

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

**A. PROJECT IDENTIFICATION**

**1. Applicant/CON Action Number**

**West Gables Operator, LLC d/b/a West Gables Health Care Center/CON application #10840**

1608 Route 88, Suite 301  
Brick, New Jersey 08724

Authorized Representative: Shlomo Freundlich, CPA  
(732) 903-1971

**2. Service District/Subdistrict**

District 11/Subdistrict 11-1 (Miami-Dade County)

**B. PUBLIC HEARING**

No public hearing was requested or held.

**C. PROJECT SUMMARY**

**West Gables Operator, LLC d/b/a West Gables Health Care Center (CON application #10840)**, also referenced as West Gables or the applicant, proposes to replace the 60-bed community nursing home within 30 miles of the existing location in Subdistrict 11-1 (Miami-Dade County). The 60-bed facility is located at 2525 S.W. 75th Avenue, Miami, Florida 33155, and the proposed replacement site is approximately five miles away at 9025 SW 72nd Street, Miami, Florida 33173. West Gables states that this proposal is part of a larger, long-range plan to replace and expand the existing facility to 180 licensed beds.

The applicant is an affiliate of Marquis Health Consulting Services and Tryko Partners, experienced operator and developer of nursing homes with 75 skilled nursing facilities in seven states. Two of these are in Florida, the applicant's and Riverside Post Acute in Subdistrict 4-2 (Duval County). Agency records indicate Marquis Health affiliate Riverside Operator LLC, became owner of Riverside Post Acute effective May 1, 2024.

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

The project includes 57,532 gross square feet (GSF) of new construction and a total construction cost of \$19,700,000. The total project cost is \$26,164,000 and includes land, building, equipment, project development, financing and start-up costs.

The applicant does not propose any conditions on the project.

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

**D. REVIEW PROCEDURE**

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

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

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

As part of the fact-finding, the consultant, 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, and Chapters 59C-1 and 59C-2, Florida Administrative Code.

**1. Fixed Need Pool**

**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.**

This project is being reviewed pursuant to Section 408.036 (2) Florida Statutes and Rule 59C-1.004(2)(c), Florida Administrative Code. Expedited reviews may be submitted at any time and do not respond to fixed need pool publications. Refer to Section 3.a. below for a discussion of need for the project.

**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.

West Gables Operator LLC d/b/a West Gables Health Care Center's replacement facility site is approximately five miles from the current facility and the proposed location is well within a 30-mile radius of the existing facility in subdistrict 11-1 in Miami-Dade County. Figure 2-1 (CON application #10840, page 2-2) demonstrates the new facility's proposed site, and the applicant contends the replacement facility should ensure convenient access for West Gables' current residents.

West Gables' replacement facility will continue to participate in the Medicare and Medicaid programs, offering a range of nursing and restorative care for short-term rehabilitation, long-term care, and management of complex medical conditions. The proposed facility will provide services comparable to those presently available at West Gables Health Care Center, with clinical and operational support provided by Marquis Health Consulting Services.

- 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.**

The applicant indicates that the replacement nursing home, as a Marquis Health facility, will offer a range of services (listing 26), which include among others:

- Post-operative subacute care
- Pain management
- Comprehensive PT, OT, and SLP Treatment
- Orthopedic rehabilitation
- Cardiac care
- Pulmonary care
- Stroke recovery
- Wound care
- Restorative care
- Bariatric care.

The applicant lists 23 of facility's amenities such as:

- State-of-the-art therapy equipment and a 2200 sq. ft. therapy gym
- Expert team of therapists and individualized care plans
- Consulting specialists and coordination of post-discharge care
- Modern amenities, including a beauty salon, laundry services, and restaurant-style dining
- Advanced technology, including Wi-Fi, cable, and bedside telephones
- Physical, speech, occupational, and respiratory therapies
- VitalStim Therapy Services and Vestibular Training
- NEUROGYMTECH Bungee Mobility Trainer.

The applicant states its clinical protocols focus on avoiding hospital readmissions through proactive interventions, with a team of licensed professionals and certified assistants providing care. The facility will prioritize patient comfort and care, with wireless accommodation, select menu options, daily coffee cart and guest meals available.

West Gables provides details of its pulmonary and cardiac specialty care programs, neurological recovery, Urgent SNF™ Service, and contract services. These include pulmonary care with respiratory therapists and devices like CPAP, cardiac care overseen by a cardiologist using Life Vest Therapy, and neurologic recovery with Neurogym therapy. The urgent SNF service offers immediate intervention for various needs to prevent hospitalizations, and is supplemented by 24-hour nursing, activities, psychological support, and daily living assistance.

The facility will offer various services through on-site professionals and arrangements with outside providers, including physician and specialist consultants, lab tests, X-rays, optometric and ophthalmic services, podiatry care, and dental care. Assistive devices and durable medical equipment will be provided based on individual residents' needs.

The admission process will involve a collaborative evaluation with family to create a baseline care plan, which is regularly updated to guide discharge planning towards a less restrictive setting. The process follows federal guidelines and utilizes the Minimum Data Set (MDS) assessment, involving input from various professionals like physicians, nurses, therapists, and others. Initial assessments cover medical history, functional status, cognitive abilities, dietary needs, and more. Care plans address functional status, rehabilitation, health maintenance, and discharge potential. They include problem statements, measurable goals, and specific approaches with assigned responsibilities and review dates. Residents and families receive regular updates and opportunities to provide feedback and adapt the care plan.

Discharge plans, initiated from the beginning of admission, are updated continuously during the stay. The discharge plan often includes arrangements for home care, medical and treatment plans, and other services as needed. The facility provides a comprehensive discharge plan for the resident and family. The plan outlines medical history and treatments and any future doctor appointments. The discharge plan also is inclusive of how the resident will be cared for and other pertinent information.

The new 60-bed replacement facility's operational model integrates a variety of factors to ensure effective care delivery. Section 5 outlines utilization and staffing patterns, while Schedule 7 details admissions and

patient days categorized by payer. Schedule 6 provides a comprehensive breakdown of staffing by department, emphasizing staffing levels that either meet or surpass established standards to accommodate diverse resident needs. The facility's operational design focuses on a mix of short- and long-term patients, and will accept Medicare, Medicaid, and private insurance. Projected utilization, average length of stay, and average daily census for the initial two years are below. These projections are designed to maintain current utilization patterns for the facility.

**Projected Admissions, Patient Days, Average Length of Stay and Average Daily Census First Two Years of Operation**

	<b>Year One</b>	<b>Year Two</b>
Admissions	412	601
Patient Days	13,897	20,302
ALOS	34	34
ADC	38	56

Source: CON application #10840, Page 2-10, Table 2-1

The applicant projects the 60-bed facility will average 63.28 percent occupancy during year one (ending June 30, 2028) and 92.7 percent in year two. The staffing levels detailed in Schedule 6 show total Full-Time Equivalents (FTEs) will be 70.2 in year one and 91.6 in year two.

To assess the specific service needs of nursing home residents, the applicant analyzed data on acute, rehabilitation, and long-term care hospital discharges to nursing homes for Miami-Dade residents aged 18 and older, covering the most recent year available, 2023. The analysis revealed that the majority of cases, 15,594, or 88 percent of the total 17,732—were for individuals aged 65 and older. All Major Diagnostic Categories (MDCs) were reviewed to identify the conditions and disorders commonly associated with nursing home admissions. The summarized table below presents the number of cases and prevalence by MDC for patients aged 65 and over who were discharged from acute, rehabilitation, and long-term care hospitals in Miami-Dade County to skilled nursing facilities during the calendar year 2023.

**Miami-Dade Hospital Discharges to Skilled Nursing Homes by MDC For Adults Aged 65 and Over, CY 2023**

<b>Major Diagnostic Category</b>	<b>Cases</b>	<b>Percent</b>
08 Diseases & Disorders – Musculoskeletal & Conn. Tissue	3,165	20.3%
05 Diseases & Disorders of the Circulatory System	2,151	13.8%
04 Diseases & Disorders of the Respiratory System	2,025	13.0%
01 Diseases & Disorders of the Nervous System	1,701	10.9%
18 Infections & Parasitic Diseases, Systemic or Unspecified Sites	1,576	10.1%
11 Diseases & Disorders of the Kidney & Urinary Tract	1,557	10.0%
All Others	3,419	21.9%
<b>Total</b>	<b>15,594</b>	<b>100.0%</b>

Source: CON application #10840, Page 2-11, Table 2-2, AHCA Hospital Patient Discharge Data, CY 2023.

West Gables states it, and its management possess a range of specialized programs and continually innovate to address residents' needs. Each individual is assessed during admission to develop a personalized care plan aimed at restoring and enhancing functional capabilities.

Five MDCs account for 68 percent of discharges among residents aged 65 and over: MDC 8 (Musculoskeletal System), MDC 5 (Circulatory System), MDC 4 (Respiratory System), MDC 1 (Diseases of the Nervous System), and MDC 18 (Infectious & Parasitic Diseases). These categories focus on conditions like musculoskeletal disorders, circulatory issues, respiratory ailments, neurological diseases, and infections.

MDC 8, which includes fractures and joint replacements, accounts for 3,165 discharges (20.3 percent of the total). Therapeutic exercises aim to restore mobility and improve flexibility and strength. MDC 5 makes up 13.8 percent of discharges, encompassing heart-related conditions and requiring exercises to boost stamina. MDC 4 accounts for 13.0 percent, focusing on respiratory restoration through monitored exercises and specialized equipment.

MDC 1 represents 10.9 percent, covering neurological conditions like Alzheimer's. Staff are trained to support cognitive functions through tailored activities. MDC 18 accounts for 10.1 percent, emphasizing infection control through isolation and proper monitoring for pressure ulcers.

The facility will feature a large therapy suite for rehabilitation and occupational therapy, supported by contracted personnel utilizing innovative technologies for individualized care. The primary objective is to prevent hospital admissions and ensure residents' health and quality of life improve through effective restorative protocols.

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

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

The applicant has not had a nursing facility license denied, revoked, or suspended.

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

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

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

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

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

No conditions are identified in subparagraph 3. Thus, this provision 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 provision 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.**

West Gables Operator LLC will maintain compliance by providing necessary data to the Health Council of South Florida, Inc., which serves Health Planning District 11, as well as to the Agency for Health Care



Administration. This data will include utilization reports, as well as required licensure and financial information pertinent to operating a licensed nursing facility.

**3. Statutory Review Criteria**

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

As of August 9, 2024, Subdistrict 11-1 (Miami-Dade County) has 53 licensed community nursing homes totaling 8,210 beds, along with 786 CON approved beds pending licensure. The subdistrict's community nursing homes reported 90.61 percent occupancy in the six months, and 89.79 percent occupancy during the 12 months ending June 30, 2024.

As the project is to transfer existing beds, it does not result in an increase in the total number of community nursing home beds. The applicant provides the following in support of need for the project.

Miami-Dade County has the highest population of any county in Florida, with an estimated total of 2,796,773 residents as of January 2024. The county is home to 506,235 seniors aged 65 and older, representing the largest senior population in the state. The age 65 and older cohort is expected to grow over the next five years, with an anticipated increase of 83,063 individuals aged 65 and older, reflecting a growth rate of 16.41 percent. This is slightly above the overall Florida growth rate of 15.81 percent. Meanwhile, the under age 65 population is projected to see an increase of 25,470, corresponding to a growth rate of 1.11 percent.

As the number of seniors rises, they will constitute a larger percentage of the total population, leading to a heightened demand for health and social services, including nursing home care. This information is detailed in Table 1-1 on page 1-3, which presents nursing home utilization data for 2024 and projections for 2029. The age 65 and over population currently represents 18.10 percent of the county's total population. The applicant notes that by 2029, the senior population will reach 589,298, constituting 20.28 percent of the total projected population of 2,905,306. West Gables contends the anticipated growth in the senior population suggests an increasing requirement for residential and healthcare services to meet their needs.

The applicant utilized 2024 Claritas population estimates, presented in Figure 1-2 on page 1-5, to visually represent the growth in the senior population. The applicant's Claritas data indicates that the 65 and older age group by Zip Code is expected to grow by a total of 71,354, representing a growth rate of 14.2 percent from the 2024 estimate of 503,312 to 574,666 in 2029. Conversely, the population under 65 is projected to experience a negative growth rate of 1.7 percent. Detailed Claritas population estimates by Zip Code for Miami-Dade County are included in the application's Exhibit 3.

The proposed location for West Gables Health Care Center is centrally located within the county, an area characterized by a high concentration of seniors and proximity to several acute care hospitals. To maintain accessibility, the new site is located at 9025 SW 72nd Street, Miami, 33173, just south of the current location. The applicant's Figure 1-2 is a map depicting the distribution of nursing homes and hospitals in Miami-Dade County to visualize the availability of skilled nursing care and medical treatment. Figure 1-3 on page 1-7 shows a five-mile radius around the proposed facility site, including hospitals and nursing homes. Exhibit 3 lists Miami-Dade Claritas population estimates by Zip Code, with 546,279 residents within the five-mile radius, representing 20 percent of the 2,723,618 total residents. Within this area, 122,249 seniors aged 65 and older make up over 22 percent of the population and 24 percent of all seniors in Miami-Dade County, demonstrating that the proposed location benefits many seniors.

The applicant notes that as of January 2024, both Miami-Dade County and Florida had 16 nursing home beds per 1,000 persons aged 65 and older. By January 2029, West Gables will be in its second year of operations, with projected estimates indicating Miami-Dade County will have 15 beds per 1,000 seniors, while Florida will have 14 beds per 1,000 seniors (see the note below), assuming all currently approved beds are licensed by that time. This suggests that as the elderly population increases in Miami-Dade and new beds are licensed, the availability of nursing home beds relative to the population will decrease slightly but will remain comparable to state levels.

The applicant states that West Gables Health Care Center benefits from the expertise of Marquis Health Consulting Services, which provides essential administrative and operational support. It is part of a wide network of 75 skilled nursing facilities across seven states. Among these, nine facilities have achieved a CMS five-star rating, while fourteen have received a four-star rating, including West Gables. Marquis Health Consulting Services aims for their facilities to obtain Joint Commission accreditation. West Gables Health Care Center is currently Joint Commission accredited and anticipates maintaining this accreditation in

its replacement facility. The center has an overall four-star rating in the Agency for Health Care Administration's Nursing Home Guide Inspection Ratings.

Moreover, the facility design features all private rooms, distinguishing it from most existing facilities that often have semi-private rooms or even three- and four-bed wards. The new physical plant adheres to today's standards and codes, ensuring a safe and efficient care environment that promotes quality and resident-centered care.

Accessibility refers to how readily the population to be served can access the facility. Key components of access include geographic barriers, distance, travel time, eligibility criteria for qualifying for services, and factors such as financial costs and reimbursement methods from third parties. An overlapping factor is utilization, as a bed is not considered accessible if an individual must be placed elsewhere.

West Gables is proposing to replace its facility at a location approximately five miles from the current site. Centrally located within the service area, this relocation site offers convenient accessibility for Miami residents and is also near several acute care hospitals. Figure 3-1 on page 3-3 illustrates the proposed location, as well as the locations of acute care hospitals and nursing homes within the subdistrict.

The project will benefit from the expertise of Marquis Health Consulting Services, which has developed successful programs and services tailored to meet the clinical needs of many patients discharged from local hospitals who require therapy and recovery services in a nursing home setting. The services, elaborated on in Section 2, Rule Preferences, are supported by trained and certified staff, state-of-the-art equipment, uniquely designed facilities, and extensive experience providing high-quality care in a nursing home environment.

Another critical aspect of access involves whether there are any economic barriers to obtaining care. West Gables will continue to participate in both Medicare and Medicaid programs and will seek contracts with managed care providers and commercial insurance companies. By offering a variety of payment options, the facility aims to welcome a broader pool of residents, thereby enhancing access. Table 3-1 on page 3-5 outlines the payer mix for Miami-Dade adult residents aged 18 and older discharged from any type of hospital to a nursing home during the 2023 calendar year. Notably, 88 percent of discharges were attributed to residents aged 65 and over, with Medicare and Medicare Managed Care being the primary payers.

As indicated in Table 3-1 on page 3-5, Medicare and Medicare Managed Care continue to be the predominant payors, accounting for 15,803 or 89.1 percent of the total 17,732 discharges to nursing homes in 2023. Medicaid and Medicaid Managed Care represent 1,088 discharges (6.1 percent), while Commercial Insurance accounts for 588 discharges (3.3 percent). Although most patients discharged to nursing homes initially have Medicare coverage, many of these patients may transition to long-term care and subsequently convert to Medicaid or other forms of coverage. To ensure flexibility in admissions and maximize access to services, the applicant plans to be certified by both Medicare and Medicaid.

The most recent nursing home utilization data from the Agency for the twelve-month period ending June 30, 2024, reveals that Nursing Home Subdistrict 11-1 provided 67.79 percent of all resident days to elders with Medicaid Managed Care as their payor. As noted elsewhere in this application, West Gables projects that 39.0 percent of its residents days will be attributable to Medicaid Managed Care by its second year of operation.

Eligibility criteria form another crucial aspect of access. For nursing home placement, admission requires a physician's order, a designated payer source, and compliance with established admission criteria, in addition to the facility's capacity to meet the medical and nursing needs of the resident. West Gables Health Care Center will continue to accommodate a diverse range of patient needs in its replacement facility, including short-term rehabilitation, complex care, and long-term care requirements.

To eliminate financial barriers that may hinder access to nursing home care, the applicant will collaborate closely with hospital discharge planners and individuals responsible for direct admissions. The facility has established long-standing relationships with multiple Medicare and Medicaid managed care providers, ensuring it will maintain contracts with a variety of providers and managed care organizations. This commitment facilitates broader access and supports the diverse healthcare needs of the community.

The applicant states that an occupied nursing home bed is neither available nor accessible to an elderly resident requiring skilled nursing care. Therefore, understanding the extent of utilization of Miami-Dade County facilities is critical for maintaining an adequate supply of nursing home beds for residents in need. The most recent nursing home utilization data—July 1, 2023—June 30, 2024, shows that Miami-Dade County facilities had an average occupancy of 89.79 percent, compared to Florida's average of 84.36 percent. This indicates a recovery following

an approximate two-year decline in utilization due to the COVID-19 pandemic from 2020 to 2021. Utilization trends for the most recent five years are presented in Table 3-2 on page 3-6 for Subdistrict 11-1, Miami-Dade County, and the state. This shows utilization is on the rise and the applicant expects it will continue to increase in alignment with the growth rates of the senior population. This trend will place further demand on nursing homes for both rehabilitation and long-term skilled nursing care. Due to this strong demand and higher occupancy levels, the continuation of the project will ensure that there is available nursing home capacity in a new, quality facility.

Another way to consider the impact of utilization on the project is by examining the usage of adjacent nursing homes to the applicant's facility. The applicant analyzed skilled nursing facility utilization within a 5-mile radius, as depicted in Figure 3-1. Below is the facility-specific nursing home utilization data for the eight facilities within this radius for the most recent twelve-month period ending June 30, 2024. The average occupancy rate of facilities within this five-mile radius, as shown in Table 3-3 on page 3-7, is higher than both the Miami-Dade County and state averages, exceeding 94 percent. The subdistrict outperforms the state in both total occupancy and Medicaid occupancy rates, which indicates that many nursing homes in the area are operating at or near full capacity.

The applicant's analysis indicates that the utilization of skilled nursing beds within the five-mile radius of the proposed replacement facility will remain robust, highlighting the need to sustain capacity in this area of high demand. Consequently, the effect of the project on the planning area is anticipated to be positive, ensuring continued access and utilization without negatively impacting the existing facilities.

West Gables addresses Rule 59C-1.030 Florida Administrative Code, Health Care Access Criteria on the application's pages 3-8 to 3-11.

The applicant concludes its responses demonstrate conformity with the statutory health planning factors, including availability, quality of care, access, and utilization rates of existing nursing homes in the subdistrict. The project is expected to yield health planning benefits, enhancing both access to and availability of nursing home care. Further, the proposed relocation will improve both availability and access, particularly for Medicaid recipients.

- 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.**

West Gables is affiliated with Marquis Health Consulting Services (Marquis), a seasoned long-term care provider that operates 75 skilled nursing facilities across seven states, including Florida. Through Marquis's mission, vision, and values, West Gables will continue to implement a quality framework to guide the delivery of services to elderly residents in need of skilled nursing care in Miami-Dade County.

The applicant's affiliation with Marquis highlights a proven track record of providing quality care, as evidenced by the numerous facilities with four- and five-star ratings and Joint Commission accreditation. Among the 75 skilled nursing facilities managed by Marquis, nine have received a CMS five-star rating and fourteen have achieved a four-star rating, including West Gables itself. Marquis is committed to ensuring that its facilities maintain Joint Commission accreditation, and West Gables Health Care Center is currently accredited, with plans to uphold this status in the new facility.

West Gables boasts an overall four-star rating in the Agency's Nursing Home Guide Inspection Ratings, achieving five stars in categories such as quality of life, nutrition & hydration, restraints & abuse, pressure ulcers, and dignity, with a four-star rating in administration. This information is further detailed in Exhibit 6.

Research indicates that few nursing homes achieve Joint Commission Accreditation. According to a 2021 article from McKnight's Long-Term Care News, only 1,059 out of more than 15,000 nursing homes in the United States hold this accreditation. The article emphasizes the positive correlation between Joint Commission status, reduced inspection deficiencies, high five-star rating components, and enhanced corporate efficiency and quality initiatives. Joint Commission accreditation not only serves as a framework for addressing quality and infection control issues but is often a prerequisite for participation in certain health plan networks. The applicant concludes the project will benefit from a provider committed to achieving Joint Commission Accreditation, ensuring a dedication to continuous quality improvement.

Marquis Health supports communities by transforming them into modern rehabilitation and long-term care centers that offer cutting-edge care and individualized attention. The company is proud to provide operational guidance and programs that empower nursing facilities to exceed their quality and operational objectives.

The mission of the organization showcases the values:

*Marquis is dedicated to meeting the clinical, functional, psychological and emotional needs of our residents. Residents and their families will receive quality service in a caring and compassionate atmosphere that recognizes each individual's needs and rights.*

The applicant lists the vision and values of Marquis on pages 4-2 and 4-3.

Marquis' goal is to serve communities by enhancing residents' comfort, uplifting their spirits, and facilitating rehabilitation to help them achieve optimum health. This empowers residents to regain their sense of self and live their lives to the fullest. This commitment distinguishes the company from others and is central to the healthcare services provided in these communities, motivating them to fulfill their promise to the patients they serve.

To accomplish this, the company offers initiatives such as community guest services, concierge services, and the family matters program, treating residents with the utmost care and respect, as if they were valued guests. Details of these services are on pages 4-4 through 4-8.

Each Marquis facility implements a formal Quality Assessment and Program Improvement (QAPI) program that aligns with state and federal regulations to promote continuous quality enhancement. An excerpt on page 4-8 from QAPI News Brief, volume 2, page 3, outlines the cyclic process of PLAN, ACT, DO, STUDY, and illustrates how these procedures interact to address the root causes of issues. Monitoring plays a crucial role in assessing the effectiveness of interventions, leading to necessary modifications that ensure improvements in care.

Recognizing that the quality assessment process is dynamic and continuous, nursing homes can leverage teams to enhance care delivery. The five QAPI key elements are detailed on the application's page 4-9.

CON application #10840, page 4-10 includes common challenges faced by nursing homes, including adverse events related to medication, resident care and infections. The applicant indicates that as nursing

homes expand their services with advancements in medication, treatment techniques, and supportive equipment, the complexity of post-acute care settings increases. By being informed about these events, staff across all departments can remain vigilant in observing residents. Comprehensive training and education equip staff with actionable strategies to prevent these occurrences. Having trained personnel who can identify potential risks prepares the team to avoid adverse events.

Essentially, the QAPI process offers practical solutions for recognizing and addressing symptoms that could lead to preventable adverse events. Nursing homes can evaluate their operations against the QAPI domains using various tools identified by CMS. A list of these tools, along with the applicant's QAPI policy, is included in Exhibit 7.

West Gables states activities are essential for fulfilling the social, psychological, and functional needs of residents in care facilities. Normalization promotes meaningful activities that allow residents to explore interests, engage in leisure, and participate fully in community life. Activities include both physical and mental exercises, offered in group settings or individually, and aim to provide meaningful engagement, promote functional restoration, foster individual pursuits, and encourage expression and family involvement. Daily activities are communicated through newsletters and posters, indicating the times and leaders, ensuring residents and their families are well informed about participation opportunities. During the admission process, the activity director works closely with each resident to identify their interests and preferred leisure activities, which are incorporated into individual care plans and inspire future programming.

The quality of care correlates directly with residents' quality of life. Personalized attention and meaningful engagement support holistic care aimed at restoring or maintaining function. The applicant's programs are designed to enhance quality of life, with robust monitoring and quality assurance policies in place to measure success, identify gaps, and implement solutions, reinforcing the facility's commitment to exceptional care.

West Gables concludes it has demonstrated its capability to implement a quality assurance program that incorporates elements essential for continuous quality improvement. Facilities within the Marquis network exemplify the effectiveness of this approach, actively pursuing national recognition and Joint Commission Accreditation. This commitment to high standards ensures that quality care is consistently delivered and continually enhanced across their services.



West Gables Health Care Center had no substantiated complaints during the 36 months ending February 5, 2025. Riverside Post Acute was licensed to Marquis Health’s affiliate effective May 1, 2024, and has had no substantiated complaints since obtaining the license.

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

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance on the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to benchmarks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The applicant provided audited financial statements, where the short term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

<b>CON application #10840</b>		
	<b>Dec-23</b>	<b>Dec-22</b>
Current Assets	\$3,061,533	\$3,414,892
Total Assets	\$5,697,321	\$6,596,036
Current Liabilities	\$477,394	\$538,927
Total Liabilities	\$481,130	\$990,168
Net Assets	<b>\$5,216,191</b>	<b>\$5,605,868</b>
Total Revenues	\$10,294,681	\$9,811,152
Excess of Revenues Over Expenses	\$510,323	\$443,655
Cash Flow from Operations	\$1,224,419	<b>(\$847,649)</b>
<b>Short-Term Analysis</b>		
Current Ratio (CA/CL)	<b>6.4</b>	<b>6.3</b>
Cash Flow to Current Liabilities (CFO/CL)	<b>256.48%</b>	<b>-157.28%</b>
<b>Long-Term Analysis</b>		
Long-Term Debt to Net Assets (TL-CL/NA)	<b>0.1%</b>	<b>8.0%</b>
Total Margin (ER/TR)	<b>4.96%</b>	<b>4.52%</b>
<b>Measure of Available Funding</b>		
Working Capital	<b>\$2,584,139</b>	<b>\$2,875,965</b>

<b>Position</b>	<b>Strong</b>	<b>Good</b>	<b>Adequate</b>	<b>Moderately Weak</b>	<b>Weak</b>
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

**Capital Requirements and Funding:**

The applicant indicates on Schedule 2 capital projects totaling \$61,073,400, which includes this project (\$26,164,000), and other capitalization (\$34,909,400).

The applicant indicates on Schedule 3 of its application that funding for the project will be provided by cash on hand (\$573,054), and non-related company financing (\$25,590,946). The applicant provided audited financial statements showing \$573,054 in cash. The applicant provided a letter of interest from CIBC dated January 30, 2025. A letter of interest is not considered a firm commitment to lend.

While the applicant has a relatively strong financial position, the amount of debt necessary for the project is well in excess of net assets, operating cash flow and working capital.

**Conclusion:**

Funding for this project is in question.

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

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios, and profitability. We compared the NRPD, CPD, and profitability to actual operating results from skilled nursing facilities as reported on Medicaid cost reports (2023 cost report year). For our comparison group, we selected skilled nursing facilities with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). 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, HealthCare Cost Review).

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	18,632,372	451	674	438	333
Total Expenses	18,017,302	436	719	443	347
Operating Income	615,070	15	103	-1	-166
Operating Margin	3.30%		<b>Comparative Group Values</b>		
	Days	Percent	Highest	Median	Lowest
Occupancy	41,358	94.17%	95.91%	79.38%	50.44%
Medicaid	25,254	61.06%	71.03%	61.05%	51.10%
Medicare	15,006	36.28%	33.28%	16.82%	3.22%

**Staffing:**

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

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

**Conclusion:**

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

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

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

The publication of need in this area suggests that there is an unmet and untapped customer base for a new entrant to absorb. Since nursing home services are limited to available beds and the need formula suggests excess capacity in the market to fill those beds, the impact on market share would be limited. The combination of the existing health care system's barrier to price-based competition via fixed price payers and the existence of unmet need in the district's limits any significant gains in cost effectiveness and quality that would be generated from competition.

**Conclusion:**

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

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

The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appears 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 application also indicates the intent to an additional 15 beds through a CON exemption. There are no concerns with this plan from a physical plant design perspective.

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

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

The applicant provided West Gables Health Care Center's Medicaid history during the 12 months periods beginning July 1, 2021—June 30, 2024. The facility's highest Medicaid provided was 31.87 percent of its total patient days during the 12 months ending June 30, 2004, the lowest 13.48 percent during the 12 months ending June 30, 2023. West Gables projects Medicaid Managed Care will be 39 percent of the 60-bed project's year one (ending June 30, 2028) and year two (ending June 30, 2029) total annual patient days. Charity care is addressed with the applicant stating it does not exist in nursing homes and the difference between charges and collections is often classified as charity care allowance or bad debt.

**F. SUMMARY**

**West Gables Operator, LLC d/b/a West Gables Health Care Center (CON application #10840)**, proposes to replace its current facility within a 30-mile radius of the existing facility location a site approximately five miles away, located at 9025 SW 72nd Street, Miami, Florida 33173.

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

Total project cost is \$26,164,000. The project includes 57,532 GSF of new construction and a total construction cost of \$19,700,000.

The 60-bed facility will have only single occupancy rooms.

The applicant does not propose conditions for project approval.

**Need:**

- The project uses existing beds and is not submitted in response to the fixed need pool.
- West Gables provides a need assessment which includes population demographics and dynamics, availability, utilization, and quality of services, medical treatment trends, and market conditions.

**Quality of Care:**

- The applicant provides a detailed description of the ability to provide quality care.
- West Gables Operator, LLC d/b/a West Gables Health Care Center had no substantiated complaints during the 36 months ending February 5, 2025.

- Riverside Post Acute - West Gables affiliated nursing home since May 1, 2024, had no substantiated complaints since its licensure through February 5, 2025.

**Financial Feasibility/Availability of Funds:**

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

**Architectural**

- The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria.
- The cost estimate for the proposed project and the project completion forecast 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.

**Medicaid/Indigent Care:**

- The applicant provides its history of providing service to Medicaid patients.
- West Gables projects the 60-bed facility will provide 39 percent of its year one and year two total annual patient days to Medicaid Managed Care residents.

**G. RECOMMENDATION**

Approve CON #10840 to establish a 60-bed replacement community nursing home within a 30-mile radius of the existing facility in District 11, Subdistrict 1, Miami-Dade County. The total project cost is \$26,164,000. The project involves 57,532 GSF of new construction and a total construction cost of \$19,700,000.

**AUTHORIZATION FOR AGENCY ACTION**

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

DATE: March 13, 2025

*James B. McLemore*

---

**James B. McLemore**  
**Operations and Management Consultant Manager**  
**Certificate of Need**



Certificate of Need  
2727 Mahan Drive  
Building 2  
Tallahassee, FL 32308  
Ph: 850-412-4401