

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**HSP Mid Florida LLC/CON application #10835**

101 Sunnyside Road, Suite 201  
Casselberry, Florida 32707

Authorized Representative: Grey Notermann  
(407) 830-5309, Ext. 152

**Osceola SNF LLC/CON application #10836**

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

Authorized Representative: Ryan M. Ott  
(765) 664-5400, Ext. 3512

**2. Service District/Subdistrict**

**District 7/Subdistrict 7-3 (Osceola County)**

**B. PUBLIC HEARING**

No public hearing was requested or held.

**Letters of Support**

**HSP Mid Florida (CON application #10835)** includes letters from Kristen Arrington, State Senator, District 25, Dr. Luisa Vega, Psych Health Associates and Robin A. Bleier, RN, HCRM, LNC, President/CEO, RB Health Partners, Inc.

**Osceola SNF LLC (CON application #10836)** includes eight letters from residents of TLC management nursing homes.

**C. PROJECT SUMMARY**

**HSP Mid Florida LLC (CON application #10835)** also referenced as HSP, or the applicant is a for-profit corporation proposing to add up to

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41 community nursing home beds to the approved 111-bed community nursing home authorized by CON #10752, resulting in a new facility of up to 152 beds in District 7, Subdistrict 7-3, Osceola County.

HSP states it is affiliated with the Sovereign Group which includes 42 separately organized limited liability companies, each operating a skilled nursing facility (SNF). Thirty of these are in Florida with the remainder located in Georgia (2) and North Carolina (10). The Sovereign Group also includes Southern HealthCare Management (SHCM), which will manage the proposed facility.

HSP Mid Florida, LLC indicates that the project will be licensed in June 2027 and begin service in July 2027.

The project consists of 18,656 gross square feet (GSF) of new construction, with a total construction cost of \$6,996,000. This project plans include 11 private and 15 semi-private rooms, while the approved CON #10752 is to 45 private and 33 semi-private rooms. If approved, the 152-bed facility may have 56 private and 48 semi-private rooms.

Total project cost is \$8,880,800, and includes building, equipment, project development and financing costs.

While CON #10752 has no conditions to project approval, HSP Mid Florida LLC proposes to the following conditions for the 152-bed facility:

- Construct a minimum of 50 Private Rooms within the 152-bed facility
- Provide the following specialty programs:
  - Stroke Recovery
  - Pulmonary Acute Cardiac Episode Recovery
- Establish partnerships with area nursing schools to provide training opportunities for new LPNs and RNs
- Establish a Personal Care Attendant (PCA) program to encourage others to get into the health care field. After gaining experience, an individual can graduate with a CNA license.

**Osceola SNF LLC (CON application #10836)** also referenced as Osceola SNF, or the applicant is a newly formed for-profit corporation without any operational history proposing to establish a new 78-bed community nursing facility in Subdistrict 7-3 (Osceola County). The applicant aims to consolidate the need from two geographically contiguous subdistricts:

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41-beds derived from the fixed need pool published October 4, 2024, for subdistrict 7-3 (Osceola County), and an additional 37 beds from subdistrict 7-1 (Brevard County).

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

Osceola SNF indicates that the project will be licensed in June 2027 and begin service in July 2027.

The project involves 63,093 gross square feet (GSF) of new construction and a total construction cost of \$23,659,875. The facility is planned to have 78 private rooms including two bariatric rooms.

Total project cost is \$33,493,135, and includes, land, building, equipment, project development, financing and start-up costs.

Osceola SNF proposes the following conditions to project approval.

**PROPOSED CONDITIONS:**

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#	# of Beds	GSF	Project Cost (\$)	Cost/Bed (\$)
CON application #10835 (HSP Mid Florida)	41	18,656	\$8,880,800	\$216,605
CON application #10752 (HSP Mid Florida)	111	78,768	\$37,254,300	\$335,624
CON application #10836 (Osceola SNF)	78	63,093	\$33,493,135	\$429,399

Source: Schedules 1 and 9, CON application numbers 10835, 10836

Note: The reviewer includes CON #10752 to illustrate the HSP Mid-Florida facility’s overall cost.

*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.”*

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

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

**D. REVIEW PROCEDURE**

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

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

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

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

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

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

**1. Fixed Need Pool**

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

In Volume 50, Number 195 of the Florida Administrative Register dated October 4, 2024, a fixed need pool (FNP) of 41 community nursing home beds was published for Subdistrict 7-3 for the July 2027 planning horizon.

As of August 9, 2024, Subdistrict 7-3 had 10 licensed community nursing homes with 1,200 licensed beds. The subdistrict has 111 CON approved (SHP Mid Florida's CON #10752) community nursing home beds pending licensure. Subdistrict 7-3 facilities reported 91.19 percent occupancy during the six months, and 89.33 percent occupancy during the 12 months ending June 30, 2024.

**HSP Mid Florida LLC (CON application #10835)** notes it has the approved CON #10752 to construct a 111-bed community nursing home in Subdistrict 7-3, Osceola County. The applicant cites the current need for 41-beds, which it states arises partly from the high utilization rates in the subdistrict and the anticipated substantial population growth in the coming years. HSP states this project is designed to achieve economies of scale, enhancing operational efficiencies and the overall viability of the facility. The project will add 41 beds in 18,656 GSF to the previously approved 111-bed single-story facility, resulting in a new total of 152 beds and an overall facility size of 98,107 GSF.

The original (CON #10752) layout proposed a 55-bed short-term rehabilitative care unit and a 56-bed unit for long-term residents. The 152-bed design includes 56 private and 48 semi-private rooms. The reviewer notes HSP proposes to condition project approval to the facility having "a minimum of 50 private rooms". The facility will feature indoor and outdoor therapy areas tailored for rehabilitation following hospital stays and on-site dialysis services.

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While a specific site for the new facility has not yet been finalized, the Kissimmee — St. Cloud area in the northwest region of Osceola County is recognized as having the highest population growth and demand for skilled nursing services. This burgeoning population is supported by key transportation routes, including the Florida Turnpike and U.S. Highway 192, which connect rural areas to more developed regions within the county, facilitating access to health services. The area is served by five acute care hospitals and ten nursing homes. A target site under consideration is in St. Cloud, strategically positioned near the Florida Turnpike, within Zip Code 34744, which the applicant indicates is well-suited to meet the growing local demand.

Additionally, several assisted living facilities in the vicinity further contribute to the demand for skilled nursing services, highlighting the need for expanded capacity in the region. A map (Figure 1-1 on page 1-3) and a satellite image (Figure 1-2 on page 1-4) provides visual context and details of the Kissimmee — St. Cloud area, illustrating the existing facilities to support the proposed project.

While Osceola County is predominantly characterized by rural farmland and unincorporated land, the northwest region which includes Celebration, Kissimmee, St. Cloud, and Poinciana, is experiencing significant growth driven by urban sprawl from the neighboring Orlando/Orange County and general migration into Florida. The applicant notes the county is projected to have the highest population growth rate of the four District 7 subdistricts over the next five years. Osceola County's total population is expected to increase from 451,509 in January 2024 to 519,197 by January 2029, or by 15.0 percent. The population aged 65 and older is anticipated to grow substantially from 68,674 to 89,057, or by 29.7 percent. The applicant concludes that the projected increase in the senior demographic highlights an urgent need for expanded residential and health care services tailored to meet the specific needs of this aging population. Table 1-1 on page 1-5 of the application provides detailed population estimates and growth trends

Osceola County covers 1,322 square miles—most is unincorporated. Claritas population estimates by ZIP Code are provided to show the areas located south of the more populous regions associated with ZIP Codes “34773 and 34739” have a total population of only 1,480, which makes up 0.3 percent of the county's overall population, while the senior population in these areas consists of 365 individuals, accounting for 0.5 percent of the county's total seniors. The reviewer notes the applicant's narrative states 34773 and 34739, but Table 1-2 (application's page 1-6) indicates these include 33848 (not 34773) and 34739. The applicant's table illustrates the current and projected population growth for 2029, significant population concentration is in the Kissimmee and St. Cloud

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regions. The Kissimmee zip codes current population is 320,404 with 49,096 residents aged 65 and older. In contrast, the St. Cloud population is 108,577 residents and includes 17,930 seniors. By 2029 the Kissimmee area is projected increase by 12,804 aged 65 and older and St. Cloud by 4,937 seniors. Growth rates for the senior population range from 17.5 percent to 36.1 percent, averaging 26.1 percent for Kissimmee and 27.5 percent for St. Cloud.

Figure 1-4 on page 1-8 illustrates the current senior population aged 65 and older for Osceola County—areas with lower population concentrations are depicted in yellow, while progressively higher population concentrations represented in shades ranging from orange to red. The map also depicts hospital locations, nursing homes and assisted living facilities.

HSP notes that the 2024 Osceola County Profile provided by the Health Council of East Central Florida, indicates 56.8 percent of the population identifies as Hispanic, in contrast to 27.1 percent of Florida's overall population. SHCM has policies and procedures to provide effective and person-centered care to assure access and quality services to minority populations. Multilingual staff and facility information printed in Spanish are available at all SHCM facilities and the applicant cites Hunters Creek Nursing and Rehab Center having one third of the staff Hispanic with Spanish being their first language.

The applicant cites August 9, 2024, Subdistrict 7-3 skilled nursing facilities and bed totals, indicating that Osceola County has 12.5 percent of the district's 9,633 beds.

Table 1-3 on page 1-10 details the distribution of community nursing home beds for District 7 and its four subdistricts. Subdistrict 7-3 (Osceola County) has 17 beds per thousand seniors, which is one bed fewer than the district average of 18 beds per thousand. The applicant indicates that with the approval of its project this ratio will decrease to 15.2 beds per thousand compared to the district's 16.3. The applicant notes that Orange County (Subdistrict 7-2) will decrease from 21 beds per thousand 65+ but contends it will stabilize at 18 beds per thousand. Without the additional 41 beds, Osceola County would have 14.7 beds per thousand seniors by 2029. HSP concludes that adding the 41 beds will ensure a sufficient supply of available nursing home beds in accordance with the state's need methodology and assure an adequate future bed supply in Osceola County.

The applicant indicates nursing home utilization in District 7 is strong, with Subdistrict 3 in Osceola County recording the highest average occupancy across all subdistricts for the most recent three years ending

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June 30, 2022—2024. Community bed utilization data is presented in Table 1-4 on page 1-10, which shows Osceola County achieved an occupancy rate of 89.3 percent, which is the highest among all four subdistricts. To gauge pockets of demand, subtotals by city are also provided for the most recent five years (both pre- and post-pandemic). However, demand appears to be strong regardless of location. The average occupancy rate of facilities with Kissimmee addresses was 86.2 percent for the twelve-month period ending June 30, 2024. Four of the six facilities exceeded 90 percent occupancy, with two of those surpassing 94 percent. In Saint Cloud, the average occupancy rate is 93.8 percent for the same period, with three of the four facilities at or above 94 percent occupancy. Patient days and occupancy by facility can be found in Table 1-5 on page 1-12.

In addition to the overall nursing home bed need, the applicant indicates there is growing requirement for dialysis services for patients with chronic kidney disease and end-stage renal disease and plans to provide on-site dialysis services to residents. Having an on-site dialysis center minimizes the stress and risk for patients who would otherwise need to leave the facility for treatment. To support this HSP cites U.S. Centers for Disease Control and Prevention (CDC), chronic kidney disease (CKD) statistics indicate CDK affects 39 percent of people aged 65 years or older, 12 percent of those aged 45-64 years, and six percent of individuals aged 18-44 years. Florida has over 500 ESRD centers, with nine located in Osceola County. The most recent available data from CMS.gov as of October 3, 2024, identifies eight ESRD providers in Osceola County, equipped with a total of 143 dialysis stations. A ninth ESRD center has recently opened in Poinciana, indicating increasing demand south of Kissimmee.

According to the Agency's hospital discharge data for CY 2023, hospitals in Osceola discharged 1,160 renal failure patients (Diagnostic Related Group (DRG) numbers 682, 683, or 684) with 60 percent discharged to home, 15 percent to home health care services and 136 patients (12 percent) discharged to a skilled nursing facility. Renal failure patients were defined as having a primary diagnosis of Diagnostic Related Group (DRG) numbers 682, 683, or 684. This information appears in Table 1-6 on page 1-14. Recognizing this need in the service area, the proposed nursing home will offer the convenience of on-site dialysis services for its patients.

During CY 2023, Florida acute care hospitals discharged 3,204 Osceola County residents (aged 18 and older) from to skilled nursing facilities. Among these discharges, 2,633 patients (82.2 percent) were aged 65 and over, highlighting a significant demand for skilled nursing care among the senior population in the area. The applicant indicates data



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highlights the need for skilled nursing facilities in Osceola County, particularly given the high percentage of patients aged 65 and older and supports the rationale for expanding nursing home capacity and services, including on-site dialysis, to meet the evolving health care needs of the community.

Overall, the applicant's findings suggest that Osceola residents predominantly rely on Orlando Health St. Cloud for rehabilitation services, yet the local nursing homes are operating at full capacity. Therefore, establishing a new nursing home in the area would enhance access for residents in need of care.

As detailed in Table 1-8 on page 1-17, nursing facilities in Osceola County reported a total of 392,318 patient days of care for the twelve-month period ending June 30, 2024. This translates to an average daily census of 1,075 residents and an average occupancy rate of 89.3 percent. The skilled nursing usage rate in Osceola County aligns closely with that of District 7. Over the past year, the number of patient days per 1,000 senior residents was 5,713, which is nearly identical to the district rate of 5,717.

This utilization rate for Osceola will be factored into projections for the subdistrict, specifically for the planning horizon of July 2027, when the new facility is anticipated to open, and for January 2029, the expected midpoint of the facility's second year of operations. Based on the current use rates from Subdistrict 7-3, patient days in Osceola are projected to exceed 95 percent occupancy by July 1, 2027, the opening date of the new facility. Furthermore, by January 2029, projected demand could surpass the current capacity of the system, even if the 152-bed facility comes to fruition.

Table 1-9 on page 1-18 indicates that if the existing nursing home usage rates persist, the average occupancy rate for nursing homes in Subdistrict 7-3 is likely to reach 95.6 percent by the July 1, 2027, planning horizon, notwithstanding the addition of the proposed 152-bed facility. The projections indicate that by January 2029, at the midpoint of the proposed second year of operations and maintaining a consistent usage rate of 95.6 percent occupancy in Subdistrict 7-3's facilities, the ADC for Osceola County could reach 1,394. This figure surpasses the subdistrict's capacity, even with the addition of the planned 152-bed facility, highlighting the critical need for expanded healthcare resources in the region.

HSP's projected utilization for the initial two years of operations is summarized in the table below.

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**Project and Total Facility Utilization  
Years One & Two**

Year Ending	41-bed addition			152-bed total		
	Patient Days	Occupancy	ADC	Patient Days	Occupancy	ADC
6/30/28	7,527	50.2%	21	27,897	50.2%	76
6/30/29	12,749	85.2%	35	47,267	85.2%	129

Source: CON application # 10835, Page 1-19, Table 1-10, See Exhibit 14, Schedule 5

The initial occupancy rate in the first year reflects a ramp-up of admissions due to the required time to obtain Medicare and Medicaid certification. In the second year, the facility attains an annual occupancy rate of 85.5 or 85.2 percent (as shown in the table).

In summary, HSP Mid Florida demonstrates the need for 41 community nursing home beds in Subdistrict 7-3, Osceola County, in response to the rising demand for skilled nursing care. The significant growth rates among seniors aged 65 and older are placing increasing pressure on existing skilled nursing facilities, which are currently experiencing high occupancy rates. By establishing the facility in the Kissimmee-St. Cloud area, the applicant intends to ensure Osceola County residents will continue to have access to skilled nursing care as projected demand is set to outpace supply.

**Osceola SNF LLC (CON application #10836)** does not directly respond to this section. The reviewer provides the applicant’s response located in its Executive and Program Summary sections. Osceola contends the nursing home availability is maximized by developing all the beds for which the state has determined a need and

- Osceola SNF is the only applicant that seeks to fulfill the bed need in both Osceola and Brevard Counties with one facility
- Proposes to locate in the Kissimmee-St. Cloud area, which encompass nearly 75 percent of Osceola County’s age 65+ population
- Offers a smaller, more intimate facility than those currently available, contending that research has shown smaller nursing homes have higher overall star ratings than larger nursing homes

Osceola also contends that bed accessibility is improved by the proposed location in Celebration, Osceola County

- Of the two District 7 counties with a calculated need, Osceola County has the largest calculated need
- The proposed location is near what will be the largest hospital in Osceola County by the time these beds are operational and
- There is wide support for the project from health and service providers that care for area seniors (not documented)

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- 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 with the applicant
  - commitment to Joint Commission Accreditation
  - TLC Management affiliation, a company with an over-35-year track record of operating post-acute care facilities, including four Florida skilled nursing facilities
  - the facility will be operated by the applicant's parent company, in contrast to an outside third party
  - The applicant has experienced management personnel through TLC Management which has facilities with The Joint Commission accreditation, high quality ratings, and receive far fewer citations than its peers during their annual surveys
- Increases utilization
  - In TLC Management's experience, all of these above benefits will result in a facility that is highly utilized
  - The four TLC facilities in Florida have occupancy rates exceeding 88 percent (even while one facility added 35 additional beds earlier in 2024). By proposing programs and services similar to those provided at its current facilities that are in high demand, utilization will increase
  - The new state-of-the-art facility will feature private, ensuite bathrooms. These features are valued by residents for their privacy and the greater sense of control over their environment
  - A facility equipped with a dialysis den and bariatric beds will serve those with special needs

Further, Osceola SNF notes that its proposed project helps to meet one of the priority areas needing to be addressed in District 7 – Senior Services – as identified in the District 7 *Community Health Improvement Plan*.

Osceola County, located in east-central Florida as Subdistrict 7-3, is notable for being home to Walt Disney World and one of the largest cattle operations in the United States, with 75 percent of its land dedicated to ranching and agriculture. Osceola is also the fastest-growing county in Florida, necessitating strategic planning for future growth, exemplified by

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the development of NeoCity, a 500-acre technology district. With over 56 percent of its population identifying as Hispanic—predominantly of Puerto Rican descent—Osceola County is one of Florida's three Hispanic-majority counties. To ensure equitable access to high-quality health care for this demographic and other minority groups, Osceola SNF will partner with LTC Language Solutions for 24/7 interpretation and translation services.

As of July 2024, Osceola County's population is 458,340, with 15.37 percent (70,465 individuals) aged 65 and older. By 2029, the elderly population is expected to grow by \*29.43 percent to approximately 91,205 individuals, outpacing growth in District 7 (19.96 percent) and Florida overall (15.55 percent). The reviewer notes that the 2029 projected number of 65+ persons in Osceola County is 82,601 not 91,205 as stated above by the applicant. The percentage of 65+ is 16.55 percent not 29.43 percent.

Adjacent Brevard County, subdistrict 7-1, has a population of 646,120, with 26.96 percent (174,178 individuals) aged 65 and older. By 2029, Brevard's elderly population is projected to grow by 17.62 percent, totaling around 30,694 individuals, resulting in over \*30 percent (actually 28.87 percent) of its residents being 65 and older, exceeding Florida's 24.36 percent projection. Projected growth in the proposed service area over the next three years relative to the district and state is outlined in Table B-1 on page 6, indicating the expected population when Osceola SNF becomes operational in July 2027.

The applicant indicates that an examination of Osceola County's population distribution by zip code reveals significant geographic variation. The proposed facility is expected to be situated in zip code 34747 (Celebration), which falls within the broader Kissimmee-Saint Cloud region. Notably, the 11 zip codes that make up this area account for nearly 75 percent of the county's population aged 65 and older. The applicant's Table B-2 on page 6 details the population by zip code, with the zip code for the proposed facility emphasized for clarity.

Analyzing the population distribution in adjacent Brevard County reveals a similarly uneven dispersion. The western part of the county, located west of I-95, is predominantly rural and suburban, whereas the eastern half is characterized by significant urban development due to the presence of NASA and the Kennedy Space Center, along with numerous private aerospace companies and multiple Space Force stations/bases. Additionally, this area is home to Port Canaveral, one of the busiest cruise ports in the world, which contributes to heavy tourist traffic. For detailed information, refer to Table B-3 on page 7, which outlines

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Brevard County's population by zip code, and Figure B-1 on page 8, which provides a corresponding map.

Osceola County currently has 10 nursing homes, providing a total of 1,200 community beds. With the recent approval of an 11th nursing home, HSP Mid Florida LLC, for an additional 111 community beds during the 1st Batching Cycle for 2024, the total number of community beds in Osceola County will rise to 1,311. As of the end of June 2024, the county's ratio stands at 17.03 community beds per 1,000 population aged 65 and over, with an occupancy rate of 89.33 percent. This occupancy is higher than both the overall District 7 average of 86.67 percent and the state average of 84.36 percent. However, even with the addition of the 111 beds projected to be operational by 2029, the beds per 1,000 population aged 65+ is anticipated to decline to 14.72 due to the rapid growth of the elderly population outpacing the increase in available beds.

In adjacent Brevard County, there are 21 nursing homes with a total of 2,819 licensed community beds. PruittHealth — Brevard County, LLC has been approved to construct a new 98-bed nursing home, which is not yet operational, and Brevard Operations LLC has received approval for a 90-bed community nursing home in the 2nd Batching Cycle for 2023, with an additional 69 beds approved in the 1st Batching Cycle for 2024. These new approvals increase Brevard County's total community beds to 3,076. As of June 30, 2024, Brevard County has 16.18 community beds per 1,000 population aged 65+, with an occupancy rate of 88.78 percent, which also exceeds both the District 7 average (86.67 percent) and the state average (84.36 percent). If the 257 additional approved community beds are brought into operation by 2029, the beds per 1,000 population aged 65+ will decrease to 15.24, reflecting similar challenges faced by Osceola County in managing the growing elderly population relative to available bed capacity. See the table below.

**District 7 Community Nursing Home Bed Availability**

Area Subdistrict	Pop. Age 65+	2024			Proposed/ Approved Beds	2029	
		Beds	Beds Per 1,000	Pop. Age 65+		Beds	Beds Per 1,000
7-1	174,178	2,819	16.18	257	201,865	3,076	15.24
7-2	214,750	4,372	20.36	261	254,991	4,633	18.17
7-3	70,465	1,200	17.03	111	89,057	1,311	14.72
7-4	85,940	1,242	14.15	171	97,567	1,413	14.48
District 7	545,333	9,633	17.66	800	643,480	10,433	16.21
Florida	5,143,769	82,438	16.03	3,373	5,865,659	85,811	14.63

Source: CON application #10836, Table B-4, Page 9, from Florida Nursing Home Bed Need Projections by District and Subdistrict, AHCA, July 2023-June 2024.

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The reviewer notes that the applicant did not cite the source for the population data in this table. The population data labeled 2024 is from July 2024 and the data labeled 2029 is from January 2029 of the *Florida Population Estimates and Projections by AHCA District 2020 to 2030*, published January 2024. The table while table proposed/approved beds does not include the applicant's 78 beds for Osceola County (7-3). Including these would increase Osceola County's beds per thousand population age 65 and over to 15.6 per thousand. Adding the FNP's 41 beds to Osceola results in the subdistrict having 15.25 and adding 37 to Brevard has Subdistrict 7-1 at 15.42 per thousand population aged 65 and over.

The applicant also discusses Osceola County nursing home utilization, documenting the strong demand for nursing home services in the area. Osceola SNF provides Table B-6 on page 12 showing the percent utilization during 2019-2024 (periods ending June 30). The applicant notes Osceola County has five acute care hospitals, and one inpatient rehabilitation hospital, Encompass Health Rehabilitation Hospital of Kissimmee. The proposed facility will be located near AdventHealth Celebration, which has plans to construct a new five-story (80-bed) patient tower expected to open in 2027.

In the year ending June 30, 2024, Osceola hospitals discharged 5,735 residents aged 65 and older to Medicare-certified skilled nursing facilities (SNFs), representing nearly 13 percent of all hospital discharges for elderly residents in the county. This figure translates to a rate of 81.39 discharges per 1,000 elderly residents, which is higher than the state average of 79.50 discharges per 1,000. In contrast, adjacent Brevard County reported 13,249 elderly resident discharges to Medicare-certified SNFs, accounting for approximately 19 percent of all hospital discharges for this age group.

According to the data presented in Table B-7 on page 13, there has been an observable trend of increasing discharges from hospitals in both Osceola and Brevard Counties in recent years. Although the applicant could not confirm this trend specifically for discharges to skilled nursing facilities due to a temporary unavailability of data from the Hospital Inpatient Query, Osceola contends it is reasonable to infer that discharges of elderly patients to SNFs would likely align with the overall increase in hospital discharges, which suggests continuing demand for skilled nursing services in the region and need for expanded facilities.

Osceola's Tables B-8 and B-9 on CON application #10836, pages 13 and 14 show the top Medicare Severity Diagnosis Related Groups (MS DRGs) that Osceola and Brevard County hospitals discharged to SNFs during the 12 months ending June 30, 2024. Osceola's top three conditions

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included septicemia/severe sepsis, heart failure, and respiratory conditions (approximately 26 percent (901 of 1,796) of all discharges to SNFs). Brevard County hospitals top three discharges to SNFs included septicemia/severe sepsis, hip and femur procedures and major hip/knee joint replacement (1882/10,200 or 18.45 percent). While the applicant’s narrative cites septicemia/severe sepsis, heart failure, and respiratory conditions indicating these were approximately 26 of the total discharges to SNFs.

The applicant concludes that nursing homes in Osceola and Brevard counties are experiencing high and increasing utilization by area residents. With the populations in these areas projected to grow over the next five years, this growth is likely to result in a decrease in bed availability for these populations, emphasizing the need for skilled nursing services.

Osceola SNF forecasts its utilization utilizing July 2027 as the new facility's first month of operation. The forecast accounts for a ramp-up in patients over the first 24 months, which will be slower at first while the facility obtains Medicare and Medicaid certification, aiming for 92 percent occupancy by the end of the second projected operating year, consistent with other current area nursing homes. The excerpted table below shows the first two projected operating years.

**Projected Utilization First Two Projected Operating Years**

	<b>Patient Days</b>	<b>Occupancy</b>	<b>ADC</b>
<b>Year One (FY 28)</b>	18,734	65.2%	51.3
<b>Year Two (FY 29)</b>	26,645	93.59%	73.0

Source: CON application #10836, Page 16, Table B-12

In summary, Osceola SNF's contends proposed 78-bed community nursing home aligns with the published requirements for 41 community nursing home beds in Subdistrict 7-3 (Osceola County) and 37 community nursing home beds in geographically adjacent Subdistrict 7-1 (Brevard County). The project aims to meet the increasing demand for skilled nursing care in the area, driven by strong growth rates in the 65+ population cohort, which will necessitate additional local health care services. Osceola contends the high occupancy rates in existing nursing homes will undoubtedly increase the pressure for more health care services. By situating the proposed facility in the Celebration area within Osceola County's population center, residents of the area will have continued access to skilled nursing care, particularly considering the significant population growth that is expected in the near future.

However, the project location in the “middle of Osceola County” does not appear conducive to address the need for Brevard County which has a much greater population aged 65 and over. The beds per thousand would be better balanced with the approval of beds in each service area.

**2. Agency Rule Criteria and Preferences**

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

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

**Rule 59C-1.036(3)(e) F.A.C. Geographically Contiguous Subdistricts within a District. If nursing home need is determined by the bed need formula contained in this rule in contiguous subdistricts within a District, the applicant may aggregate the subdistrict's need for a new community nursing home pursuant to Section 408.034(6), Florida Statutes. If need is aggregated from two subdistricts, the proposed nursing home site must be located in the Subdistrict with the greatest published need as determined by the bed need formula contained in this rule.**

**HSP Mid Florida LLC (CON application #10835)** notes the travel distance between two notable hospitals – HCA Florida Osceola Hospital in Kissimmee and Holmes Regional Medical in Melbourne is 54.5 miles or one hour and 17 minutes, which far exceeds the usual 20 to 30 drive most families expect when visiting family in nursing homes. HSP concludes that the travel time between Kissimmee in Osceola County and Brevard’s Melbourne area would prevent Brevard County residents from utilizing Osceola County SNFs, Osceola SNFs project would overbed Osceola County and could negatively impact existing providers and HSP Mid Florida’s new CON approved 111-bed facility.

**Osceola SNF LLC (CON application #10836)** is proposing a project that seeks to address the demand from both subdistricts by developing a community nursing home with a total of 78 beds. The facility is planned to be in the city of Celebration, Subdistrict 7-3 (Osceola County), which has been identified as having the highest demand for nursing home beds, specifically 41, compared to the 37-bed FNP in Subdistrict 7-1.



- 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.**

**HSP Mid Florida LLC (CON application #10835)** states that SHCM is set to manage the proposed facility, offering a comprehensive range of programs aimed at exceeding the expectations of patients recovering from surgery, serious illnesses, or making long-term care decisions. The primary mission is to enhance physical well-being, foster independence, and support healing while upholding the personal dignity of each patient. SHCM specializes in delivering a wide array of nursing and restorative care to address short-term rehabilitation needs, complex medical conditions, and long-term care requirements.

SHCM offers a diverse range of services tailored to meet individual patient needs, including:

- Advanced Sub-Acute Care
- Rehabilitation Services
- Short-Term Rehabilitation Services
- Advanced Sub-Acute Care Services
- Dietary Services
- End of Life Care
- Enhanced Cultural Outcomes
- Enteral and Infusion Therapy Services
- Outpatient Rehabilitation Services
- Pulmonary Acute Cardiac Episode Recovery (PACER) Program
- Respiratory Therapy Services
- Respite Care
- Social Services
- Wound Care Services

The application's Exhibit 4 contained information about these programs and services.

The applicant's Schedule 6A staffing show year one with 100.3 and year two is 153.6 FTEs. The facility will accommodate both short- and long-term patients, accepting a range of payers, including Medicare, Medicaid, and private insurance. The applicant's project and 152-bed utilization was again provided (see item E.1.a. of this report).

Admissions and patient days for the proposed facility indicate an average length of stay of 32 days, reflecting a blend of both short-term and

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long-term residents. The facility is anticipated to reach an occupancy level of 85.2 percent in the second year, which aligns with trends observed in other nursing home start-ups throughout the state and the subdistrict’s 89.3 percent during the 12 months ending June 30, 2024.

Staffing details provided on Schedule 6 demonstrate that the facility meets or exceeds the minimum staffing standards required for various resident needs. The applicant addressed staffing patterns and utilization in the financial schedules.

To determine the level of need for specific services that nursing home residents require, the applicant examined hospital discharges to nursing homes for adult residents of Osceola County, the majority of whom are age 65 and over. All Major Diagnostic Categories (MDCs) were analyzed to identify the types of conditions and disorders associated with nursing admissions. The following table outlines the number of cases and prevalence by MDC for Osceola County adult residents discharged from acute care hospitals to skilled nursing facilities during CY 2023.

**Hospital Discharges to Skilled Nursing Facilities by MDC  
For Osceola County Adult Residents, CY 2023**

<b>Major Diagnostic Category</b>	<b>Cases</b>	<b>Percent</b>
08 Diseases & Disorders of the Musculoskeletal System	572	17.9%
18 Infectious & Parasitic Diseases, Systemic or Unspecified Sites	543	16.9%
05 Diseases & Disorders of the Circulatory System	454	15.2%
01 Diseases & Disorders of the Nervous System	386	12.0%
11 Diseases & Disorders of the Kidney & Urinary Tract	358	11.2%
04 Diseases & Disorders of the Respiratory System	231	7.2%
06 Diseases & Disorders of the Digestive System	192	6.0%
10 Endocrine, Nutritional & Metabolic Diseases & Disorders	154	4.8%
9 Diseases & Disorders of the Skin, Subcutaneous Tissue & Breast	54	1.7%
19 Mental Diseases & Disorders	41	1.3%
All Others	219	6.8%
Grand Total	3,204	100.0%

Source: CON application # 10835, Table 2-2, Page 2-13, AHCA Hospital Patient Discharge Data CY 2023 (Acute care hospitals discharging Osceola (age 18+) residents.)

The data presented highlights the most common types of conditions anticipated for the new facility, which in turn informs us of the appropriate types of services to be offered. The applicant and its management team have implemented various specialized programs and continue to innovate to best meet the diverse needs of residents. During the admission process, each individual undergoes a comprehensive assessment that culminates in a personalized plan of care, with specific goals and prescribed services aimed at restoration, normalization, and the enhancement of functional capabilities.

The top 10 MDCs account for 93.2 percent of discharges to nursing homes, with just four categories comprising the majority of cases at 61.0

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percent. MDC 8, which covers Diseases and Disorders of the Musculoskeletal System and Connective Tissue, ranks at the top of the list and includes conditions such as fractures and major joint replacements. In the wake of the COVID-19 pandemic, MDC 18, which includes Infectious and Parasitic Diseases, has moved up to rank second. Following that, MDC 5, which focuses on Diseases and Disorders of the Circulatory System, ranks third; heart disease remains the leading cause of death in Osceola County. The fourth most prevalent set of conditions falls under MDC 1, which includes Diseases and Disorders of the Nervous System, such as Alzheimer's disease, related dementias, Parkinson's disease, and neuropathies.

Other notable MDCs include kidney and urinary tract diseases, respiratory system disorders, and digestive system disorders. The top 10 MDCs are rounded out by categories related to endocrine and metabolic diseases, skin/tissue/breast diseases, and mental diseases and disorders. These broad categories share commonalities in terms of restorative and normalizing activities that aim to enhance residents' functional capabilities. The proposed services are reflective of the various conditions captured in these top discharge categories, ensuring that the facility is well-equipped to address the needs of its diverse resident population.

During the pre-admission clinical screening process, information is collected to assess the appropriate level of care for each resident, followed by a financial screening to determine payment classification. Upon admission, residents receive an admission packet that outlines the agreement between the facility and the resident or their representative.

The packet includes critical documents such as an overview of facility services, details about the admission process, transfer and discharge procedures, and the bed hold policy. It provides information on privacy practices, guidance on utilizing Medicare, Medicaid, and insurance benefits, and outlines policies governing resident conduct and behavior.

Residents are informed about the protection of personal funds, measures to minimize theft, and social media guidelines, along with a grievance policy for addressing concerns. Additional materials cover advance directives, key contact information, and the resident admission and financial agreement. Vaccine information statements are included to promote health, along with a summary of residents' rights and an arbitration provision for dispute resolution.

This admission packet helps ensure that residents and their families understand their rights and responsibilities while fostering a transparent environment between residents, families, and staff.

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Upon admission to a SHCM facility, patients and their families are welcomed by a staff member and escorted to their assigned room. Key department heads will visit the patients' room to introduce themselves within the first 48 hours.

Social workers and case managers act as liaisons between the patient, facility staff, physicians, and hospitals, ensuring a smooth transition from the hospital and preparing for discharge when the patient is ready. Adopting an interdisciplinary approach, discharge planning and patient education begin prior to admission to facilitate a thorough and effective discharge plan. This education may include topics such as durable medical equipment, nutrition, follow-up appointments, outpatient therapy, home exercises, transportation, home health care, wound care dressings, and medication prescriptions.

The applicant acknowledges awareness of Florida's Long-Term Care Ombudsman Program and resident rights. Upon admission, residents receive information outlining their rights at the facility. Staff undergo training on Nursing Home Federal Requirements for Resident Rights to ensure they provide residents with dignity, courtesy, and quality care expected by residents, families, and the community. A copy of the Resident Rights information, including complaint contacts, is included as Exhibit 12 in the Additional Information Section at the end of the application.

Each SHCM facility establishes and implements a baseline care plan for every resident, designed to facilitate effective and person-centered care that meets professional quality standards. This baseline care plan is developed within 48 hours of a resident's admission and includes measurable objectives and timetables that address the medical, nursing, mental, and psychosocial needs identified. The interdisciplinary team collaborates with the resident and their family, surrogate, or representative during the care plan conference to create the plan of care. This plan is finalized within seven days of completing the minimum data set (MDS) assessment and is updated quarterly, annually, or whenever there is a significant change in the resident's status or condition. These conferences are crucial for identifying resident needs and establishing achievable, measurable goals.

SHCM's preferred Resident Assessment Instrument (RAI) is Point Click Care, which equips caregiving staff with ongoing assessment data essential for developing and modifying resident care plans according to individual statuses. Care Area Assessment (CAA) reviews guide the interdisciplinary team in making informed decisions regarding interventions outlined in the care plan. A social service assessment is

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conducted for each resident to identify factors impacting their psychosocial well-being and functioning. Behavioral health care services are implemented to help residents achieve or maintain the highest practicable level of physical, mental, and psychosocial well-being in alignment with the comprehensive assessment and care plan.

The facility will prioritize providing culturally competent, trauma-informed care for residents who are trauma survivors, ensuring that their experiences and preferences are recognized and integrated into care practices. This approach aims to minimize or eliminate triggers that could lead to re-traumatization, thereby fostering a supportive environment that meets both professional care standards and the unique needs of trauma survivors.

Leading up to the discharge of a patient, the social worker and case manager at SHCM coordinate meetings with the patient's support team to reinforce post-acute education, ensuring a safe transition to a suitable discharge location. These meetings cover critical topics, including medication self-administration, physician-imposed activity limitations at home, safety inspections during home visits, and coordination of follow-up appointments after the subacute stay, including potential returns to the facility for outpatient therapy services. The educational meetings typically involve the director of nursing, nursing unit manager, medical director, case manager, social worker, dietary manager, primary care physician, physical therapist, occupational therapist, speech therapist, home health care personnel, and patient family support.

SHCM conducts post-discharge follow-up calls, referred to as "Sunshine Calls," with all discharged patients or their family members. These calls are intended to monitor how individuals are adjusting to their home life after leaving the facility. Follow-up by mail is sent thirty days post-discharge to further ensure the well-being of the patient. Patients and their families are encouraged to reach out to the facility's clinical or therapy teams at any time after discharge should they have questions regarding their home care or ongoing wellness programs.

The applicant's Exhibit 6 has details on care planning, admission, and discharge policies and procedures currently implemented at SHCM affiliate facilities.

HSP Mid Florida responses to Rule 59C-1.030 Florida Administrative Code, Health Care Access Criteria on the application's pages 3-8 through 3-13.

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**Osceola SNF LLC (CON application #10836)** will be a comprehensive skilled nursing facility with 78 private beds, offering skilled nursing, restorative care, and rehabilitation services for both short- and long-term residents. Key features include:

- All private suites with bathrooms and walk-in showers
- Flat-screen TVs, bedside telephones, and in-room safes
- Wireless internet and in-room temperature controls
- Custom furnishings, pressure-reducing mattresses, and microfiber linens
- Complimentary coffee, tea, and beverages

Amenities will encompass:

- Restaurant-style dining
- Spa/salon, movie theater, art studio/gallery
- Wellness center and life enrichment area
- State-of-the-art therapy gym with virtual reality workouts
- Medical transportation assistance and accessible van
- 24-hour visitation and RN coverage
- Activities available seven days a week

Dedicated staff will customize service plans to meet each resident's unique needs, focusing on restoring independence and achieving their highest potential. Osceola SNF will provide 24/7 skilled nursing services by licensed professionals for both short- and long-term stays. The facility will implement specialized rehabilitative and restorative care programs, adhering to TLC Management's standards to reduce rehospitalization and improve patient outcomes.

Services include physical, occupational, and speech therapies, restorative therapy, on-site complex wound care and neurological rehabilitation and counseling. Individualized recovery programs include but are not limited to post-cardiac, orthopedic, congestive heart failure, post-stroke, cardiopulmonary, diabetes, dietitian consultations, IV therapy, tracheostomy care and outpatient therapy services. The applicant states these services will ensure comprehensive, personalized care for residents. Utilizing advanced equipment for older adults, these programs include such items as:

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

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Conditions treated include cardiovascular and neuromuscular disorders, stroke, respiratory issues, wound care, post-surgical recovery, osteoarthritis, pain management, and fractures. Osceola SNF offers tailored therapy services through a partnership with Creative Health Solutions (CHS), which provides physical, speech, and occupational therapists as per each resident's needs. CHS serves all 21 TLC Management skilled nursing facilities, including four in Florida. Respiratory therapists will be available for residents likely requiring this care. Osceola SNF's professional medical team includes:

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

Contracted medical services available by appointment include: pharmacy, physicians, psychiatry, podiatry, dental, counseling, lab, optical, and X-Ray. Non-medical services include specialized activities, psychological services, social services, family support, and assistance with daily living activities. Hospice and Palliative Care will be available as needed, including medical, social, spiritual, psychological, and emotional support. Osceola SNF commits to meeting residents' therapy needs with state-of-the-art equipment and modern amenities to facilitate recovery.

Schedule 6 staffing shows 74.2 FTE's in year one ending June 30, 2028 and 90.9 FTEs in year two ending June 30, 2029.

To assess the service needs of Osceola and Brevard nursing home residents at the new Osceola SNF, an analysis was conducted on hospital discharges of residents aged 65 and older. This examination provides insights into the primary diagnoses of patients transitioning from hospitals to skilled nursing facilities, which informs clinical programming. These indicate that Osceola residents aged 65 and older had a discharge rate of 81.39 per 1,000, surpassing the state average, which stands at 79.50 per 1,000, while Brevard residents had a lower discharge rate of 76.07 per 1,000.

The most common diagnoses for discharges from hospitals to skilled nursing facilities included diseases of the circulatory system, digestive system, and respiratory system, along with infectious/parasitic diseases and injuries or poisoning. Collectively, these five diagnosis groups accounted for 64.45 percent of all discharges in Osceola and 66.37 percent in Brevard for the year ending June 30, 2024.

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**Osceola County Hospital Patients (Age 65+) Discharged to SNF's  
by Principal Diagnosis**

<b>Principal Diagnosis Group</b>	<b># of Discharges</b>	<b>% of Total Discharges</b>
Diseases of the Circulatory System	10,460	23.98%
Infectious & Parasitic Diseases	4,945	11.34%
Diseases of the Digestive System	4,793	10.99%
Injury and Poisoning	4,307	9.88%
All Others	19,106	43.81%
<b>Total</b>	<b>43,611</b>	<b>100.00%</b>

Source: CON application #10836, Table B-13, Pages 21 & 22, AHCA Hospital Patient Discharge Data, July 2023-June 2024 (Includes acute, comprehensive medical rehabilitation, and long-term care hospitals)

**Brevard County Hospital Patients (Age 65+) Discharged to SNF's  
by Principal Diagnosis**

<b>Principal Diagnosis Group</b>	<b># of Discharges</b>	<b>% of Total Discharges</b>
Diseases of the Circulatory System	16,778	24.38%
Injury and Poisoning	8,113	11.79%
Diseases of the Respiratory System	7,327	10.65%
Diseases of the Digestive System	7,272	10.57%
All Others	29,329	42.61%
<b>Total</b>	<b>68,819</b>	<b>100.00%</b>

Source: CON application #10836, Page 22, Table B-14, AHCA Hospital Patient Discharge Data, July 2023-June 2024 (Includes acute, comprehensive medical rehabilitation, and long-term care hospitals)

The three top principal diagnosis groups identified—diseases of the circulatory system, diseases of the digestive system, and injury and poisoning—account for a total of 51,723 discharges, representing 46 percent of the 112,430 total discharges to nursing homes in 2024.

Diseases of the circulatory system are the most frequently discharged diagnosis group. Residents with these conditions benefit significantly from therapies aimed at improving cardiac and circulatory functions, such as physical and occupational therapy. For instance, cardiac rehabilitation is particularly appropriate for residents experiencing heart failure, heart attacks, or those who have undergone coronary bypass surgery. This rehabilitation typically includes stamina-enhancing activities, cardio-pulmonary exercises such as walking, weight-bearing exercises, flexibility training, and some strength training. Additionally, occupational therapies focus on enhancing fine motor skills and involve tasks that require standing and the use of arms.

The second most frequently discharged diagnosis group is diseases of the digestive system, which encompasses a range of health issues affecting the digestive tract, including conditions like heartburn, cancer, irritable bowel syndrome (IBS), and liver failure, among others. Patients in this category often face additional health complications and typically require specialized dietary considerations to manage their conditions effectively.



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Injury and poisoning, the third most frequently discharged principal diagnosis group, includes patients who generally require orthopedic rehabilitation. These individuals may have suffered fractures, sprains, or other injuries that necessitate targeted therapeutic interventions to support their recovery and rehabilitation.

Osceola SNF also examined the most frequently occurring Diagnosis-Related Groups (DRGs) within Osceola and Brevard counties to identify additional conditions that may warrant admission to the nursing facility. Tables B-15 and B-16 on pages 23-24 list the 10 most frequently occurring DRGs for Osceola and Brevard residents aged 65 and older, discharged to SNFs. When analyzed by DRG rather than by primary diagnosis group, DRG 871—Septicemia or Severe Sepsis without mechanical ventilator with Major Conditions/Comorbidities—emerges as the most frequent DRG for residents aged 65 and older in both Osceola and Brevard Counties. Individuals with this diagnosis, when discharged to a nursing home, will require intravenous (IV) antibiotics and comprehensive care management for other coexisting conditions. With its focus on medically complex residents, Osceola SNF is well-equipped to provide care for individuals with this diagnosis while effectively managing other health issues such as diabetes or heart disease.

The second most frequent diagnosis group for Osceola and Brevard residents aged 65 and older includes Kidney and Urinary Tract Infections (DRGs 689 and 690). Patients with these diagnoses may or may not have additional conditions or comorbidities that complicate the service mix. Similarly, renal failure DRGs rank among the top 10 for both counties. Osceola SNF plans to implement a comprehensive dialysis program, featuring an onsite dialysis den to assure residents that they will receive appropriate care during their treatment. This program offers around-the-clock assessments, progress notes, and meals with each visit to the dialysis center. DRG 481—Hip and Femur Procedures except Major Joint with Conditions/Comorbidities—ranks as the third most frequent DRG for Osceola and Brevard residents aged 65 and older discharged to nursing homes. This aligns with the third most frequent primary diagnosis group discharged to SNFs, which is injury and poisoning.

As mentioned earlier, Osceola SNF plans to offer an orthopedic rehabilitation program focused on rehabilitating patients with musculoskeletal conditions. The facility will provide a full range of physical and occupational modalities to ensure optimal recovery. Furthermore, it will collaborate with local hospitals to implement a clinical pathway that ensures a smooth transition from hospital to SNF, with a strong emphasis on residents' pain management. In communities

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where TLC Management has initiated similar clinical pathways with hospital staff, they have seen reductions in length of stay and cost savings realized by the hospitals.

Based on the analysis of these diagnoses, Osceola SNF plans to offer three targeted programs: one focused on orthopedic rehabilitation, another on dialysis, and a third on services for medically complex cases. The medically complex program will emphasize symptom management and pain control, including education and training for residents. Many of the frequently occurring DRGs identified also present with "major conditions and comorbidities" or "conditions and comorbidities," indicating a more complex care management approach that extends beyond the primary DRG. These patients often require extensive drug administration, including antibiotics and IV medications. Osceola SNF will provide IV drug administration alongside dietary management, speech therapy, catheter care, incontinence services, bowel and bladder training, pain management, infection prevention training, and various other supportive services that may be either temporary or permanent.

For the respiratory program, Osceola SNF will collaborate with local hospitals to reduce length of stay while ensuring an efficient transfer of individuals to skilled nursing care. TLC Management will employ a respiratory therapist or nurse clinical liaison to assist patients in managing their symptoms while still in the hospital prior to their transfer to the nursing facility. Additional planned programs for Osceola SNF will include those focused on glucose monitoring and wound care. Both programs are already operational in TLC Management facilities.

For glucose monitoring, TLC will utilize the iPro@2 Continuous Glucose Monitoring program. This program continuously tracks residents' glucose levels 24 hours a day, providing vital information for enhancing diabetes care and treatment. The monitoring system is user-friendly and offers insights beyond traditional fingerstick tests and A1C levels, including the documentation of glucose highs and lows, A1C level reduction, and decreased risks for eye, kidney, nerve, and heart diseases. For wound care, Osceola SNF will leverage the wound and skin app within the PointClickCare EHR system to capture images and measure wounds, ensuring consistency across all TLC facilities. TLC's KCI V.A.C.@ Therapy program is specifically designed to accurately deliver prescribed negative pressure and minimize tubing blockages for optimal wound healing. Through its partnership with KCI, TLC has been able to enhance outcomes and patient satisfaction while simultaneously lowering the cost of care across all facilities utilizing this system.

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Average length of stay is set forth in Schedule 7: Projected Revenues, in which resident days and admissions by payer appear, and is excerpted in the table below.

<b>Projected Utilization</b>		
	<b>Year One</b>	<b>Year Two</b>
<b>Admissions</b>	625	887
<b>Patient Days</b>	18,734	26,645
<b>ALOS</b>	30.0	30.0
<b>ADC</b>	51.3	73

Source: CON application #10836, Page 25

Admission to Osceola SNF will be designed to ensure that residents and their families feel assured of the facility's capability to meet medical and nursing needs effectively. TLC Management will provide necessary policies and patient assessment tools to support high-quality care. Following admission, a comprehensive assessment will create a tailored plan aimed at facilitating the residents' discharge. This process relies on an interdisciplinary team—including the attending physician, Director of Nursing, nursing assistants, dietary manager, social services manager, activities director, and therapists—who collaborate with the resident and their family to establish treatment objectives.

Upon admission, key information is gathered by an admitting licensed nurse, which includes the medical diagnosis, skin condition, activity and mobility levels, cognitive status, dietary orders, weight, activities of daily living (ADLs), and physical impairments. These details help in developing a care plan that addresses areas such as functional status, rehabilitation, health maintenance, discharge potential, medications, and daily care needs.

Family involvement is encouraged, with schedules for care planning meetings shared and input valued. The Transition-to-Home Program featured at TLC Management facilities provides support throughout the resident's stay and ensures they receive education and resources for a successful return home, focusing on home safety, medication management, nutritional health, activities of daily living, and home health services. Discharge planning begins at admission, identifying the resident's medical and social service needs. This may include arranging adaptive equipment, coordinating external services, scheduling follow-up physician appointments, and organizing discharge meetings with family members. Eligibility for home health services includes residency in the service area, being homebound when necessary, and having an available caregiver, among other criteria.

At discharge, the director of nursing and social services director will review aftercare plans with the resident and family, providing a written discharge summary detailing prior treatments and future care recommendations. This ensures continuity of care, with records made available to subsequent providers. Discharge occurs only upon the attending physician's orders, emphasizing a thorough and patient-centered approach throughout the care process.

**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.**

Neither applicant has a nursing facility license that was 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.**

Neither applicant has had a nursing facility placed into receivership.

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

No conditions are identified in subparagraphs 1. and 2. Thus, this item does not apply.

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

No conditions are identified in subparagraph 3. Thus, this item does not apply.

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

No conditions are identified above. Thus, this item does not apply.

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

Both applicants state that they will provide the required data to the Health Council of East Central Florida, Inc. that serves Health Planning District 7 and to the Agency for Health Care Administration. These data include the above-cited utilization reports as well as required licensure and financial requirements attendant to operating a licensed nursing facility.

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

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

**HSP Mid Florida LLC (CON application #10835)** states that "Availability" is defined as the extent to which a resource is present. The applicant cites the 41-bed FNP published on October 4, 2024, and notes it has CON #10752, to construct a new 111-bed community nursing home in Subdistrict 7-3, Osceola County. The applicant cites the subdistrict's inventory and utilization indicating the identified need will be addressed by its project. The applicant's Table 1-3 on page 1-10, shows Subdistrict 7-3 has 17 beds per thousand residents aged 65 and older, which is comparable to the District 7 availability of 18 beds per thousand. However, considering the expected growth over the next five years, it is projected that by January 2029, the midpoint of the second year of the project, the number of beds per thousand for Osceola County will decrease to 15.2, even with the proposed 152-bed nursing home being licensed.

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If the additional 41 beds are not included and only a 111-bed facility is constructed, Osceola County would have only 14.7 beds per thousand residents by 2029. The applicant contends that the ability to incorporate the 41-bed FNP in a new facility under development positively impacts the SNF availability and represents the best use of the available resources, enhancing the overall capacity to meet the needs of the community. The applicant's affiliation with SHCM is again addressed.

SHCM management is stated to be dedicated to enhancing quality-of-care standards, investing in technology, and utilizing protocols that engage staff in quality improvement initiatives. These efforts focus on building strong relationships between staff and residents. Core programs like Guardian Angel, which utilizes telehealth services from Sound Physicians, as well as the establishment of a resident council, are just a few examples of how Southern HealthCare Management supports resident-centered care and high-quality services.

The proposed facility is designed with rehabilitation in mind to promote recovery and reintegration into the community, while also providing long-term care. By constructing a new facility that adheres to current codes and standards and emphasizes resident-centric care, it will feature several private rooms with ample space, privacy, handicapped-accessible showers, and pleasing vistas to contribute to improved quality of care.

"Access" refers to how potential users can obtain a service or gain entry to a facility offering that service. Important components of access include geographic impediments, distance, travel time, eligibility criteria for service qualification, and considerations such as financial costs and reimbursement methods from third parties. HSP's Needs Analysis shows the vast majority of Osceola County's population (99.5 percent) resides in the northwest region, specifically in the Kissimmee-St. Cloud area. This population concentration covers approximately a 15-mile radius, as illustrated in the application's Figure 1-3 on page 1-7. Residents outside of the Kissimmee or St. Cloud zip codes represent only about one-half of one percent of the total population, as detailed in Table 1-2 on page 1-6. Figure 1-3 on page 1-7 shows the locations of existing hospitals and nursing homes, population distribution, and major roadways, effectively demonstrating access routes.

HSP states it is actively seeking a suitable site in northwest Osceola that would enhance access for residents while complementing the healthcare services currently available. Figure 3-1 on the application's page 3-4 illustrates a 30-minute drive-time zone focused on a key location within the 34744 zip code, situated between Kissimmee and St. Cloud. The applicant contends this strategic location provides easy access for a significant portion of the population, making it an ideal choice for the

proposed facility. One crucial aspect of geographic access is the proximity to acute care hospitals and the applicant notes that 3,204 Osceola residents were discharged from local acute care hospitals to nursing homes in CY 2023.

As previously discussed, the hospitals and the populations they serve within Osceola County are located within an approximate 15-mile radius of each other. The potential site for the new facility is strategically positioned within proximity to multiple hospitals that cater to the community's healthcare needs. This location not only enhances access for residents requiring transitional care but also ensures a seamless connection to acute care services, facilitating quicker response times and improved outcomes for patients transitioning from hospital to rehabilitation or long-term care facilities.

As previously stated, SHCM facilities offer a comprehensive range of skilled programs and services tailored to meet varied healthcare needs. These facilities provide 24/7 care from licensed nurses, ensuring that residents receive constant, professional medical attention. Services include wound care, medication management, and an array of rehabilitation therapies, such as physical, occupational, and speech therapy. SHCM facilities also cater to individuals requiring long-term care, offering essential support for chronic health conditions.

Beyond the standard services, these facilities also implement specialized programs aimed at addressing specific patient needs, including on-site dialysis care for individuals with renal conditions. This holistic approach to care allows SHCM facilities to effectively support the health and well-being of residents, ensuring they receive the continuity of care necessary for optimal recovery and quality of life.

Another critical aspect of access to care pertains to the presence of economic barriers that may hinder individuals from obtaining necessary services. The proposed facility will actively participate in both Medicare and Medicaid programs, while also seeking contracts with managed care providers and commercial insurance companies. This diverse array of payment options is designed to increase access to care, allowing the facility to welcome a broader pool of residents.

To further mitigate financial barriers that could impede access to nursing home care, the applicant intends to work closely with hospital discharge planners and other stakeholders involved in direct admissions. SHCM facilities collaborate with acute care hospital partners, such as the Orlando Health System and WakeMed, to facilitate the placement of patients who may not have a known payer source or who present

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specialized post-acute care placement challenges. Typically, these hard-to-place patients experience higher acuity levels or incur increased costs associated with their diagnosis or required treatment.

Due to these placement issues, hospital case management teams often struggle to formulate acceptable discharge plans to skilled nursing facilities, resulting in patients remaining in more inappropriate acute care settings until they are deemed ready for discharge.

To address this challenge, SHCM has established a discharge support program that fosters a cooperative partnership with referring hospital partners. This initiative aims to effectively transition hard-to-place patients to the most appropriate settings within the healthcare continuum. SHCM facility teams work in collaboration with referring case managers to negotiate care and service costs for each referred patient. Once the estimated per diem for a patient facing discharge barriers is agreed upon by both the hospital and the Southern HealthCare Management facility, a contract is signed, and the patient is transferred for treatment.

Throughout the patient's inpatient stay, the facility administrator will continue to work alongside the hospital case manager and facility teams to adjust the per diem as necessary. This adjustment ensures that the per diem accurately reflects the services and treatments that the patient is receiving. Through this collaborative process, the per diem can be increased if additional services are introduced or decreased if services are withdrawn over the course of the patient's treatment plan. This flexible approach not only enhances patient care but also streamlines the transition from hospital to skilled nursing facility, ultimately increasing access to crucial healthcare services.

The applicant restates utilization statistics and concludes its project is a strategic move to address the existing placement challenges when current facilities reach full capacity. The additional 41 beds are anticipated to enhance overall utilization in the area and will not only alleviate pressure on existing facilities but also ensure that the growing demand is effectively met.

**Osceola SNF LLC (CON application #10836)** notes its application responds to the FNPs published October 4, 2024, for 41 community beds in Subdistrict 7-3 and for 37 beds in Subdistrict 7-1 (Brevard County). Osceola SNF cites the history and principles of its parent company, TLC Management. With over 35 years of experience in the healthcare industry, TLC Management has established itself as a leader in providing



high-quality care for its residents. The company's mission is centered around restoring residents to their highest potential through kind and compassionate medical care.

- 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.**

**HSP Mid Florida LLC (CON application #10835)** through its management partner SHCM, a group that includes 42 separately organized limited liability companies, each operating an SNF, has a diverse presence with 30 facilities in Florida, two in Georgia, and 10 in North Carolina. A list of SHCM facilities is included as Exhibit 2.

The applicant states SHCM facilities have consistently performed well on licensing and certification surveys, with many achieving four and five-star ratings. For instance, Hunters Creek Nursing and Rehab Center and Metro West Nursing and Rehab Center in adjacent Orange County have excelled in this regard. A listing of the most recent ratings for all the Group's nursing homes is included in Exhibit 9.

Some notable achievements of SHCM's facilities include:

- All 30 Florida SNFs are Joint Commission Accredited.
- eight Florida SNFs qualify for the Governor's Gold Seal by meeting the state and/or regional score, based on inspections from January 1, 2021, to June 30, 2023.
- John Mangine, COO, was awarded the Walter M. Johnson, Jr. Circle of Excellence Award in 2023. This prestigious award recognizes leadership in the Association and dedication to enhancing the long-term care profession and the 2020 FHCA PAC Star award.
- Several Southern HealthCare Management facilities appear on Newsweek's Top Nursing Homes rankings.
- Best Long-Term Care winners, including those managed by SHCM, see residents more than 60 percent less likely to require emergency department care and 50 percent less likely to lose the ability to perform self-care activities
- Braden River Rehabilitation Center ranked number 7 and SHCM centers frequently host state legislatures to advocate for residents and industry.

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The applicant provides SHCM's Mission Statement:

*Southern HealthCare Management, LLC is comprised of experienced health care professionals committed to providing operational guidance and support for skilled nursing centers.*

*We are dedicated to promoting and directing high-quality nursing care and rehabilitative services to meet the physical, emotional, and social needs of those served through the Centers we manage.*

To foster operational platforms for building relationships between residents and staff while ensuring an outstanding customer service experience, SHCM Centers' GUARDIAN ANGEL initiative focuses on creating enjoyable and memorable moments. To achieve this, SHCM has developed three CORE Programs designed to create a framework for building strong, personal connections with Residents, their loved ones, and all Team Members:

1. SHCM Guardian Angel Program: This resident-centered program helps build and maintain positive relationships among staff members, residents, families, and visitors to our Centers.
2. SHCM Essential Piece Program: An employee-centered process focused on customer service that aims to ensure positive interactions, facilitate engaging events, and promote two-way communication, thus establishing each Center as the Employer of Choice within the markets we operate.
3. SHCM Customer Service Program: This program is designed to guarantee that every Resident, their loved ones, visitors, and our teams experience sincere appreciation. We prioritize listening to their needs and responding promptly while providing a caring approach in everything we do and managing all situations for a positive outcome.

Dr. Luisa Vega, a Doctor of Nursing Practice and Psychiatric Nurse Practitioner, attests to the necessity of facilities like those proposed by SHCM: "As I am currently a partner with several nursing homes managed by SHCM, providing services to the centers' residents, I believe SHCM provides extensive support to the centers they manage. Their top priority is to provide exceptional patient care. In my opinion, SHCM has proven to be an experienced operator with a long tenure in the state of Florida." Details on Core Programs were included in the application's Exhibit 10.

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Management's philosophy emphasizes continuous quality improvement through the establishment of uniform standards and guidelines, the creation of quality improvement goals, and the recognition and use of evidence-based clinical pathways to achieve desired patient outcomes.

The Patient Protection and Affordable Care Act, referred to as the Affordable Care Act, in Section 6102(c), enables the Centers for Medicare and Medicaid Services (CMS) to implement best practices in nursing home Quality Assurance and Performance Improvement (QAPI). This provision significantly broadens the level and scope of QAPI activities required, ensuring that facilities continuously identify and rectify quality deficiencies while sustaining performance improvement.

CMS's "QAPI at a Glance" provides a step-by-step guide detailing 12 key action steps for establishing a foundation of quality assurance and performance improvement in nursing homes. These steps do not need to be completed in a sequential manner; however, they are designed to build upon one another, facilitating a comprehensive approach to quality care.

The processes outlined in the QAPI model are effective in ensuring quality across the full spectrum of services provided, resulting in continuous improvements in service delivery. The applicant states that it remains current with all state and federal requirements related to QAPI, demonstrating a commitment to maintaining compliance and enhancing care standards. By staying informed about regulatory updates and best practices, the applicant can effectively implement strategies that promote quality assurance and performance improvement within their facilities. This proactive approach helps to ensure that residents receive high-quality, individualized care that meets their evolving needs.

Robin A. Bleier, RN, HCRM, LNC, the President and CEO of RB Health Partners, Inc., a dedicated advocate for quality healthcare with over 20 years of involvement with SHCM participates in SHCM monthly Quality Assurance and Assessment (QAA) meetings, where the team analyzes performance, celebrates successes, and identifies areas for improvement. Ms. Bleier emphasizes the stability and dedication of SHCM's leadership, highlighting the long tenures of key figures such as their chief nursing officer and chief operating officer, the latter of whom received the prestigious Walter Johnson Circle of Excellence award from the FHCA in 2023. She expresses her belief that their strong commitment positively impacts the quality of life for residents, staff, families, and the surrounding communities.

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SHCM's Quality Assurance Performance Improvement (QAPI) Program is stated to be essential for ensuring that facilities meet and exceed resident needs while delivering exceptional person-centered care. Guided by the American Health Care Association, each facility has a Quality Assessment and Assurance (QA & A) Committee responsible for developing QAPI plans and meeting quarterly to identify and address quality improvement opportunities. The QA & A Committee monitors crucial performance measures related to nursing care, medication administration, prevention of conditions like pressure ulcers, and management of incidents such as hospitalizations. Their responsibilities also include overseeing infection control, analyzing survey results, and investigating allegations of abuse or neglect.

Through QAPI plans, the committee sets specific goals for quality enhancement and communicates initiatives to staff and resident/family councils. Meetings involve reviewing data, prioritizing improvements, and conducting performance improvement projects annually to ensure continuous enhancement in clinical care and resident quality of life.

The quality improvement process ultimately aims to support efficient work processes and uphold high standards of care. New employees receive training in QAPI activities, reinforcing the shared responsibility of all staff in delivering quality care to residents and their families. The applicant's Exhibit 11 has additional details, related policies and a sample meeting agenda.

The PointClickCare electronic medical record (EMR) system will be used to provide 24/7 bedside access to patient records for timely response and reporting. Authorized staff can securely log in to view and update care plans in real time, accessing vital information such as allergies, medications, and lab results. EMR benefits include generating statistical data for quality assurance and compliance, as well as integrating pharmacy information to manage medications effectively. This system tracks medication orders and checks for contraindications, enhancing communication with medical staff, patients, and families. Overall, EMR improves the facility's ability to meet quality standards and regulatory requirements, promoting better patient outcomes.

SHCM is committed to protecting and promoting the rights of each resident, ensuring they have the freedom to make choices regarding their daily lives and care within the facility's regulations. Upon admission, residents receive a brochure outlining their rights from Florida's Long-Term Care Ombudsman Program. Every employee is provided with a copy of the residents' rights document and receives training during their first day of orientation, with annual refresher courses thereafter. The facility collaborates with the Ombudsman to ensure that interactions

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adhere to established policies. Residents' rights are evaluated as part of the quality assurance process, and any breaches or concerns are addressed through ongoing quality improvement efforts. Exhibit 12 includes copies of the Residents' Rights and Responsibilities brochure, along with complaint filing information, policies, and training modules.

Each SHCM facility establishes a resident council to provide organized resident input into operations. Residents freely form the council, which meets monthly in a designated space with staff support. The facility administrator designates a representative to assist but only participates at the council's request. Residents elect a president, vice president, and secretary, filling vacancies as needed. The council focuses on developing policies, evaluating operations, identifying problems, recommending service improvements, creating grievance procedures, and defining resident rights. Minutes are kept and shared with the administrator, who reviews them and takes necessary actions.

SHCM facilities implement various programs to enhance resident care and service quality through a resident-centered approach. Management regularly collaborates with the resident council and family members to identify best practices for improving daily life. Interdisciplinary teams target key areas like bathing, dining, education, and entertainment. They develop culture change projects while keeping the resident council informed and adjusting based on feedback. Staff training on customer service standards ensures high satisfaction in care delivery. The Guardian Angel program provides regular visits by staff to foster relationships and address residents' concerns.

Telehealth services enhance access to physicians during off-hours, promoting better health outcomes and reducing hospital readmissions. Dietary services offer personalized meal options to enhance dining experiences, encouraging social interactions in dining rooms. A diverse activity calendar, planned by the Activities Director, includes community outings and programs like pet therapy, art classes, and themed dining events to foster engagement. SHCM will launch a "Bucket Wish List" program in 2024 to help residents achieve personal experiences and share these moments on social media. More information and a sample activity calendar are provided in Exhibit 13.

In summary, HSP Mid Florida LLC states it well-equipped to implement a quality assurance program focused on continuous improvement. With the support of an experienced SHCM management, HSP can initiate quality enhancements, execute timely corrective action plans, and deliver high-quality care. SHCM's skilled leadership team possesses the expertise necessary to operate the proposed facility and meet the diverse needs of residents and SHCM's track record of achieving high quality

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ratings in federal and state systems, and national recognition for quality improvement, positions the project for success.

SHCM affiliated nursing homes had 69 substantiated complaints during the 36 months ending December 19, 2024. A substantiated complaint can encompass multiple complaint categories. See the table below.

**HSP Mid Florida, LLC – SHCM Affiliates  
Substantiated Complaints Categories  
December 19, 2021 – December 19, 2024**

<b>Complaint Category</b>	<b>Number Substantiated</b>
Administration/Personnel	4
Admission, Transfer & Discharge Rights	4
Billing/Refunds	1
Dietary Services	1
Elopement	2
Falsification of Records/Reports	1
Life Safety Code	1
Physical Environment	6
Quality of Care/Treatment	49
Quality of Life	1
Resident/Patient/Client Abuse	4
Resident/Patient/Client Neglect	4
Resident/Patient/Client Rights	10
Restraints/Seclusion General	1
State Licensure	1
<b>Total</b>	<b>90</b>

Source: Agency for Health Care Administration complaint data.

**Osceola SNF LLC (CON application #10836)** states that TLC Management's vision is built around three core pillars: being the employer of choice, the provider of choice, and an innovative leader in the use of technology. The company's values emphasize the importance of providing maximum personal comfort, emotional security, physical safety, and quality nursing care to all residents, guided by a philosophy of Christian concern and compassion.

With a commitment to recognizing the dignity of all people, being compassionate, and dedicated to providing the best quality care, TLC Management's employees strive to make a positive impact on the lives of their residents. The company's extensive experience in operating various healthcare facilities, including skilled nursing facilities, assisted living facilities, and independent living facilities, demonstrates its capability to manage a wide range of healthcare needs.

Notably, TLC Management's experience in operating a Long-Term Acute Care (LTAC) Hospital for eight years highlights its ability to care for high-acuity patients. The company's approach to healthcare is focused on providing a continuum of care, offering a range of options to ensure that

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all residents have access to the necessary health care services. The applicant contends TLC Management is well-positioned to support Osceola SNF in delivering high-quality care to its residents.

CMS evaluates Medicare-certified skilled nursing facilities using a star rating system, where 1 star indicates below-average quality, and 5 stars signifies much above-average quality. The ratings consider four categories: Overall, Health Inspections, Staffing, and Quality Measures. TLC Management's Florida facilities, having operated for approximately four years, lack extensive historical data for star ratings, as a minimum of three years of inspection data is required for the initial rating. CMS froze some star ratings during the COVID-19 pandemic and while transitioning to new methodologies, which also impacts the representation of TLC's current operations.

Notably, two of TLC Management's Florida facilities—Astoria and Bridgewater—are rated five stars for Quality Measures, while Blue Heron and Oak Hill hold four-star ratings. The applicant states TLC facilities show a significantly lower citation rate during annual surveys, with an average of 4.6 citations, compared to Florida's average of 7.7 and the national average of 9.6. This reinforces TLC Management's commitment to maintaining high-quality care across its facilities.

TLC Management actively recognizes and rewards its facilities and staff for their commitment to high-quality care through a variety of awards. The TLC Gold Award for Performance represents the highest honor, given annually to a facility that consistently exceeds financial and operational expectations. The TLC Silver Award for Teamwork recognizes a facility that demonstrates exemplary teamwork even amidst challenges in long-term care. The TLC Bronze Award for Servant Leadership is awarded to a TLC Management Consultant or Administrator who exemplifies outstanding servant leadership.

Another important recognition is the TLC Chairman Award for Perfect Survey, which goes to a facility maintaining excellent quality of care as evidenced by top results in federal and state inspections. The Twelve-Month Overall Census Development Award recognizes facilities that successfully increase their overall census within a year, while the Operations Award Most Improved celebrates significant improvements in business operations, including survey management and employee turnover.

Recently, TLC added the Servant Heart Award, allowing staff and residents' families to nominate individuals who exemplify a "Servant's Heart." Nominated individuals receive recognition within their facility, and one is honored at TLC's annual employee conference with a

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monetary award. Notably, Astoria Health and Rehabilitation Center, a TLC Florida facility, had a CNA make the short-list for this award, showcasing the dedication and compassion present among TLC staff. These awards reflect TLC Management's commitment to fostering excellence in care through teamwork and leadership.

Osceola SNF's Quality Assurance and Performance Improvement (QAPI) program employs a systematic, interdisciplinary approach to enhance safety and quality, actively involving residents and families in problem-solving. TLC Management requires each facility to implement a strategic quality plan and establish a performance improvement committee to exceed customer expectations. All staff are educated on the QAPI process upon hire and annually. The QAPI process prioritizes continuous improvement in care delivery, involves all departments, and is led by a team consisting of the facility administrator, medical director, director of nursing, and infection preventionist, along with representatives from various other departments. The QAPI team conducts evaluations at least three times a year and monitors key areas such as quality of life and leadership annually.

TLC collaborates with Alliant Quality for training and resources to improve care quality in Florida. The PointClickCare EHR system is utilized for documentation and auditing, enabling the review of quality measure scores monthly. Deviations trigger investigations to prevent declines in care.

To reduce hospital transfers, TLC employs the eINTERACT system for communication and tracking resident admissions and readmissions. Feedback from residents, families, and staff is actively sought through various channels to identify improvement areas. Issues are prioritized for monitoring and addressing by dedicated sub-committees. TLC Management is also developing a customer satisfaction reporting module for real-time feedback, allowing quick identification of concerns and facilitating root cause analysis for continuous quality improvement.

TLC affiliated nursing homes had eight substantiated complaints during the 36 months ending December 19, 2024. A substantiated complaint can encompass multiple complaint categories. See the table below.



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**Osceola SNF, LLC – TLC Affiliates  
Substantiated Complaints Categories  
December 19, 2021 – December 19, 2024**

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

Source: Agency for Health Care Administration complaint data.

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

**Applies to both projects:**

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.

**HSP Mid Florida LLC (CON application #10835)** - The applicant is a development stage company with only \$210,129 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:**

The applicant indicates on Schedule 2 capital projects totaling \$46,135,100, which includes this project (\$8,880,800) and CON #10752 (\$37,254,300).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$250,000) and non-related company financing (\$3,022,300). The applicant provided a letter of interest, dated December 10, 2024, from Regions Bank stating their interest in providing construction financing. A letter of interest is not considered a firm commitment to lend.

A letter of interest is not considered a firm commitment to lend. Since this is a development stage company with no historic financial position to evaluate, we cannot make a determination on the likelihood of acquiring the debt funding necessary.

**Conclusion:**

Funding for this project is in question.

**Osceola SNF LLC (CON application #10836)** - 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:**

The applicant indicates on Schedule 2 capital projects totaling \$188,951,517, which includes this project (\$33,493,135), CON #10828 (\$37,605,685), CON #10831 (\$27,402,697), and other capitalization (\$90,450,000).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$83,333) and non-related company financing (\$33,409,802). The applicant provided a letter of commitment, dated December 13, 2024, from TLC Management stating their commitment to providing construction financing. The applicant also provided letters from Regions Bank & Merchants Bank discussing loan terms.

**Conclusion:**

Funding for this project should be available as needed.

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

**Applies to both projects:**

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported in the Florida Nursing Home Uniform Reporting System. For our comparison group, we selected skilled nursing facilities within the district removing any outliers that

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were the result of low occupancy or unusual payer mix relative to the other skilled nursing facilities in the district. Comparison group data was adjusted for inflation to match the second-year projection (inflation factor was based on the New CMS Market Basket Price Index as published in the 2nd Quarter 2024, Health Care Cost Review).

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

**HSP Mid Florida LLC (CON application #10835)**

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	21,732,400	460	574	403	343
Total Expenses	20,893,000	442	519	415	341
Operating Income	839,400	18	58	4	-77
Operating Margin	3.86%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	47,267	85.20%	97.01%	92.03%	50.77%
Medicaid	16,543	35.00%	78.46%	60.62%	30.92%
Medicare	25,997	55.00%	47.68%	20.68%	9.40%

**Staffing:**

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

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

Operating profits from this project are expected to increase from a net loss of \$2,261,700 in year one to a net profit of \$839,400 in year two.

**Conclusion:**

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

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**Osceola SNF LLC (CON application #10836)**

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	12,877,303	483	574	403	343
Total Expenses	11,768,473	442	519	415	341
Operating Income	1,108,830	42	58	4	-77
Operating Margin	8.61%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	26,645	93.59%	97.01%	92.03%	50.77%
Medicaid	8,030	30.14%	78.46%	60.62%	30.92%
Medicare	16,060	60.27%	47.68%	20.68%	9.40%

**Staffing:**

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

The projected NRPD, CPD and profit 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 \$652,967 in year one to a net profit of \$1,108,829 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.**

**Applies to both applicants:**

Strictly from a financial perspective, the type of competition that would result in increased efficiencies, service, and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in the nursing home industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business’ market share is threatened.

The existing health care system's barrier to price-based competition via fixed price payers limits any significant gains in cost-effectiveness and quality that would be generated from competition.

**Conclusion:**

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

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

**HSP Mid Florida LLC (CON application #10835)** - 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 #10836)** - The applicant has not submitted all the information and documentation necessary to demonstrate compliance with the architectural review criteria. The plans submitted with this application were too small to determine if the proposed schematic design is in substantial compliance with applicable codes and standards. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appears to be reasonable. A review of the narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule. As noted above, the architectural plans were reduced to size which prevented a review of the documents for compliance with the architectural criteria of this application. If the

application is approved, the project must be reviewed by the Office of Plans and Construction before beginning construction. Compliance with current codes and standards will be verified as part of that review.

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

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

**HSP Mid Florida LLC (CON application #10835)** is a developmental stage enterprise seeking a certificate of need to construct and operate a new community nursing home. The proposed management company, SHCM, oversees 30 nursing homes in Florida, including six in District 7, all of which have a history of serving the Medicaid population and maintaining high occupancy rates. Medicaid patient days have increased from 118,443 days (60.8 percent of total) in June 2021 to 150,764 days (63.5 percent of total) in June 2024. This positions SHCM's average Medicaid occupancy above district (59.9 percent) and subdistrict (61.4 percent) averages, reflecting the applicant's commitment to serving low-income Medicaid populations.

HSP projects Medicaid Managed Care will represent 35 percent of total annual patient days in years one and two of operation.

**Osceola SNF LLC (CON application #10836)** is a newly established entity with no prior operational history in providing healthcare services to Medicaid or medically indigent patients. TLC Management operates four skilled nursing facilities in Florida and the applicant states during the past four years, TLC Medicaid occupancy has generally improved, with a current average of 35.80 percent.

Medicaid Managed Care is projected to be 30.0 percent of year one and 30.1 percent of the 78-bed facility's year two total annual patient days.

**F. SUMMARY**

**HSP Mid Florida LLC (CON application #10835)** proposes to add 41 community nursing home beds to the approved 111-bed community nursing home authorized by CON #10752 in Subdistrict 7-3, Osceola County.

HSP is affiliated with the Sovereign Group which includes Southern HealthCare Management that will manage the proposed facility.

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

Total project cost is \$8,880,800. The project involves 18,656 GSF of new construction and a total construction cost of \$6,996,000. The 152-bed facility is planned to have 56 private and 48 semi-private rooms.

HSP Mid Florida LLC proposes three Schedule C conditions to the project's approval.

**Osceola SNF LLC (CON application #10836)** proposes to establish a 78-bed community nursing facility in Subdistrict 7-3 (Osceola County) utilizing the subdistrict's 41-bed FNP and the 37-bed FNP in contiguous subdistrict 7-1 (Brevard County).

The applicant is a wholly owned subsidiary of Tender Loving Care Management, Inc., which operates four Florida SNFs.

Osceola SNF indicates that the project will be licensed in June 2027 and begin service in July 2027.

Total project cost is \$33,493,135. The project involves 63,093 GSF of new construction and a total construction cost of \$23,659,875. The facility is planned to have 78 private rooms including two bariatric units.

**Need:**

**HSP Mid Florida LLC (CON application #10835)** notes that its proposal keeps the usual 20 to 30-minute travel time for families to visit, while the competing proposal aggregates bed need from the contiguous Brevard County and it is questionable it would serve Brevard residents due to their much longer travel time to the Osceola facility.

Recognizing the need for kidney dialysis in the service area, the applicant proposes on-site dialysis services for its patients.

## **CON application numbers: 10835 & 10836**

The applicant provided a detailed description of its proposed patient mix by MDC and service area dynamics.

**Osceola SNF LLC (CON application #10836)** states that its proposal:

- Contends its project increases the availability of community nursing home beds within Osceola and Brevard Counties, which are highly occupied
- is the only one that seeks to fulfill the bed need in both counties with one facility
- will locate in the Kissimmee-St. Cloud area (Celebration), which encompass nearly 75 percent of Osceola County's 65+ population
- The proposed location is near what will be the largest hospital in Osceola County
- The applicant does not demonstrate Brevard County residents access its proposed facility

### **Quality of Care**

**HSP Mid Florida LLC (CON application #10835)** described in detail its ability to provide quality care. During the period of 36 months ending December 19, 2024, the applicant's affiliates had 69 substantiated complaints (90 complaint categories).

**Osceola SNF LLC (CON application #10836)** described in detail its ability to provide quality care. During the period of 36 months ending December 19, 2024, the applicant's affiliates had eight substantiated complaints (14 complaint categories).

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

**Both** proposals appear to be financially feasible based on projections provided by the applicants.

**Both** projects are not likely to have a material impact on competition to promote quality and cost-effectiveness.

**HSP Mid Florida LLC (CON application #10835)** funding for the project is in question.

**Osceola SNF LLC (CON application #10836)** funding for the project should be available as needed.



**Medicaid/Charity Care:**

**HSP Mid Florida LLC (CON application #10835)** provides details of SHCM's long history of supporting Medicaid patients.

HSP projects Medicaid Managed Care will be 35 percent of year one and year two of the 152-bed facility's total annual patient days.

**Osceola SNF LLC (CON application #10836)** - TLC Management operates four skilled nursing facilities in Florida and serves Medicaid residents.

Osceola SNF projects the 78-bed facility to provide 30 percent of year one and 30.1 percent of year two total annual patient days to Medicaid Managed Care residents.

**Architectural Review**

**HSP Mid Florida LLC (CON application #10835)**

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

**Osceola SNF LLC (CON application #10836)**

- 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

**CON application numbers: 10835 & 10836**

*CON application # 10835, (HSP Mid Florida LLC), on balance, combined with the Viera Healthcare (CON application # 10834 in Subdistrict 7-1) best satisfied the statutory and rule criteria - this includes:*

- *Osceola SNF proposes to aggregate need from Brevard County, which has a much larger age 65 and over population and Viera Healthcare is an established provider proposing to meet the Brevard County need*
- *HSP Mid Florida LLC keeps the usual 20 - 30 minutes service area radius for nursing homes while Osceola SNF does not demonstrate its project location is conducive to meeting Brevard residents need*
- *The applicant's response to architectural review criteria was better than Osceola SNF's*
- *HSP Mid Florida LLC's project and total facility are projected to have lower project costs than Osceola SNF LLC's*
- *HSP Mid Florida LLC proposes to serve more Medicaid HMO residents and Viera Healthcare (Brevard County) also proposes to serve more Medicaid HMO residents than Osceola SNF*

**G. RECOMMENDATION**

Approve CON #10835 to add 41 community nursing home beds to the 111-bed community nursing home approved by CON #10752, in District 7, Subdistrict 3, Osceola County. The total project cost is \$8,880,800. The project involves 18,656 GSF of new construction, and a construction cost of \$6,996,000.

**CONDITIONS:**

- Construct a minimum of 50 Private Rooms within the 152-bed facility
- Provide the following specialty programs:
  - Stroke Recovery
  - Pulmonary Acute Cardiac Episode Recovery
- Establish partnerships with area nursing schools to provide training opportunities for new LPNs and RNs
- Establish a Personal Care Attendant (PCA) program to encourage others to get into the healthcare field. After gaining experience, an individual can graduate with a CNA license.

Deny CON #10836.

**AUTHORIZATION FOR AGENCY ACTION**

Authorized representatives of the Agency for Health Care Administration adopted the recommendation contained herein and released the State Agency Action Report.

DATE: February 14, 2025



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