0 percent).

Osceola SNF states that it has analyzed the Agency's Hospital Patient Discharge Data from July 1, 2023-June 1, 2024, for Pasco County residents aged 65+ 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 Pasco County

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were discharged to nursing homes at a rate of 81.92 per 1,000, which is lower than the state rate of 79.50 per 1,000.

Osceola SNF contends that the primary Pasco County hospital discharges to SNFs include diseases of the circulatory, digestive, and respiratory systems, and along with infectious/parasitic diseases and injuries and poisoning, represent 66.94 percent of all discharges for the year ending June 30, 2024.

Pasco County Hospital Patients (Age 65+) Discharged to SNFs by Principal Diagnosis

Principal Diagnostic Group	# of Discharges	% of Total Discharges
Diseases of the Circulatory System	16,159	25.37%
Injury and Poisoning	7,046	11.06%
Infectious & Parasitic Diseases	6,604	10.37%
Diseases of the Respiratory System	6,444	10.12%
Diseases of the Digestive System	6,380	10.02%
Total Top Five	42,633	66.94%
<i>Remaining 12 MDCs</i>	21,058	33.07%
Grand Total	63,691	*100.0%

Source: CON application #10831, page 21, Table B-11 (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, injury and poisoning, and infectious/parasitic diseases) accounted for 29,809 discharges, representing 46.8 percent of the total 63,691 discharges to nursing homes in the 12 months ending June 30, 2024. These numbers seem extremely high as the applicant's Table B-6 indicates Pasco County hospitals had 75,093 discharges in CY 2023 and the above table's 63,691 discharges translates to 84.82 percent of these being discharged to SNFs.

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 the second MDC group, injury and poisoning, often comprises of patients requiring orthopedic rehabilitation adding that it focuses on medically-complex residents and will be equipped to provide care to individuals with infectious and parasitic diseases while managing their other conditions.

Osceola SNF also examined the most frequently occurring DRGs in Pasco County to determine to identify additional conditions that might lead to nursing home admissions. The applicant includes Table B-12, page 22 listing the 10 most frequently occurring DRGs for Pasco County age 65+ residents, discharged to a SNF.

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**Top 10 DRGs for Pasco County Residents
Age 65+ Discharged from Hospitals to Nursing Homes, FY 2024**

	MS DRG	MS DRG Description	Discharges	% of Total	Running Total
1	871	Septicemia or Severe Sepsis Without MV >96 Hours With MCC	896	9.65%	9.65%
2	291	Heart Failure and Shock With MCC	463	4.99%	14.64%
3	470	Major Hip and Knee Joint Replacement or Reattachment of Lower Extremity Without MCC	440	4.74%	19.38%
4	481	Hip and Femur Procedures Except Major Joint With CC	417	4.49%	23.87%
5	189	Pulmonary Edema and Respiratory Failure	302	3.25%	27.13%
6	682	Renal Failure With MCC	283	3.05%	30.18%
7	853	Infectious and Parasitic Diseases With O.R. Procedures With MCC	220	2.37%	32.55%
8	689	Kidney and Urinary Tract Infections With MCC	216	2.33%	34.87%
9	177	Respiratory Infections and Inflammations With MCC	211	2.27%	37.15%
10	683	Renal Failure With CC	205	2.21%	39.36%
11		All Other Diagnoses	5,629	60.64%	

Source: CON application #10831, page 22, Table B-12 (partially reproduced) from Agency Hospital Inpatient Query.

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 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 most frequent diagnosis groups for residents aged 65 and older discharged to nursing homes is DRG 291 — heart failure and shock with major conditions/comorbidities, which aligns with the most frequent primary diagnosis group discharged to SNFs, diseases of the circulatory system. The applicant intends to provide tailored cardiopulmonary programs and a specialized post-acute care rehabilitation program for cardiac patients. These programs will focus on improving residents' overall conditioning and stamina through exercises such as walking, flexibility training, and weight-bearing activities, along with occupational therapies to enhance fine motor skills and functional movements as required.

The applicant notes DRG 470 — Major Hip and Knee Joint Replacement or Reattachment is the third most prevalent DRG for Pasco residents aged 65 and older discharges to SNF. Osceola SNF plans to provide an orthopedic program aimed at rehabilitating patients with musculoskeletal conditions, offering comprehensive physical and occupational therapies for optimal recovery. Further the applicant will collaborate with local hospitals to create a clinical pathway that facilitates a smooth transition from hospital to nursing home, prioritizing

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pain management for residents. Osceola SNF adds that similar initiatives in other communities managed by TLC Management have resulted in reduced lengths of stay and cost savings for hospitals.

Osceola SNF ensures that it plans to offer three key programs based on diagnosis analysis: orthopedic rehabilitation, cardiac rehabilitation, and a program for medically complex cases. The applicant reiterates that its orthopedic and cardiac programs focus on recovery for those specific conditions, while the medically complex program will emphasize symptom and pain management, including education and training for patients.

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 V.A.C.@ Therapy program 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 table below to support its projected utilization.

Table B-13 Projected Utilization

	Year One	Year Two
Admissions	402	512
Patient Days	12,053	15,330
ALOS	30.0	29.9
ADC	33.0	42.0

Source: CON application #10831, page 23, Table B-13

Regarding admissions, the applicant will conduct a thorough assessment to create a care plan focused on discharge, implementing TLC Management's policies and patient assessment tools. Upon admission, the applicant provides a thorough assessment to create a discharge-focused care plan. Osceola SNF contends that 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

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in their daily lives. Cultural diversity is also 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

The applicant notes that upon admission, each resident 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

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 and lists the following components that provide structure:

- Problem/concern statements
- Goal/objective statements
 - Resident centered, addresses what the resident will do, when/where/how these will be accomplished
 - Clear, concise, observable, and measurable

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- Linked to a reasonable timeframe
- Realistic and achievable
- Determined in consultation with staff, resident/responsible party, and other health professionals
- Date by which the outcomes are anticipated to occur
- Approaches
 - State what is to be done to assist the resident to achieve his or her outcomes
 - Relate to the cause of the problem that has been identified during assessment
 - Specific and detailed in a manner that is easily understood such that any staff member assigned can carry out the action
 - Is reference to other documents in the clinical record made
- Responsible discipline is identified for each
- Review date for the care plan is noted

The applicant indicates a family member or caregiver is given a schedule of the resident's care planning meetings and input from the resident's family is taken into consideration.

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 their discharge plan from the Specialized Post-Acute Rehabilitation Program, a team of 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. These include home safety, medication management, nutritional health, activities of daily living and home health.

The applicant notes that 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

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- Discharge meeting with family, patient, and/or caregivers and providing home health eligibility guidelines

The applicant 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. Further, 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. A 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 have not had a nursing facility license denied, revoked, or suspended.

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

Both applicants have not had a nursing home placed into receivership.

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

This provision does not apply to the applicants.

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

This item does not apply to the applicants.

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

This item does not apply to the applicants.

- 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 states they will provide required data to Suncoast Health Council, Inc. and to the Agency for Health Care Administration as required for licensure and financial requirements.

3. Statutory Review Criteria

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

As of August 9, 2024, Subdistrict 5-1 had 17 community nursing homes 2,054 licensed and 63 CON approved community nursing home beds. Subdistrict 5-1 nursing homes reported 88.48 percent occupancy during the six months and 87.54 percent occupancy during the 12 months ending June 30, 2024. Subdistrict 3-7 community nursing homes reported 88.85 percent occupancy during CY 2023. As previously stated, an FNP for 44 community nursing home beds in Subdistrict 5-1 was published in Volume 50, Number 195 of the Florida Administrative Register dated October 4, 2024.

Oakley Place SNF LLC (CON application #10830) states that “availability is defined as how much of a resource exists. The fixed need pool published on October 4, 2024 indicates a need for 44 community nursing home beds for “Nursing Home Subdistrict 3-7, Lake and Sumter Counties” - a typographical error as the applicant correctly notes its project is to address the need in Pasco County. Oakley Place notes Pasco

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County has 18 skilled nursing facilities with a total of 2,054 beds and 63 total CON approved beds and notes the subdistrict’s 87.54 occupancy albeit with another typo stating “the most recent period ending June 30, 2023”.

Oakley Place SNF LLC cites Pasco County’s lower 14 nursing home beds per thousand age 65 and over cohort compared to the state’s 17 beds per thousand. The applicant states that by January 1, 2029, due to the increase in the age 65 and older cohort and assuming all currently approved beds are licensed by that date, the bed availability rate in Pasco is projected to decrease to only 12 beds per thousand. The state is expected to decrease to 14 beds per thousand seniors and “although small” its project will increase SD 5-1’s available beds per thousand seniors to 13 per thousand by January 1, 2029. Oakley Place concludes that the need for the proposed 44-bed addition is demonstrated to improve Pasco County’s “bed availability that remains below statewide levels”.

The applicant also addresses quality of care noting nine of Lion Care Services 12 nursing homes are Joint Commission Accredited and refers the reviewer its quality-of-care discussion. Geographic access and access to services are again addressed. Oakley Place SNF LLC’s table below provides the payer mix for Pasco residents aged 65 and older discharged from Florida acute care hospitals to a nursing home in 2023.

**Payer Mix, Pasco County Residents (Age 65 and Older)
Discharged to a Nursing Home CY 2023**

Payer	Cases	Percent
Medicare Managed Care	4,003	53.75%
Medicare	2,980	40.01%
VA	285	3.83%
Commercial Health Insurance	87	1.17%
Other State/Local Government	23	0.31%
Medicaid Managed Care	21	0.28%
Other State	21	0.28%
Commercial Liability Coverage	11	0.15%
TriCare or Other Federal Government	7	0.09%
Self-Pay	5	0.07%
Workers' Compensation	4	0.05%
Medicaid	1	0.01%
Grand Total	7,448	100.00%

Source: CON application #10830, page 3-5, Table 3-1, from Agency Hospital Patient Discharge Data, 2023; data excludes psychiatric and rehabilitation hospitals.

Oakley Place notes that most discharges to SNFs are covered by Medicare and Medicare Managed Care, representing nearly 94 percent of the total 5,605 discharges, while Veterans Affairs and Commercial Health

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Insurance account for 3.8 percent and 1.2 percent, respectively. The applicant asserts 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.

The applicant reports that nursing home occupancy in Pasco County averaged 87.54 percent for the 12 months ending June 30, 2024, surpassing Florida's average of 84.36 percent, indicating a rebound in utilization following a decline due to COVID-19. Further, Pasco County has consistently maintained higher occupancy rates than the state since July 2019, even during the pandemic.

Oakley Place SNF LLC's table 3-2 (page 3-6) includes Pasco County's and the state's July 2019-June 2024 nursing home utilization:

Community Nursing Home Beds, Patient Days and Occupancy Rates for Nursing Home Subdistrict 5-1 (Pasco County) and Florida, Most Recent Five Years

Subdistrict 5-1, Pasco	7/19 - 6/20	7/20 - 6/21	7/21 - 6/22	7/22 - 6/23	7/23 - 6/24
Community Beds	1,948	2,054	2,054	2,054	2,054
Bed Days	712,968	715,578	749,710	749,710	751,764
Patient Days	635,843	571,399	591,453	638,867	658,076
Florida	7/19 - 6/20	7/20 - 6/21	7/21 - 6/22	7/22 - 6/23	7/23 - 6/24
Occupancy	89.18%	79.85%	78.89%	85.22%	87.54%
Community Beds	82,103	82,858	83,131	83,110	82,438
Bed Days	29,869,515	30,107,184	30,223,872	30,252	30,227,610
Patient Days	25,073,890	98,721	22,817,381	24,103,610	24,599,377
Occupancy	83.94%	73.40%	75.49%	79.67%	84.36%

Source: CON application #10830, page 3-6, Table 3-2, from Agency publication Florida Nursing Home Bed Need Projections by District & Subdistrict, years shown.

The applicant argues that utilization patterns in nursing homes are returning to pre-pandemic levels and will increase alongside the growing senior population, leading to higher demand and that its proposed project of adding 44 beds to a newly approved 28-bed nursing home in the subdistrict will ensure sufficient capacity in a quality facility.

Oakley Place addresses the project's conformity with Rule 59C-1.030 Florida Administrative Code, Health Care Access Criteria on the application's pages 3-7 through 3-9.

Osceola SNF LLC (CON application #10831), states that its application responds to the calculated need for 44 community beds in Subdistrict 5-1 (Pasco County).

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- 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.**

Oakley Place SNF LLC (CON application #10830) states “Lion Care Services demonstrates a history of quality care in nursing facilities with Joint Commission Accreditation” adding that it operates 12 SNFs in Florida, including Madison Pointe Care Center and Rehab in Pasco County. As previously stated, nine of Lion Care Services 12 Florida facilities have Joint Commission accreditation. The applicant contends its facility will benefit from Lion Care Services' dedication to obtaining Joint Commission accreditation and continuous quality improvement.

Oakley Place notes Lion Care’s Bristol Care Center in Tampa, Florida was ranked 38th among Newsweek's Best Nursing Homes in 2022 and the staff at Alhambra Healthcare and Rehabilitation Center in St. Petersburg were recognized as a Quality Improvement Champion by the Health Services Advisory Group. The applicant cites a 2021, McKnights Long-Term Care News article reported only 1,059 of the nations over 15,000 community nursing homes had Joint Commission accreditation. The article also ‘highlights’ the correlation between Joint Commission status and improved inspection deficiencies, five-star rating components, increased corporate efficiency, and quality efforts. Oakley Place continues stating Joint Commission accreditation is not only a process to help facilities manage issues around quality and infection control but is often a requirement to participate in certain health plan networks.

Exhibit 5 (CON application #10830) contains documentation of the awards and accreditations received by Lion Care Services facilities. Joint Commission accredited facilities listed include:

- Advanced Care Center and Rehab
- Alhambra Healthcare and Rehabilitation Center
- Apollo Healthcare and Rehabilitation Center
- Excel Care Center and Rehab
- Gulf Shore Care Center and Rehab
- Lexington Health and Rehabilitation Center
- Madison Pointe Care Center and Rehab
- North Healthcare and Rehabilitation Center
- Shore Acres Care Center and Rehab
- The Bristol Care Center
- Woodbridge Care Center and Rehab

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Oakley Place provides Lion Care Services' mission, vision, and values noting that it is committed to providing the highest quality of care for all residents, with a focus on creating a safe, supportive, and compassionate environment where residents can thrive physically, emotionally, and socially. The organization's priorities are detailed in the following topics - respect and dignity, quality care, collaboration and communication and continuous improvement. Lion Care Services' core values are detailed in the following topics - compassion, integrity, excellence, teamwork and accountability.

Oakley Place next addresses Quality Assessment and Performance Improvement listing the 12 CMS "*QAPI at a Glance*" action steps to establish the foundation for quality assurance and performance improvement in nursing homes. Additional information is provided on the application's pages 4-4 and 4-5, with the applicant noting Lion Care Services' QAPI policy and procedures are included in Exhibit 3 of the application.

Oakley Place states Quality Assurance Performance Improvement Plan and Assessment Program ensures that its facility meets or exceeds patient needs and expectations, promoting good outcomes and exceptional person-centered care that involves residents in their care. Further it also follows guidelines from the American Health Care Association to maintain a consistent approach to measuring and ensuring quality in nursing homes. The applicant confirms that it remains current with all state and federal QAPI requirements.

The applicant states that its Risk Management/Quality Assurance Committee meets every month to monitor quality indicators and identify potential issues and create action plans to improve areas that exceed established thresholds, ensuring ongoing quality improvement. Further, its committee aims to identify and prevent potential problems in quality-of-care processes to avoid regulatory non-compliance, using early detection to minimize consequences and initiate corrective action. The applicant adds that every employee is responsible for ensuring that residents, family members, and visitors receive high-quality care and service.

Oakley Place states that its purpose is to create an exceptional person-centered care environment by involving residents, physicians, staff, family members, and other providers in the performance improvement process to foster meaningful relationships.

The applicant provides its beliefs and philosophy regarding quality assurance and performance improvement, guiding the QAPI processes:

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- Guiding Principle #1 Care practices are guided by a structured Quality Assurance and Performance Improvement process
- Guiding Principle #2 All staff members acknowledge their commitment to performance improvement and their perspective roles in the process
- Guiding Principle #3 Focus on systems and processes and encourage staff to identify potential errors and system breakdowns
- Guiding Principle #4 Set goals to improve performance, measure progress towards the goal, and revise the goal when necessary.

Oakley Place's administrator will oversee its Quality Assurance Performance Improvement Program, with a committee that meets quarterly to identify concerns and recommend changes. Participants in Performance Improvement Projects (PIPs) will have the necessary training, resources, and time. An annual data review is conducted to facilitate feedback and monitoring which may include grievance logs, medical records, skilled care claims, falls, pressure ulcer, and treatment logs, staffing trends, incident reports, quality measures, and survey outcomes. PIP subcommittees will use Root Cause Analysis to enhance existing processes, collecting and analyzing data to evaluate the effectiveness of changes, and submitting a summary report, activity analysis, and recommendations to the QAPI Committee upon completing each PIP. Oakley Place states it employs the Five Whys method for root cause analysis, repeatedly asking "Why did this occur?" at least five times to trace the events leading to the problem.

Emergency Management and Hurricane Preparedness, Resident Rights, Privacy, Advisory Committee, and Activities are addressed on the application's pages 4-7 through 4-8. The applicant concludes its responses demonstrate the ability to provide quality care.

The applicant's Exhibit 5 lists Lion Care Services 12 affiliated Florida facilities, which include the nine Joint Commission accredited SNFs and Bayside Care Center and Rehab, Colonial Skilled Nursing Facility LLC and North Healthcare and Rehabilitation Center. No Lion Care Services facility has Gold Seal Award recipient status. Lion Care Services CMS overall ratings are shown in the table below.

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Facility	CMS Overall Rating
Advanced Care Center and Rehab	★★★
Alhambra Healthcare and Rehabilitation Center	★★
Apollo Healthcare and Rehabilitation Center	★★
Bayside Care Center and Rehab	★★
Colonial Skilled Nursing Facility, LLC	★★★★
Excel Care Center and Rehab	★★★
Gulf Shore Care Center and Rehab	★★★
Lexington Healthcare and Rehabilitation Center	★★★
Madison Pointe Care Center and Rehab	★★★
Shore Acres Care Center and Rehab	★★★
The Bristol Care Center	★
Woodbridge Care Center and Rehab	★★★
Average	2.66 stars

Source: CMS website (www.medicare.gov/care-compare). Data last updated: December 20, 2024

Lion Care Services Florida affiliated nursing homes had 32 substantiated complaints during the 36 months ending December 19, 2024. A substantiated complaint can encompass multiple complaint categories. See the table below.

**Oakley Place SNF LLC (CON #10830) – Lion Care Services Affiliates
Substantiated Complaints Categories
December 19, 2021 – December 19, 2024**

Complaint Category	Number Substantiated
Administration/Personnel	3
Admission, Transfer & Discharge Rights	1
Dietary Services	1
Elopement	3
Falsification of Records/Reports	2
Infection Control	1
Life Safety Code	1
Physical Environment	2
Quality of Care/Treatment	26
Quality of Life	2
Resident/Patient/Client Abuse	1
Resident/Patient/Client Rights	6
Total	49

Source: Agency for Health Care Administration complaint data.

The reviewer notes that five Lion Care Services Florida affiliates had no substantiated complaints, and Madison Pointe Care Center and Rehab, its Pasco County affiliate had three categories cited.

Oakley Place SNF LLC responds to Healthcare Access Criteria on the application’s pages 3-7 through 3-9.

Osceola SNF LLC (CON application #10831), reiterates that it is a newly formed entity with no operational history and a wholly-owned

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subsidiary of TLC Management that will be guided by TLC's mission and values as shown below:

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

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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.
- Operations Award Most Improved: This award is given to a facility within the TLC family that has improved overall business

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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, interdisciplinary, comprehensive, and 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. 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

The applicant notes that its 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. Further, 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 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 *eINTERACT*, along with another software program called *SimpleLTC*, to track admissions, discharges, and rehospitalizations. Further, 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. Additionally, all 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.

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The applicant notes that TLC's facility Bridgewater Park in Ocala, Marion County, has also won the following awards:

- 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

Further, Blue Heron Health and Rehabilitation, a TLC facility in Wesley Chapel, 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 states that the Agency's most recent survey results show that two of the 17 nursing homes in Pasco County (11.5 percent of the beds) received a one-star rating, highlighting a significant need for improvement in the quality of nursing homes in the area.

Florida's Long-Term Care Ombudsman Program and Resident Rights is addressed on the application's pages 35 and 36. 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. Exhibit 4 includes TLC Management's residents' rights policies.

Osceola SNF states that TLC Management promotes and assists resident and family groups that gather for mutual support, facilitated by the activities director. The applicant adds that a monthly Resident Council meeting is open to all residents, with staff attending only by invitation. Further, 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. The applicant notes that a department supervisor may attend to address specific problems with approval from the residents.

The applicant states that issues are revisited for progress tracking, and copies of the minutes are shared with the administrator and relevant departments. Further, the 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 which enables families to access real-time health information, including

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medication lists, vitals, conditions, and nutrition, submit grievances and allows TLC facilities to send mass notifications about events or emergencies. The applicant contends that this initiative promotes transparency in care and builds trust with 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 application has three excerpts (two residents and one family member) from Osceola SNF's letters of support on pages 34 and 35.

As previously stated, TLC Management has four affiliated Florida facilities Astoria Health and Rehabilitation Center, Blue Heron Health and Rehabilitation, Bridgewater Park Health and Rehabilitation Center, and Oak Hill Health and Rehabilitation. The reviewer notes that none of the TLC Management facilities have earned Gold Seal Award recipient status. The Star ratings for these facilities are shown in the table below.

Facility	CMS Overall Rating
Astoria Health and Rehabilitation Center	★★★
Blue Heron Health and Rehabilitation	★★
Bridgewater Park Health and Rehabilitation Center	★★★
Oak Hill Health and Rehabilitation	★★
Average	2.5 stars

Source: CMS website (www.medicare.gov/care-compare). Data last updated: December 20, 2024

During the period of December 19, 2021 - December 19, 2024, TLC's four Florida facilities had nine substantiated complaints. A single complaint can result in multiple categories being cited. See the table below. TLC's Blue Heron in Pasco County had three categories cited.

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

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.**

Both Applicants - The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The applicant is a development stage company with only \$250,000 in cash, with no operations. The applicant indicated that funding will be provided by cash on hand and non-related company financing. In the case of a development stage company with no historic operations in which to evaluate short- and long-term financial positions, we will evaluate the applicant's access to capital on a standalone basis for this project and any others cited in the application.

Capital Requirements and Funding:

Oakley Place SNF LLC (CON application #10830) indicates on Schedule 2 capital projects totaling \$34,015,000, which includes this project (\$7,116,900), and other capitalization (\$26,898,100).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$250,000) & non-related company financing (\$11,690,100). The applicant provided a letter of interest, dated December 17, 2024, from Huntington National Bank stating their interest in providing construction financing.

A letter of interest is not considered a firm commitment to lend. 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.

Conclusion:

Funding for this project is in question.

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Osceola SNF LLC (CON application #10831) indicates on Schedule 2 capital projects totaling \$188,951,517, which includes this project (\$27,402,697), CON #10828 (\$37,605,685), CON #10836 (\$33,493,135), 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 (\$27,319,364). The applicant provided a letter of commitment, dated December 13, 2024, from TLC Management stating their commitment in providing construction financing. The applicant also provided letters from Regions Bank and 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.

Both Applicants - 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 State with Medicaid utilization under 50 percent as the applicant is projecting low Medicaid utilization relative to a typical skilled nursing facility in Florida. Comparison group data was adjusted for inflation to match the second-year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 2nd Quarter 2024, Health Care Cost Review).

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

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	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	12,125,200	497	796	480	381
Total Expenses	11,593,500	475	821	477	346
Operating Income	531,700	22	62	6	-180
Operating Margin	4.39%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	24,400	92.85%	100.00%	90.81%	26.84%
Medicaid	7,320	30.00%	49.61%	41.45%	0.00%
Medicare	15,860	65.00%	96.23%	40.90%	13.90%

Staffing:

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

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

Operating profits from this project are expected to increase from a net loss of \$824,900 in year one to a net profit of \$531,700 in year two.

Conclusion:

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

Osceola SNF LLC (CON application #10831)

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	8,953,095	584	796	480	381
Total Expenses	8,290,275	541	821	477	346
Operating Income	662,820	43	62	6	-180
Operating Margin	7.40%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	15,330	95.45%	100.00%	90.81%	26.84%
Medicaid	2,920	19.05%	49.61%	41.45%	0.00%
Medicare	11,680	76.19%	96.23%	40.90%	13.90%

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,

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a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day, and 3.6 hours of total direct care staffing. Based on the information provided in Schedule 6, the applicant's projected staffing meets this requirement.

The projected NRPD, CPD and profit 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 \$335,167 in year one to a net profit of \$662,820 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. However, both projects are to be in the same zip code and competition is better balanced with Oakley Place having a 72-bed nursing home and Osceola's affiliate 141 beds.

- 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.**

Oakley Place SNF LLC (CON application #10830) - The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

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

Osceola SNF LLC (CON application #10831) - 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

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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.**

Oakley Place SNF LLC (CON application #10830) presents Lion Care Services 12 Florida SNF Medicaid utilization for the three-year periods from July 2021—June 2024, which indicates the facilities provided 66.37 percent of the July 2023—June 2024 total patient days to Medicaid residents. The applicant projects the 72-bed total facility, and the 44-bed project will provide 30 percent of year one and year two total annual patient days to Medicaid Managed Care residents.

Osceola SNF LLC (CON application #10831) presents TLC's four Florida SNF Medicaid utilization for the three-year periods from July 2021—June 2024. The applicant states TLC facilities provided 35.80 percent of the July 2023—June 2024 total patient days to Medicaid residents. The applicant projects the 44-bed facility will provide 19.4 percent of year one and 19.0 percent of year two total annual patient days to Medicaid Managed Care residents.

F. SUMMARY

Oakley Place SNF LLC (CON application #10830) proposes to add 44 community nursing home beds to its CON approved (CON #10798) to establish a new 28 community nursing home in Subdistrict 5-1 (Pasco County). The facility will be constructed adjacent to a new 116-bed ALF located near the intersection of I-75 and State Road 54 in Wesley Chapel (zip code 33544).

The project includes 22,865 GSF of new construction and a total construction cost of \$8,439,050. Total project cost is \$11,940,100.

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

Oakley Place does not propose conditions for the project's approval.

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Osceola SNF LLC (CON application #10831) proposes to construct a new 44-bed community nursing home in zip code 33544 (Wesley Chapel) in Subdistrict 5-1 (Pasco County). The applicant is a wholly owned subsidiary of Tender Loving Care Management, Inc., which operates 21 SNFs, 10 ALFs and three independent living facilities in Indiana, Ohio and Florida. TLC operates four Florida SNFs – one, Blue Heron Health and Rehab with 141 beds in Wesley Chapel (zip code 33544).

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

The project includes 49,371 GSF of new construction and a total construction cost of \$18,514,125. The total project cost is \$27,402,697.

Osceola SNF LLC proposes two conditions for project 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.

Need: - Both applications are filed in response to the published need and address the

- demand for skilled nursing services
- current shortage of available beds
- increasing utilization of nursing home services
- increase of Pasco County occupancy rates

Oakley Place SNF LLC (CON application #10830)

- states the 65 and over Pasco County population growth is projected to increase by 22,256, a 15.08 percent growth rate and 25.42 percent of Pasco's total population by July 2029
- Pasco County currently has 14 beds for every 1,000 people aged 65 and older, while Florida has 16 beds. Further, by January 1, 2029, Pasco's rate is projected to fall to 12 beds per 1,000, and Florida's will decrease to 14 beds

Osceola SNF LLC (CON application #10831)

- States the 65 and over Pasco County population growth is projected to increase by 22,343, resulting in a 14.93 percent growth rate, outpacing the growth rates of District 5 (12.76 percent) and similar to Florida overall (15.55 percent) by 2029
- As of June 30, 2024, Pasco County had only 13.72 community beds per 1,000 residents aged 65 and older, which is significantly lower than District 5's rate of 22.52 and the state's 16.03 percent

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- Despite a total nursing home occupancy rate of 87.54 percent in Pasco, which exceeds both District 5 (86.67 percent) and the state (84.36 percent) the projected growth in the elderly population will lead to a reduction in beds per 1,000 seniors to 12.47 by 2029, remaining below both District 5 and state averages

Quality of Care:

Both applicants provided a detailed description of the ability to provide quality care.

Oakley Place SNF LLC (CON application #10830)

Lion Care Services' 12 Florida affiliated nursing homes had 32 substantiated complaints during the 36 months ending December 19, 2024 with 49 categories cited.

Osceola SNF LLC (CON application #10831)

TLC Management's four Florida facilities had nine substantiated complaints during the 36 months ending December 19, 2024 with 14 categories cited.

Financial Feasibility/Availability of Funds:

Oakley Place SNF LLC (CON application #10830)

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

Osceola SNF LLC (CON application #10831)

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

Architectural:

Oakley Place SNF LLC (CON application #10830)

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

CON Application Numbers: 10830 & 10831

Osceola SNF LLC (CON application #10831)

- 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:

Both applicants provide their affiliates history of providing service to Medicaid patients

Oakley Place projects 30 percent of year one and year two total annual patient days will be Medicaid HMO patient days

Osceola SNF's Schedule 7 projects 19.4 percent of year one and 19.0 percent and year two patient days will be Medicaid HMO patient days

CON application #10830, (Oakley Place SNF LLC), on balance, best satisfied the statutory and rule criteria - this includes:

- *Oakley Place SNF's project would better foster competition in the service area particularly for the residents of Wesley Chapel as the approval of Osceola SNF would result in TLC management affiliates having 185 beds in Wesley Chapel and Oakley Place only 28 beds.*
- *The applicant's response to architectural review criteria was better than Osceola SNF's*
- *The Oakley Place SNF project is projected to have a lower project cost than Osceola SNFs*
- *Oakley Place SNF proposes to serve more Medicaid HMO residents.*

G. RECOMMENDATION

Approve CON #10830 to add 44 community nursing home beds to the 28-bed community nursing home approved by CON #10798 in District 5, Subdistrict 1, Pasco County. The total project cost is \$11,940,100. The project involves 22,865 GSF of new construction and a total construction cost of \$8,574,375.

Deny CON#10831.

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

James B. McLemore

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Certificate of Need



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