

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Bridgewater Park, LLC/CON #10346

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

Authorized Representative: Ryan Ott
(765) 664-5400

2. Service District/Subdistrict

District 3, Subdistrict 3-4 (Marion County)

B. PUBLIC HEARING

No public hearing was held or requested regarding the proposed project.

Letters of Support

The applicant included four unduplicated letters of support. All are signed, dated and individually composed. Physicians practicing in Ocala, Florida submitted two letters. The other two letters were written by the Chief Executive Officers (CEOs) of Ocala Regional Medical Center and West Marion Community Hospital.

Randy McVay, CEO of Ocala Regional Medical Center, states, "It is our expectation that through collaborating we will reduce hospital admissions, cost and negative patient outcomes. The proposed nursing facility allows a greater continuum of care that can be achieved with the current nursing home beds. Many of our patients are discharged to distant facilities because of not having enough available nursing home beds in southwest Marion County."

C. PROJECT SUMMARY

Bridgewater Park, LLC (CON application #10346), hereafter referenced as “Bridgewater” or “the applicant,” an affiliate of Tender Loving Care (TLC) Management, LLC proposes to establish a new 120-bed community nursing home in a deed-restricted retirement community, On Top of the World, Marion County, Florida (District 3, Subdistrict 3-4).

Total project cost is \$21,300,500. The project involves 74,286 gross square feet (GSF) of new construction. Total construction cost is \$11,818,490. Total project cost includes: land, building, equipment, project development, financing and start-up costs.

Bridgewater proposes one condition, that the award is to be located within the boundaries of On Top of the World, a deed-restricted retirement community.

The applicant understands that the Agency may impose one or more conditions based upon statements made within this proposal. The applicant will accept any condition or conditions that the Agency may impose.

Should the proposed project be approved, the applicant's conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code. The Agency will not impose conditions on already mandated reporting requirements.

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 district, applications are comparatively reviewed to determine which applicant best meet 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 Lucy Villafrate analyzed the application in its entirety with consultation from the financial analyst, Eric West of the Bureau of Central Services, who evaluated the financial data and Said Baniahmad 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 sections 408.035, and 408.037, Florida Statutes, and applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code.

1. Fixed Need Pool

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

Bridgewater proposes to establish a new 120-bed community nursing home in On Top of the World, a deed-restricted retirement community in Marion County, Florida (District 3, Subdistrict 3-4).

Section 408.036 (2) (e), Florida Statutes, states that if all criteria is met, a provision is available for the:

“new construction of a community nursing home in a retirement community, that is deed-restricted housing for older persons”

The specific criterion contained within 408.036 (2) (e), Florida Statutes, is addressed below.

1. Did the retirement community submit a written request to the Agency for expedited review?

The Agency received a letter from the On Top of the World Retirement Community, a deed-restricted retirement community, on September 16, 2014 requesting an expedited review. The letter requested that the Agency publish notice for the expedited review in the Florida Administrative Register pursuant to Section 408.036(2)(e), Florida Statutes.

A notice of request and approval for expedited review by a qualifying retirement community was published by the Agency in Volume 40, Number 183 of the Florida Administrative Register on September 19, 2014. The deadline for submission of the CON application(s) for the proposed project was set for December 19, 2014.

2. Is the residential use area of the proposed retirement community a deed-restricted community designated for housing for older person as defined in 760.29 (4) (b), Florida Statutes?

A letter was received by the Agency on September 16, 2014 confirming this information.

3. Is the retirement community located in a county in which 25 percent or more of its population is age 65 and older?

A letter was received by the Agency on September 16, 2014 confirming this information.

4. Is the retirement community located in a county that has a rate of no more than 16.1 beds per 1,000 persons age 65 years or older?

A letter was received by the Agency on September 16, 2014 confirming this information.

5. Does the retirement community have a population of at least 8,000 residents within the county, based on a population data source accepted by the Agency?

A letter was received by the Agency on September 16, 2014 confirming this information.

- 6. Does the number of proposed community nursing home beds exceed the projected bed need after applying the rate of 16.1 beds per 1,000 persons aged 65 years and older projected for the county three years into the future using the estimates adopted by the Agency reduced by the Agency's most recently published inventory of licensed and approved community nursing home beds in the county?**

No. The applicant states that using the Agency's publication, *Population Estimates*, released September 2013, the total number of elderly people age 65 years and older for July 2017 is estimated at 102,608, yielding a forecasted bed need of 1,652. Subtracting the licensed and approved community nursing home beds of 1,372 from the forecast yields 280. The 120 community nursing home beds sought is less than 280.

The reviewer notes that as of September 16, 2014, when the request for an expedited review was received by the Agency for a new community nursing home within On Top of the World, a rate of 7.48 beds per 1,000 person aged 65 years and older existed for Marion County three years into the future. This is under the 16.1 threshold.

- 7. Will the proposed nursing home be dually certified for participation in the Medicare and Medicaid programs?**

The applicant states that the proposed nursing home will be both Medicare and Medicaid certified and will provide services to Medicaid recipients and Medicare beneficiaries at least equal to the levels of service projected in their application.

- 8. Is the proposed nursing facility at least one mile, as measured over publicly owned roadways, from an existing approved and licensed community nursing home?**

Bridgewater indicates that the proposed facility will be located within the boundaries of On Top of the World Communities, located just north of State Road 200 on Southwest 80th Avenue. The applicant notes that the site is bounded to the west by the On Top of the World Retirement Community, to the north and east by undeveloped land and to the south by a retail center. The applicant determined that the proposed nursing home site is 2.35 miles from the closest nursing home, TimberRidge Nursing and Rehabilitation Center.

Without an approximate address the reviewer cannot confirm this information, although in looking at the information given—if the retail center to the south is Canopy Oak Center at 8075 SW Highway 200, the location is approximately 2.2 driving miles from TimberRidge Nursing and Rehabilitation Center per FloridaHealthFinder.gov.

9. Did the retirement community make land available to the applicant it deemed to have met its requirements for the construction and operation of a community nursing home?

A letter was included in the application confirming this information (CON application #10346, Section 1, Exhibit 1-1, page 1-29).

10. Did the applicant identify the intended site for the project within the retirement community and the anticipated costs for the project based on that site? Did the applicant provide written evidence that the retirement community has determined that both the provider submitting the application and the project satisfy its requirements for the proposed project?

Bridgewater states that the proposed facility will be located within the boundaries of On Top of the World Communities.

Total project cost is \$21,300,500. The project involves 74,286 GSF of new construction. Total construction cost is \$11,818,490. Total project cost includes: land, building, equipment, project development, financing and start-up costs.

A letter was included in the application confirming this information (CON application #10346, Section 1, Exhibit 1-1, page 1-29).

11. Is the proposed facility more than 120 community nursing home beds?

Bridgewater proposes to establish a new 120-bed community nursing home.

The reviewer notes that expedited reviews may be submitted at any time and do not respond to fixed need pool publications.

2. 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? ss. 408.035(1)(a) and (b), Florida Statutes.**

Availability

The applicant states that Marion County, nursing home Subdistrict 3-4, has 10 community nursing homes with a total of 1,372 beds, representing 18 percent of District 3's bed supply. Bridgewater notes Marion County nursing homes' occupancy rate for calendar year (CY) 2013 was 90 percent. See the table below.

**Utilization, District 3, Subdistrict 3-4, Marion County
CY 2013**

Facility	Community Beds	Resident Days	Facility Occupancy	Medicaid Days	Medicaid Occupancy
Avante at Ocala	133	39,145	80.6%	21,134	61.7%
Club Health & Rehab	60	19,852	90.6%	0	0.0%
Hawthorne Health & Rehab	120	40,732	93.0%	27,034	66.4%
Life Care Center of Ocala	120	38,910	88.8%	12,671	32.6%
Oakhurst Center	180	59,567	90.7%	37,302	62.6%
Ocala Health & Rehab	180	58,227	88.6%	42,221	72.5%
Ocala Oaks Rehab	120	39,109	89.3%	27,222	69.6%
Palm Gardens of Ocala	180	59,194	90.1%	39,965	67.5%
The Lodge	99	32,887	91.0%	18,541	56.4%
TimberRidge Nursing & Rehab	180	60,267	91.7%	29,730	49.3%
Total	1,372	447,890	89.4%	258,820	57.8%

Source: CON application #10346, page 3-2

Bridgewater believes that because On Top of the World does not have a skilled nursing facility available for its residents, the approval of this application would result in greater availability for skilled nursing and rehabilitative care. The applicant concludes that the proposed project promotes greater availability of skilled nursing beds in Marion County, and as a result, accessibility.

Quality of Care

Bridgewater is a new entity and therefore does not have a history of a quality of care. The applicant states, however, that Bridgewater will be defined by the mission statement of the parent company, TLC Management.

The applicant indicates that family-owned TLC Management has been in business for over 25 years and owns and operates 17 skilled nursing facilities, seven assisted living facilities and five independent living communities in Indiana and Florida.

The applicant notes that 17 of TLC Management's facilities were named in *U.S. News & World Report's* "Best Nursing Home List for 2014". The applicant notes that its Florida facility, Astoria Health and Rehabilitation Center in Winter Haven, was named on the 2014 Best Nursing Homes list for Florida. A thorough discussion of TLC Management's methods of quality care can be found on pages 4-1 through 4-20 of CON application #10346.

Accessibility

Bridgewater believes the proposed project is supported by the continued growth in Marion County and the ongoing development of On Top of the World. The applicant notes that the proposed nursing home will be Phase One of a four-phase project to construct a health care complex on property provided by On Top of the World.

The applicant provides an analysis of the supply of community nursing home beds in Marion County and contends that it lags behind the supply of District 3 and the state. Bridgewater indicates that the bed supply during CY 2013 in Marion County, District 3, and the state was 15 per 1,000 elderly, 19 per 1,000 elderly and 23 per 1,000 elderly, respectively. The applicant asserts that this proposal increases the bed supply by 120 beds—enhancing availability and producing a bed to population ratio of 17 beds per 1,000 elderly, still below District 3 and state rates.

Regarding financial access, Bridgewater states it will be both Medicare and Medicaid certified and will have contracts to assure the widest coverage for the community. The applicant indicates it has reviewed the Long Term Care Medicaid Managed Care Plans in the area and is familiar with those entities that would be important to reach out to in order to meet contractual requirements.

The applicant plans to offer a range of clinical programs which will increase the numbers of persons that will be served. The applicant points out that as a community nursing home, its facility will be open to all persons.

Extent of Utilization

The applicant notes that the Subdistrict's facility occupancy rate (89.4 percent) is about the same as District 3 (90.0 percent) and slightly higher than the State (87.2 percent) for CY 2013. Bridgewater indicates that the subdistrict's Medicaid utilization (58.0 percent) was slightly lower than the district's (62.3 percent) and the State's (62.0 percent) in CY 2013. However, the applicant believes that managed care will continue to drive Medicaid utilization down in nursing homes as diversions are preferred. The applicant states that recent information indicates an eight percent decline in Medicaid when looking overall at selected counties. The reviewer cannot confirm this information as the applicant did not provide which counties were included in calculating the eight percent decline.

The reviewer notes that Subdistrict 3-4 had a 57.99 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 57.31 percent Medicaid occupancy from July 1, 2012 to June 30, 2013—an increase of 4.02 percent (10,056 patient days) in fiscal year 2013. District 3 had a 62.79 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 62.26 percent Medicaid occupancy from July 1, 2012 to June 30, 2013—an increase in of .94 percent (14,391 patient days) in fiscal year 2013. The state had a 62.05 percent Medicaid occupancy from July 1, 2013 to June 30, 2014 and a 61.58 percent Medicaid occupancy from July 1, 2012 to June 30, 2013—an increase of 1.02 percent (160,406 patient days).

Bridgewater asserts that the proposed project will positively impact the extent of skilled nursing bed utilization in Marion County.

- b. Does the applicant have a history of providing quality care? Has the applicant demonstrated the ability to provide quality care? ss. 408.035(1)(c), Florida Statutes.**

The applicant asserts that the proposed project will employ a systematic program to assure compliance with standards of care, referenced as Quality Assessment and Performance Improvement (QAPI).

Bridgewater provides its mission statement, vision and values on pages 4-2 to 4-3 of CON application #10346.

The applicant states that TLC Management makes every endeavor to recognize and reward its family of facilities for their efforts to ensure the provision of high quality care. Therefore the company gives its facilities

awards for performance, teamwork, perfect surveys and others. A discussion of these awards can be found on page 4-3 to 4-4 of CON application #10346.

Bridgewater asserts its facility will use an online system called the Abaqis Prodigm that promotes conformity with the Centers for Medicare and Medicaid Services quality of care guidelines. The applicant states that the Abaqis Prodigm will help track hospital readmission rates and will provide customer satisfaction results.

The applicant provides a detailed discussion of each of the following programs and policies related to quality of care:

- Prodigm QAPI Accreditation Program
- Quality Assurance and Performance Improvement
- Resident Rights
- Activities

TLC Management owns one community nursing home in Florida, Astoria Health and Rehabilitation Center in Winter Haven, Florida (Nursing Home Subdistrict 6-5). The applicant notes that this facility was named on the 2014 Best Nursing Homes list for Florida by U.S. News and World Report. Per the FloridaHealthFinder.gov website, the 120-bed community nursing home Astoria Health and Rehab achieved an overall inspection score of two stars (of a possible five stars). The Agency's Nursing Home Guide was last updated November 2014.

Astoria Health and Rehab is not recognized as a Gold Seal facility and is not on the Agency's Nursing Home Watch List.

Agency licensure records indicate that Astoria Health and Rehab had 15 substantiated complaints during the three-year period ending November 18, 2014. A single complaint can encompass multiple complaint categories. The table below has these listed by complaint categories.

**Astoria Health and Rehabilitation Center's Substantiated Complaints
Past 36 Months**

Complaint Category	Number Substantiated
Quality of Care/Treatment	11
Administration/Personnel	3
Resident/Patient/Client Assessment	2
Resident/Patient/Client Rights	1
Dietary Services	1
Infection Control	1
Admission, Transfer & Discharge Rights	1

Source: Florida Agency for Health Care Administration complaint records

- c. **What resources, including health manpower, management personnel, and funds for capital and operating expenditures, are available for project accomplishment and operation? ss. 408.035(1)(d), Florida Statutes.**

The purpose of the financial analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by a third party source.

Capital Requirements and Funding:

The applicant lists \$21,420,500 for capital projects. This includes the CON currently under review and \$120,000 for a year two estimated capital budget. The applicant intends to fund these projects via a loan from Regions Healthcare Banking. A letter of interest was provided showing intent to provide the required funds for this project. However, a letter of interest is not a firm commitment guaranteeing the funding.

Conclusion:

Funding for this project is dependent on applicant's ability to acquire debt financing.

- d. **What is the immediate and long-term financial feasibility of the proposal? ss.408.035 (1)(f), 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 (2012 and 2013 cost report years). 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 3rd Quarter 2014, Health Care Cost Review).

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

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	15,085,992	405	490	439	305
Total Expenses	14,632,621	393	487	404	333
Operating Income	453,371	12	54	33	-25
Operating Margin	3.01%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	37,230	85%	99.86%	91.31%	60.95%
Medicaid / MDCD HMO	9,308	25%	29.95%	22.37%	12.57%
Medicare	14,147	38%	85.89%	59.23%	7.73%

Staffing:

Section 400.23(3)(a)(1), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant's projected staffing meets this requirement.

The projected NRPD, CPD, and profit fall 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.

e. Will the proposed project foster competition to promote quality and cost-effectiveness? ss. 408.035(1)(g), Florida Statutes.

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. 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? ss. 408.035(1)(h), Florida Statutes; Ch. 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 propose 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 a have significant impact on either construction costs or the proposed completion schedule.

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

- g. **Does the applicant have a history of providing health services to Medicaid patients and the medically indigent? Does the applicant propose to provide health services to Medicaid patients and the medically indigent? ss. 408.035(1)(i) Florida Statutes.**

The applicant provides an overview of changes to long-term care including the advent of Statewide Medicaid Managed Care (SMMC) Plans. In this discussion, Bridgewater includes information on the available plans and services in Region 3 (Alachua, Bradford, Citrus, Columbia, Dixie, Gilchrist, Hamilton, Hernando, Lafayette, Lake, Levy, Marion, Putnam, Sumter, Suwannee and Union Counties).

The applicant contends that due to their 120 private rooms and their mission to return residents home, the expectation is for higher levels of rehabilitative and restorative care at the proposed facility.

Bridgewater indicates that as a newly created entity, it does not have a history with respect to serving Medicaid and charity care patients. However, the applicant provides the payer forecast for the first two years of operation. See the table below.

**Forecast by Payer for Bridgewater Park, LLC, a New 120-Bed Nursing Home
Years Ending June 30, 2018 and 2019**

Days by Payer	Year 1	Year 2	Percent of Days
Medicare	9,154	14,147	38.0%
Medicare Managed Care	4,095	6,329	17.0%
Medicaid Managed Care	6,023	9,308	25.0%
Commercial Insurance	2,409	3,723	10.0%
Private pay	2,409	3,723	10.0%
Total	24,090	37,230	100.0%

Source: CON application #10346, page 3-5

The applicant states that Bridgewater intends to provide services to SMMC Plans as well as to Medicare Advantage Plans. Bridgewater also proposes to provide a charity allowance in their Schedule 7—the reviewer notes that these figures are noted in the applicant’s self-pay column. See the table below.

Projected Revenues – New Beds, Schedule 7, Year 2 of Operation

	Self-Pay	Medicaid HMO	Medicare	Medicare HMO	Commercial Insurance
Total Admissions	207	26	524	288	149
Total Patient Days	3,723	9,308	14,147	6,329	3,723
Percent of Total Patient Days	10.0%	25.0%	38.0%	17.0%	10.0%
Revenue per Patient Day	\$358.60	\$236.95	\$497.46	\$436.34	\$469.05

Source: CON application #10346, Section 5, Schedule 7

The applicant concludes that Bridgewater understands access must be maintained for all payers. Bridgewater contends that as change continues and nursing homes evolve, its community nursing home will be one of the resources upon which the residents of Marion County can rely upon for support and care.

The reviewer notes that TLC Management owns one community nursing home in Florida, Astoria Health and Rehabilitation Center. Astoria Health and Rehabilitation Center had 19,669 Medicaid patient days (47.96 percent total occupancy) from July 1, 2013 to June 30, 2014.

F. SUMMARY

Bridgewater Park, LLC (CON application #10346), an affiliate of TLC Management, proposes to establish a new 120-bed community nursing home in On Top of the World, a deed-restricted retirement community in Marion County, Florida (District 3, Subdistrict 3-4).

Total project cost is \$21,300,500. The project involves 74,286 GSF of new construction. Total construction cost is \$11,818,490. Total project cost includes: land, building, equipment, project development, financing and start-up costs.

Bridgewater proposes one condition, that the proposed facility is to be located within the boundaries of On Top of the World, a deed-restricted retirement community.

Need

Regarding availability, Bridgewater believes that because On Top of the World does not have a skilled nursing facility available for its residents, the approval of this application would result in greater availability for skilled nursing and rehabilitative care.

Regarding accessibility, the applicant asserts that this proposal increases the bed supply by 120, enhancing availability and producing a bed to population ratio of 17 beds per 1,000 elderly--below District 3 and state rates.

The applicant states that the proposed project will have contracts to assure the widest coverage for the community and will offer a range of clinical programs which will increase the numbers of persons being served.

Regarding utilization, Subdistrict 3-4 had an 89.4 percent occupancy rate among community nursing homes for CY 2013.

Quality of Care

The applicant states that the proposed project will employ a systematic program to assure compliance with standards of care, referenced as Quality Assessment and Performance Improvement (QAPI).

Astoria Health and Rehabilitation Center, a Florida skilled nursing facility owned by TLC Management, achieved an overall inspection score of two stars (of a possible five stars) on its most recent Agency inspection. The facility is not recognized as a Gold Seal facility and is not on the Agency's Nursing Home Watch List.

Agency licensure records indicate that Astoria Health and Rehabilitation Center had 15 substantiated complaints during the three-year period ending November 18, 2014.

Cost/Financial Analysis

Funding for the proposed project is dependent on applicant's ability to acquire debt financing. The proposed project appears to be financially feasible.

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

Architectural Analysis

The cost estimate for the proposed project appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Medicaid/Indigent Care Commitment

Bridgewater indicates that as a newly created entity, it does not have a history with respect to serving Medicaid and charity care patients. The applicant states that Bridgewater intends to provide services to SMMC Plans as well as to Medicare Advantage Plans.

The applicant projects it will provide 6,023 and 9,308 Medicaid Managed Care days in year one and year two, respectively, or 25 percent of all days.

Astoria Health and Rehabilitation Center had 19,669 Medicaid patient days (47.96 percent) from July 1, 2013 to June 30, 2014.

G. RECOMMENDATION

Approve CON #10346 to establish a new 120-bed community nursing home in On Top of the World, a deed-restricted retirement community in Marion County, Florida (District 3, Subdistrict 3-4). The total project cost is \$21,300,500. The project involves 74,286 GSF of new construction and a total construction cost of \$11,818,490.

CONDITION: The proposed facility is to be located within the boundaries of On Top of the World, a deed-restricted retirement community.

AUTHORIZATION FOR AGENCY ACTION

The authorized representative of the Agency for Health Care Administration adopted the recommendation contained herein and released the State Agency Action Report.

DATE: _____

Marisol Fitch
Health Services and Facilities Consultant Supervisor
Certificate of Need