

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Terracina III, LLC/CON #10474
1107 Hazeltine Boulevard, Suite 200
Chaska, Minnesota 55318

Authorized Representative: Craig Edinger
(952) 361-8000

2. Service District/Subdistrict

District 8/Subdistrict 8-2 (Collier County)

B. PUBLIC HEARING

No public hearing was held regarding the proposed project and no letters of support were submitted.

C. PROJECT SUMMARY

Terracina III, LLC (CON #10474), hereafter referred to as Terracina or the applicant, is a newly formed for-profit entity and affiliate of The Goodman Group, LLC. The applicant seeks to transfer CON #10339 to establish a new 30-bed community nursing home in District 8, Subdistrict 2, Collier County, Florida. CON #10339 was originally approved on February 20, 2015 to Terracina II, LLC to establish a new 30-bed community nursing home in District 8, Subdistrict 2, Collier County, Florida.

The Goodman Group, LLC operates two skilled nursing facilities (SNFs) in Florida:

- Sabal Palms Health Care Center
- Westchester Gardens Rehabilitation Care Center

Terracina includes a signed and notarized Affidavit by the Transferor, dated November 23, 2016, to transfer CON #10339 to another entity who will be an applicant, for approval of the transfer.

The project involves 30,600 gross square footage (GSF) of new construction. The construction cost is \$6,588,000. Total project cost is \$10,323,500. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant does not wish to accept any conditions for the proposed project.

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.

Rule 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 Dwight Aldridge analyzed the application in its entirety with consultation from the financial analyst Derron Hillman, Bureau of Central Services, who evaluated the financial data and Scott Waltz of the Office of Plans and Construction, 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.**

The applicant has submitted CON application #10474 as an expedited review and not in response to a fixed need pool. The number of licensed and approved nursing home beds in Subdistrict 8-2 will remain unchanged as a result of the proposed transfer.

The applicant states that the transfer of CON #10339 only changes the legal entity to which the CON applies. Terracina II, LLC, the current holder of the CON and Terracina III, LLC, the entity to which the CON will be transferred, are affiliated with The Goodman Group, LLC.

1. **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.**

Terracina III, LLC (CON #10474) proposes to construct a 30-bed SNF of all private room, to be called Gardens at Terracina Grand. The proposed project will be located on the same campus as Terracina Grand (a senior living campus offering independent living, assisted living and memory care) at 6855 Davis Boulevard, Naples, Florida 34104.

Terracina indicates the following regarding the proposed project:

- Terracina Grand is located on a major highway and in close proximity to Interstate 75
- Four hospitals and three nursing homes are located within a five-mile radius of the proposed facility
- According to population ZIP code data, the proposed project will be located within an area that has a very high number of residents 65+
- Terracina Grand is located in ZIP Code 34112, which contains the largest number of persons aged 65+ and is also immediately adjacent to the location of the proposed project
- Combined, ZIP Codes 34104 and 34112 had a population of 19,925, representing 19 percent of the subdistrict's 65+ population
- There is currently only one nursing home in ZIP Code 34112 and no nursing home in ZIP Code 34014 (the reviewer confirms this assertion through the Agency's www.floridahealthfinder.gov website)
- Residency at Terracina Grand is open to anyone and does not require a "buy into" fee

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The applicant discusses the proposed project’s accessibility, stating that the highest concentration of people aged 65+ (63 percent) are within a 10-mile radius of the proposed project. Terracina states that SNF residents will be represented by a range of payers and provides a table displaying the expected payer mix. The table below indicates that 50 percent of reimbursement will be Medicare, 17 percent Medicaid managed long-term care and 33 percent self-pay (which includes charity care).

| Forecast of Resident Days by Payer for Terracina III First Two Years of Operations | | | |
|---|---------------------------------|---------------------------------|---------------------------------|
| Payer | Year 1: FY 2019 Days | Year 2: FY 2020 Days | Year 3: FY 2021 Days |
| Medicare | 2,909 | 4,099 | 40% |
| Medicare HMO | 727 | 1,025 | 10% |
| Medicaid | 1,237 | 1,742 | 17% |
| Self-Pay | 2,400 | 3,382 | 33% |
| Total | 7,273 | 10,248 | 100% |
| Occupancy | 66.4% | 93.3% | |

Source: CON application #10474, page 1-8

The applicant states it will work with the District 8 Medicaid managed long-term care plans to become a designated facility for skilled nursing placement.

Terracina states that currently Collier County has 755 beds distributed across ten facilities with an additional 68 approved beds for the subdistrict—CON #10339 (transferor) for 30 beds and CON #10406 to SRGL Naples, LLC for 38 beds. Terracina provides utilization data for the last three fiscal years (FYs), ending June 30, 2016 and states during this time period, the subdistrict (Collier County) has experienced an overall occupancy rate in the high 80’s with the most recent FY (2016) showing an overall occupancy rate of 87 percent for the subdistrict. The applicant indicates that during FY 2016, three facilities reported occupancy rates in excess of 92 percent. See the table below.

**Subdistrict 8-2, Collier County
Skilled Nursing Facility Occupancy Rates
FY 2014-2016**

| Collier County Facilities | Licensed Beds | Resident Days | Facility Occup. | Resident Days | Facility Occup. | Resident Days | Facility Occup. |
|----------------------------------|----------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|
| Bentley Care Center | 7 | 2,562 | 100.0% | 2,55 | 100.0% | 2,555 | 100.0% |
| Chateau at Moorings Park | 60 | 19,420 | 88.4% | 20,624 | 94.2% | 20,240 | 92.4% |
| Harborchase of Naples | 40 | 12,046 | 82.3% | 11,206 | 76.8% | 12,614 | 86.4% |
| Heritage Healthcare & Rehab | 97 | 32,943 | 92.8% | 32,838 | 92.7% | 32,175 | 90.9% |
| Lakeside Pavilion | 120 | 37,824 | 86.1% | 40,776 | 93.1% | 39,032 | 89.1% |
| ManorCare at Lely Palms | 117 | 40,507 | 94.6% | 39,621 | 92.8% | 38,166 | 89.4% |
| ManorCare Nursing & Rehab | 120 | 35,419 | 80.6% | 36,018 | 82.2% | 34,231 | 78.2% |
| Premier Place at Glenview | 21 | 6,034 | 78.5% | 7,516 | 98.1% | 7,636 | 99.6% |
| Solaris Healthcare Imperial | 113 | 34,462 | 83.3% | 35,761 | 86.7% | 35,400 | 85.8% |
| Solaris Sr. Living N Naples | 60 | 18,123 | 82.5% | 18,073 | 82.5% | 17,804 | 81.3% |
| Total | 755 | 239,340 | 86.6% | 244,988 | 88.9% | 239,853 | 87.0% |

Source: CON application #10474, page 1-9

Using population estimates published by the Agency in February 2015, the applicant indicates that July 2016 estimates for Collier County were 350,249 with 96,542 estimated to be 65+. Terracina states when applying the population of 65+ to the resident days, the use rate of skilled nursing care in the subdistrict is 2,479 days per 1,000 population for the 65+ age segment. The applicant indicates it held use rates constant to project utilization for 2020 (the second year of operation) and projects 272,441 patient days when applying the use rate to the projected 2020 population. See the table below.

| Forecasted Nursing Home Resident Days for the Subdistrict and New 30-Bed Facility Assuming a 93.3 Percent Occupancy Rate, Year Two of Operation | |
|--|------------|
| Resident Days, FY 2016 | 239,340 |
| Average Daily Census FY 2016 | 654 |
| Collier County Pop. 65+, 2016 | 96,542 |
| Days per 1,000 Pop 65+, FY 2016 | 2,479 |
| Collier County Pop 65+, 2020 | 109,894 |
| Resident Days Forecasted for 2020 | 272,441 |
| Average Daily Census 2020 | 744 |
| Proposed Terracina Days at 93.3% | 10,244 |
| Deduct Terracina Days from Forecast | 262,197 |
| Average Daily Census 2020, Remaining Days | 716 |

Source: Expedited CON application #10474, page 1-10

The applicant states the table above shows that in year 2020, Collier County will have an average daily census of 744 residents, which is 11 licensed beds fewer beds than the subdistrict. Terracina indicates that the projected average daily census (ADC), with no added beds would result in a 98 percent occupancy rate. The applicant notes that when deducting its days from the projected patient days in 2020, the ADC equates to 716 or 95 percent. The applicant states to have used the remaining 2020 resident days (262,197) to further examine the impact of the proposed project on the subdistrict, and calculated what the resulting occupancy rate would be with the additional 38 beds by SGRL operating in 2020. Terracina states that when the 38 beds are added to the existing 755 beds, Collier County will experience an overall occupancy rate of 90.3 percent for all facilities, excluding the proposed project. The applicant asserts that this projected occupancy rate is higher than the subdistrict rate for the prior three FYs, thus the applicant declares the proposed project will not have an adverse impact on the existing nursing homes.

- 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.**

Terracina III, LLC (CON #10474) indicates that the proposed project will be defined by the corporate mission and mission statement of the Goodman Group, LLC and its four key values:

- Corporate Mission Statement: to create and manage living environments that emphasized quality of life and enable residents and staff to achieved an optimum level of well being
- Community Mission Statement: to enrich the quality of life of our residents by creating a sustainable, nurturing and professional environment through caring, personalized service

Four Key Values:

- We respect our residents and guests and promise to create a positive and enriching experience to gain lifetime loyalty
- We respect our employees and empower them to deliver unparalleled customer-centered services in a caring, consistent and timely manner
- We embrace diversity and operate with care and integrity in an environment of purpose, belonging and accountability
- We are proud to be contributing and supportive members of the communities we serve

Terracina asserts that The Goodman Group requires each employee to be trained in its Platinum Service® Program which was developed using the Ritz-Carlton Hotel Group's recognized customer service model. The applicant maintains that this program is the centerpiece of the

organization's promise to each of its residents, families and all those served to deliver the highest quality of service on a legendary scale. Terracina states that employees trained in the program follow the Program's 20 service standards (CON application #10474, pages 2-4 and 2-5). Terracina points out recognition at Goodman Group properties around the nation and in Florida on page 2-2 and 2-3 of the application, including:

- National Association of Home Builders (NAHB) Silver Award for Best of 55+
- Silver and Bronze – Achievement in Quality Award (AHCA/NCAL)
- Excellence in Action Award-MyInnerView (by National Research Corporation)

Terracina discusses quality assurance/performance improvement (QAPI) process on pages 2-5 thru 2-7 of the application and indicates that QAPI is overseen by the Leadership Committee and the Steering Committee. Terracina contends that as an ongoing system of evaluation, QAPI will include but not be limited to:

- Post-acute care
- Long-term care
- Wound care
- Behavior management
- Alzheimer's care
- Rehabilitation
- Hospice care
- Psycho-social needs
- Nutritional management
- Environmental services

The applicant states the QAPI program will address clinical care, quality of life and care transitions while at all times mindful of honoring residents' choices. Terracina asserts that the program will be focused on deliberate positive change to better the lives of the residents creating and maintaining a balance of safety, resident choice and autonomy when making changes in the clinical, environmental or the physical plant. Terracina discusses QAPI design and scope, governance and leadership, performance improvement projects, systemic analysis and systemic action and evaluation (pages 2-9 through 2-11 of the application). In addition, Terracina discusses the topics of residents' rights, life enrichment activities, additional program approaches and provides sample activity calendars in Exhibit 2-2 of the application.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending December 14, 2016, had one substantiated complaint at two facilities.

A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

| Substantiated Complaint Categories for the Past 36 Months | |
|--|-----------------------------|
| Complaint Category | Number Substantiated |
| Resident/Patient/Client Rights | 1 |
| Resident Assessment | 1 |
| Quality of Care/Treatment | 1 |

Source: 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.**

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The applicant is a development stage company, 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 indicates on Schedule 2 capital projects totaling \$10,323,500 which includes this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by non-related company financing. The applicant submitted a letter US Bank confirming funding for this project.

Conclusion:

Funding for this project should be available as needed.

- d. What is the immediate and long-term financial feasibility of the proposal? ss.408.035 (1)(f), Florida Statutes.**

Analysis:

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 (2014 and 2015 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). Below is the result of our analysis.

| | PROJECTIONS PER APPLICANT | | COMPARATIVE GROUP VALUES PPD | | |
|------------------|---------------------------|---------|---------------------------------|--------|--------|
| | Total | PPD | Highest | Median | Lowest |
| Net Revenues | 4,928,596 | 481 | 1,947 | 550 | 339 |
| Total Expenses | 4,743,060 | 463 | 1,853 | 529 | 342 |
| Operating Income | 185,536 | 18 | 218 | 12 | -196 |
| Operating Margin | 3.76% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 10,248 | 93.33% | 96.94% | 87.05% | 34.05% |
| Medicaid | 1,742 | 17.00% | 29.49% | 18.31% | 0.00% |
| Medicare | 5,124 | 50.00% | 99.41% | 31.61% | 9.69% |

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 seems feasible.

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? ss. 408.035(1)(g), Florida Statutes.**

Analysis:

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 suggest 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 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 most of the information and documentation necessary to demonstrate compliance with the architectural review criteria. The submission lacks any information relating the mechanical and electrical systems of the proposed facility. The submission also fails to address the disaster preparedness requirements involved in site selection. 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. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction involving a hospital, nursing home, or intermediate care facility for the developmentally disabled (ICF/DD).

- 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.**

Terracina states, for Subdistrict 8-2, Collier County, Medicaid nursing home occupancy has averaged around 49 percent for the last three years, with occupancy between 48 and 50 percent during that time period indicating that the Medicaid occupancy rate is relatively stable for those already in skilled nursing for the subdistrict. The reviewer confirms the Medicaid patient days and Medicaid occupancy in the table below. The applicant states that The Centers for Medicare and Medicaid services (CMS) continues to promote Medicaid Advantage Plans and the number of enrollees has grown. Terracina emphasizes that higher levels of rehabilitation and restorative care will be provided for shorter stays as residents return home—including for Medicaid recipients.

The reviewer provided the five-year history of Medicaid patient days and occupancy for the county, subdistrict, district and state in the table below.

Medicaid Patient Days & Medicaid Occupancy in Collier County (Subdistrict 8-2), District 8 and Florida

| Medicaid Patient Days | | | | | |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Facility/Area | 2011 | 2012 | 2013 | 2014 | 2015 |
| Collier (Subdistrict 8-2) | 118,460 | 115,896 | 117,048 | 119,121 | 121,479 |
| District 8 | 1,198,660 | 1,212,391 | 1,207,330 | 1,247,576 | 1,283,057 |
| Florida | 15,612,015 | 15,733,318 | 15,700,197 | 15,932,613 | 15,959,939 |
| Medicaid Occupancy | | | | | |
| Facility/Area | 2011 | 2012 | 2013 | 2014 | 2015 |
| Collier (Subdistrict 8-2) | 48.71% | 47.34% | 48.14% | 49.59% | 49.45% |
| District 8 | 57.18% | 57.39% | 56.43% | 57.22% | 57.65% |
| Florida | 61.56% | 61.85% | 61.66% | 62.17% | 62.18% |

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2011- October 2015 Batching Cycle

Terracina provides the forecasted payer mix for the 30-bed facility, which is expected to provide 17 percent of care to persons under a Medicaid long-term managed care plan. The applicant states that charity care, or unreimbursed skilled nursing care, is included in the self-pay category in the table below, thus Terracina asserts both Medicaid and charity care are addressed through the proposed project. See the following table.

**Forecast of Resident Days by Payer for Terracina
First Two Years of Operation**

| Payer | Year 1: FY 2019 Days | Year 2: FY 2020 Days | Percent of Days |
|------------------|-----------------------------|-----------------------------|------------------------|
| Medicare | 2,909 | 4,099 | 40% |
| Medicare HMO | 727 | 1,025 | 10% |
| Medicaid | 1,237 | 1,742 | 17% |
| Self-Pay* | 2,400 | 3,382 | 33% |
| Total | 7,273 | 10,248 | 100% |
| Occupancy | 66.4% | 93.3% | |

Source: CON expedited application #10474, page 7-2

*Includes charity care

The applicant’s Schedule 7 indicates that for the proposed 30-bed community SNF, Medicaid and self-pay represent 17.0 percent and 33.0 percent, respectively, of year one and two annual total patient days. Terracina does not offer a Medicaid condition for the proposed project. CON #10339 proposed for transfer offered no Medicaid condition in its Schedule C.

F. SUMMARY

Terracina III, LLC (CON #10474) a newly formed for-profit entity and affiliate of The Goodman Group, LLC, seeks to transfer CON #10339 to establish a new 30-bed community nursing home in District 8, Subdistrict 2, Collier County, Florida. CON #10339 was originally approved to Terracina II, LLC.

The Goodman Group, LLC operates two SNFs in Florida.

Terracina includes a signed and notarized Affidavit by the Transferor, dated November 23, 2016, to transfer CON #10339 to another entity who will be an applicant for approval of the transfer.

The project involves 30,600 GSF of new construction. The construction cost is \$6,588,000. Total project cost is \$10,323,500. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant does not wish to accept any conditions for the proposed project.

Need

The applicant has submitted CON #10474 as an expedited review and not in response to a fixed need pool. The number of licensed and approved nursing home beds in Subdistrict 8-2 will remain unchanged as a result of the proposed transfer.

Terracina indicates the following regarding the proposed project:

- Terracina Grand is located on a major highway and in close proximity to Interstate 75
- Four hospitals and three nursing homes are located within a five-mile radius of the proposed facility
- According to population ZIP Code data, the proposed project will be located within an area that has a very high number of residents 65+
- Terracina Grand is located in ZIP Code 34112, which contains the largest number of persons aged 65+ and is also immediately adjacent to the location of the proposed project
- Combined, ZIP Codes 34104 and 34112 had a population of 19,925, representing 19 percent of the subdistrict's 65+ population
- There is currently only one nursing home in ZIP Code 34112 and no nursing home in ZIP Code 34014 (the reviewer confirms this assertion through the Agency's www.floridahealthfinder.gov website)
- Residency at Terracina Grand is open to anyone and does not require a "buy into" fee

Quality of Care

The applicant described its ability to provide quality care.

Agency licensure records indicate that for the three-year period ending December 14, 2016, the applicant's controlling interest, The Goodman Group, LLC, had one substantiated complaint at its two Florida SNFs.

Cost/Financial Analysis

Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets this requirement. This project appears to be financially feasible based on the projections provided by the applicant.

Architectural Analysis

The cost estimate 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.

Medicaid/Indigent Care Commitment

The applicant's Schedule 7 indicates that for the proposed 30-bed community SNF, Medicaid and self-pay represent 17.0 percent and 33.0 percent, respectively, of year one and two annual total patient days. Terracina does not offer a Medicaid condition for the proposed project.

CON application #10339 proposed for transfer offered no Medicaid condition in its Schedule C.

G. RECOMMENDATION

Approve CON #10474 to transfer CON #10339 from Terracina II, LLC to Terracina III, LLC to establish a 30-bed community nursing home in District 8, Subdistrict 2, Collier County. The total project cost is \$10,323,500. The project involves 30,600 GSF of new construction and a construction cost of \$6,588,000.

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 Administration Services Manager
Certificate of Need