

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Galencare, Inc.
d/b/a Brandon Regional Hospital/CON #10481
119 Oakfield Drive
Brandon, Florida 33511

Authorized Representative: Mr. D. Bland Eng
Chief Executive Officer
(813) 681-5551

**HealthSouth Rehabilitation Hospital of
Hillsborough County, LLC/CON #10482**
6300 La Calma Drive, Suite 170
Austin, Texas 78752

Authorized Representative: Ronald T. Luke
Authorized Representative
(512) 371-8166

2. Service District

District 6 (Hardee, Highlands, Hillsborough, Manatee and Polk Counties)

B. PUBLIC HEARING

A public hearing was requested and it was held on Friday, April 28, 2017 at the Centers of Westshore Main Conference Room at 550 N. Reo Street, Suite 300, Tampa Florida 32609. The hearing was requested by Mr. Jeffrey Frehn, authorized representative for Tampa General.

First to speak on behalf of Tampa General Hospital was Armand Balsano, a health care analyst, stating opposition to both application filed for new CMR services in Hillsborough County (CON applications #10481 and #10482). He commented on use rates, accessibility, availability of beds and other health care planning principles. Mr. Balsano noted that

Tampa General is an existing facility with 1,011 beds and a large comprehensive referral center for specialty services including a Level One trauma center and a major transplant provider as well as a Comprehensive Stroke Center and CARF-accredited.

Mr. Balsano stated that Tampa General has 59 beds in their rehabilitation center—a four-story dedicated structure with inpatient beds and ancillary and support services on the campus of Tampa General. He maintains that the rehabilitation center is geographically accessible to the majority of Hillsborough County (within 30 minutes) and provides a number of specialized programs including: orthopedics, neuroservices, traumatic brain services and spinal cord services. Mr. Balsano notes that the 2016 utilization for the rehabilitation facility was 73 percent showing that it is well utilized, a healthy program and has available capacity (on average 15 beds available per day). He indicated that the applications note that Tampa General has a flat utilization rate despite increasing population but that admissions have increased by 14 percent while patient days have remained flat as the average length of stay has decreased.

Mr. Balsano indicated that in analyzing discharge data, the service area for Tampa General's rehabilitation program is utilized by mainly Hillsborough County residents (70 percent) similarly found in analyzing Florida Hospital Tampa's origin data (74 percent). He asserts that CON applications #10481 and #10482 indicate primarily serving the "unmet need" in Hillsborough County but that this is inconsistent with the operating experience of the two largest providers of rehabilitation services in the area and the service areas might be inappropriately defined.

The opposition notes that both applicants' need methodologies indicate that the unusually low use rate of CMR services in Hillsborough County implies an unserved demand, representing a barrier for individuals seeking CMR services. Mr. Balsano maintains that use rates for CMR services vary significantly around Florida—as much as a 300 percent variance due to distinct difference in the markets. He notes that these use rates vary due to demographics or utilization of other alternatives to CMR services. Mr. Balsano cites that prior administrative procedures and adopted recommended orders have noted that a low use rate, in and of itself, is not an indication of need.

In terms of CON application #10481, Mr. Balsano states that Galencare contends that rule is inappropriate as it does not account for the difference in utilization thresholds for existing providers and new providers (i.e. the threshold is less for an existing provider than for new providers). Mr. Balsano notes that CMR is considered a tertiary service

in order to accumulate resources and improve the delivery of care. He concludes that it is therefore, not appropriate that convenience is listed as a “not normal” circumstance.

Mr. Balsano, presents information on the 173 beds (five providers) in Service District 6, noting that existing providers are 63 percent utilized for the latest reporting period, meaning that on any given day there are 63 available CMR beds in the service district. The opposition indicates that CMR is a regional service for health planning purposes, the rule does not contemplate a county basis or a distinct medical market. He notes that all providers have capacity for additional patients indicating that utilization does not show that there is pent-up demand for these services. Mr. Balsano contends that it would be in the best interest of the existing providers to identify and serve appropriate CMR patients for clinical as well as financial reasons. He also notes that occupancy rates for Service District 6 for CMR services (63 percent) compare to the statewide average (69 percent).

He speaks to other noted “not normal circumstances” cited by CON applications #10481 and #10482, including:

- Unusual use rate without documentation of poor outcomes
- Capacity constraints at Hillsborough providers depressed CMR utilization creating unmet need
- Tampa General only serves its own population (HealthSouth contention)
- Migration of patients from a regional basis to a local service delivery model
- The rule (59C-1.039 Florida Administrative Code) is outdated (Brandon contention)

Tampa General maintains that these circumstances are all flawed and responds to them in the following manner:

- The applicants provide no documentation of poor outcomes or that discharge planners are unable to place patients
- On the applicable service district basis, there are 60+ beds available, on the smaller county-level there are approximately 20 beds available in Hillsborough (15 at Tampa General, five at Florida Hospital) opposition concludes there is no suppressed need
- 25 percent of all referrals to Tampa General’s CMR unit are from other hospitals
- Migration to a local service delivery is an issue of preference and the rule (59C-1.039 Florida Administrative Code) analyzes need on a regional basis
- Modification of rule has a process that has not been utilized by the applicants

Mr. Balsano finally addresses adverse impact of existing providers. Opposition notes that the applicant's indicate that development of the proposed programs will have no impact on existing providers as the proposed programs will stimulate demand, increase the number of admissions to the service district and not affect the patient days of the existing providers. Opposition maintains that this scenario is not supportable and is unrealistic, noting:

- CMS continues to constrict admission criteria for hospital inpatient rehabilitation
- CMS continues to look for alternatives to hospital inpatient rehabilitation (i.e. skilled nursing)
- National increase in use rates for inpatient hospital rehabilitation was not established in the applications

Further, Mr. Balsano maintains that with a stable use rate and a growing population, in 2022 an additional 8.8 beds are needed (242 additional discharges) in the service district above the utilized 110 beds (with 63 beds unoccupied). Opposition contends that in terms of adverse impact, the HealthSouth application projects 1,326 discharges, meaning that 1,083 discharges would come from the existing providers in Service District 6 in 2022—impacting Tampa General's discharges by 50 percent over the year. He notes that Brandon's proposed program would adversely impact Tampa General's discharges by 25 percent. Both would represent a profound and material adverse impact to Tampa General's existing CMR program.

In summary, Tampa General does not believe there is need for either of the proposed programs for the following reasons:

- The Brandon Regional application is based on institution-specific needs and does not address the regional central planning concept for tertiary-level services
- The Brandon Regional and HealthSouth letters of support did not articulate lack of access of services to specific patients or populations
- No formulaic need under the rule
- CMR is tertiary service analyzed on a district basis, not a county basis
- Capacity within existing providers is sufficient to meet needs of the district
- Population growth can be easily absorbed by the existing providers
- No quality issues of the existing providers
- Previous rulings (recommended orders) by the Division of Administrative Hearings (DOAH)

Mr. Michael Daniels, Director of Rehabilitation Services at Tampa General for the past 15 years, Hillsborough County resident, CARF surveyor for rehabilitation services, occupational therapist, presented

opposition for the proposed applicants. He rebuts both application's major themes for need for the proposed programs, including:

- HealthSouth's implications that its proposed facility will provide improved and more advanced care as well as technology not currently available in Hillsborough County at present
- Implications by the applicants' that affiliations, staffing and support groups will be available at the new facilities not necessarily available at existing providers
- Neither application proposes anything new to the service district
- HealthSouth wrongly states that Tampa General will not lose any patients since Tampa General's discharge planners control CMR referrals—Tampa General maintains that is illegal and that they are required to discuss the patient's choice and cannot specify or limit choices for patients
- Capacity constraints discussed by the applicants are unreasonable due to new restrictions by CMS (the 60 percent rule was specified) and the pool of people able to access this service is relatively difficult to attain

Mr. Daniels concludes that as a resident of Hillsborough County, Tampa General already satisfies the County's need for CMR services and residents have access to this service.

Jeff Frehn, an attorney representing Tampa General, next presented at the hearing. He noted that both applicants recognized that their applications do not comply with the CMR rule as written and urge the Agency to apply standards not found in the rule. Mr. Frehn indicates that need must be evaluated on a district basis not through any other basis. He maintains that the CMR rule is in effect and has the force of law as an Agency must follow its own rule. Mr. Frehn also noted that amendments to the CMR rule were published in March of 2017 to update the rule. He maintains that the Agency left particular provisions intact consistent with the legislature's classification of CMR as a tertiary service.

Mr. Frehn indicates that the two applicants for new CMR services neglect to reference adverse impact, including previous recommended and final orders from DOAH which were submitted during the hearing. Mr. Frehn noted a number of findings from these orders including:

- The CMR rule sets the desired average annual occupancy rate at 85 percent
- CMR need is determined in a district-wide rather than a county basis
- A low use rate is not a special circumstance
- Two-hour travel time remains in the rule and must be considered

Mr. Gene Nelson, a health planner, next spoke on behalf of Brandon Regional Hospital (BRH) an affiliate of Hospital Corporation of America (HCA). He notes that HCA is the second largest provider of inpatient rehabilitation services in the nation and operates 10 programs (268 beds) in Florida, along with CON application #10349 for a 28-bed unit (Osceola Regional).

He indicates that District 6 is the third most populous district in the state with Hillsborough County being the largest county in District 6. HCA has over 800 beds in Hillsborough County, with BRH being the largest HCA facility in the county.

Mr. Nelson maintains that the Agency has recently been receptive to additional CMR hospitals or hospital-based CMR units submitted under not normal or unique circumstances. Mr. Nelson notes that the significantly low use rate in District 6, lags behind the state, has the lowest resident use rate in the state and notes the longer ALOS are indicators of suppressed need. He contends that per available data indicates that CMR units do not function as regional referral centers but primarily serve their own discharges and residents of the home county (on average 80 percent).

Mr. Nelson states that the two existing providers in Hillsborough County are the primary providers of CMR services to residents of Hillsborough County (83 percent). He maintains that Florida Hospital Tampa and Tampa General are not viable or realistic options for Brandon Regional patients. In addition, he states that CMR use rates are suppressed within District 6 and in Hillsborough County due to the relative unavailability of CMR services. He indicates that large hospital-based units are no longer able to fill beds due to new CMS restrictions, including the unit at Tampa General which is too large and in the wrong location

As regards to travel times, Mr. Nelson notes that many patients and their family members pursue lower level skilled nursing care in lieu of inpatient rehabilitation due to “arduous” travel through congested roadways, that though within the two-hour provision, is deemed unacceptable.

Mr. Nelson states that approval of CON application #10481 will increase options to residents of Hillsborough County and will result in an increase in the district use rate for CMR services. Mr. Nelson notes that Hillsborough County residents have low acute care discharge rates to CMR from Hillsborough acute care facilities (1.4 percent).

Mr. Nelson contends that BRH's utilization forecast is based on an assumption that the application will bring the District 6 rates more in line with utilization norms driven by the shortfall of expected discharges and actual suppressed demand. He notes that in the last four quarters, only 32 patients from BRH were admitted to existing providers in Hillsborough County and this data does not support any adverse impact arguments submitted by Tampa General.

In regard to the HealthSouth application, Mr. Nelson indicates HCA discharges will have access to CMR services through their application at BRH. Freestanding inpatient hospitals do not have immediate access to acute care services without the need for transport or a hospital readmission. He notes that HealthSouth's application will have to recruit patients from all acute care hospitals and poses a significantly higher adverse impact, to the extent that there is any, to existing providers. Mr. Nelson also notes that HealthSouth has not identified a location of the proposed facility which may or may not have a greater adverse impact on the existing providers.

Dr. Joe Corcoran, Chief Medical Officer of BRH, spoke next.

Dr. Corcoran noted significant growth of beds and services at BRH since January of 2013, noting that in particular, young families call the area home. Dr. Corcoran maintains that 73 percent of the 54 patients, during an undesignated amount of time, that were referred to Tampa General from BRH were turned away.

Dr. Corcoran maintains that the BRH application as opposed to HealthSouth's application, promotes continuity of care, patients would not need to be transported, ancillary staff would be more efficiently utilized and emergent care would be immediately accessible. He states that residents in eastern Hillsborough County are reluctant to seek care outside of their suburb.

Next, Mr. Gabe Warren presented for BRH. He stated that the need methodology does not accurately reflect the district, nor Hillsborough County's, need for CMR services. Mr. Warren notes that the Agency should look to unique local circumstances outside the need methodology. He notes other instances when the Agency approved CMR proposals outside of need. Mr. Warren maintains that the unwillingness of residents' to travel outside eastern Hillsborough County is an access issue not a convenience issue. He notes that CMR should be reviewed on a community by community basis.

Mr. Warren indicates that skilled nursing cannot adequately replace CMR services because patients that access CMR services, specifically the 65+ population, have better outcomes, get home sooner, live longer, have a better quality of life and have reduced hospital readmissions.

Mr. Warren maintains that because of significant population growth, existing providers cannot serve CMR patients in southern and eastern Hillsborough County.

Mr. Warren touched on adverse impact and indicated that any adverse impact would be minimal—noting Florida Hospital Tampa only accepted 36 percent of patients referred to it by BRH and Tampa General only accepted 27 percent.

As to HealthSouth's competing application, he states that it is difficult to judge adverse impact of the application since no specific proposed location was submitted. Additionally, he notes that a freestanding facility does not allow for transfers of patients with acute care issues or the efficiency of ancillary staff support services within a hospital-based CMR program. He maintains that a hospital-based unit enhances continuity of care along with the ability of an attending physician to monitor progress of the patient.

Ms. Bedard, area CEO for HealthSouth with administrative oversight for three HealthSouth facilities, spoke on behalf of HealthSouth's application (CON 10482). She notes that both proposed applications maintain that CMR beds are not available to the residents of Hillsborough County. Ms. Bedard indicates that the CMR utilization rate has increased in other areas of the state (Marion and Seminole Counties) that have benefitted from new CMR beds being introduced into the service area.

She notes that the major difference between the two proposed applications is that the HealthSouth application will serve all residents in Hillsborough County while the HCA application will primarily serve HCA patients. Ms. Bedard contends that there is a large unmet need. She notes that competing organizations will not transfer patients to competing health systems, while they will transfer patients to a freestanding hospital and organization. Ms. Bedard asserts that steering occurs regularly to keep patients within a health system but does not occur when transferring patients to HealthSouth, since it does not provide acute care. She maintains that being a freestanding provider does have advantages in the fact that residents will have more access to care.

Ms. Bedard indicates that in comparison to the HCA application, HealthSouth will serve far more of the unmet bed need in Hillsborough County (60 of the identified 90-bed need). In addition, she maintains that the HealthSouth facility will be accessible earlier than at BRH—702 days at HealthSouth versus 1,309 days at BRH due to renovation associated with the project. Ms. Bedard indicates that HealthSouth will provide services that the HCA application will not include: major multiple trauma, traumatic brain injury and traumatic spinal cord injuries. She

also notes that the HCA application indicates that it will serve arthritis patients—but these patients no longer meet the criteria of the CMS 13 rule (removed in 2010).

She notes that the HealthSouth proposal is much more cost-effective—\$547,541 per bed at HealthSouth versus \$950,009 per bed at HCA. Ms. Bedard indicates that HealthSouth will have all private rooms versus HCA’s proposal of a mixture of private and semi-private rooms.

Ms. Bedard rebuts HCA’s claims that it can treat patients that could not otherwise be transferred to a freestanding CMR hospital by reading CMS criteria. She indicates that HCA’s case mix index is much lower (1.31) than the average case mix treated by HealthSouth (1.41) for CMR patients. Ms. Bedard states her concern regarding HCA’s proposed medical director, noting that the medical director will only work three days a week and work 20 hours a week—not allowing patients to be admitted seven days a week pursuant to documentation requirements.

Dr. DeJesus, board-certified psychiatrist, spoke next on behalf of HealthSouth. Dr. DeJesus started by thanking his clinical colleagues at Tampa General and BRH. He talked about the changes to CMR care in the past twenty years, and with complications bringing a patient from the acute care setting to a CMR setting, noting the 60 percent rule. Dr. DeJesus notes that he has representatives of all specialties in the HealthSouth setting to meet the medical complexities of patients. He indicates that HealthSouth’s acute care transfer rate is below average at six percent—equating to a significant medical savings to the Medicare program. Dr. DeJesus indicates his pride at working at HealthSouth and the care the organization provides to patients. He notes that skilled nursing post-acute care is far different than a hospital-based CMR unit—which produces better outcomes.

Dr. Ron Luke, a health care consultant and representative of HealthSouth, spoke next and presented some written documentation. These documents were titled:

- Hillsborough County Residents Lack Access to CMR Services
- Florida Hospital Tampa’s CMR Unit is at Full Capacity
- Tampa General Hospital’s CMR Unit is at Full Capacity
- Tampa General Hospital’s CMR Unit is at Full Capacity
- Tampa General Hospital is Financially Sound
- Hillsborough County Needs 60 Additional CMR Beds

Dr. Luke stated that the three-year average resident use rate of CMR services is 1.2 compared to the state use rate of 2.8 and 3.6 in counties with freestanding hospitals. He combines this use rate with the percent of relevant discharges from acute care hospitals in the county to CMR

(1.2 percent in Hillsborough) and percent of CMS 13 patients in Hillsborough County to show that there is a lack of access to CMR beds in Hillsborough County. Dr. Luke notes that there is a reluctance to transfer patients to other health systems and a reluctance to accept patients from other health systems into existing hospital-based CMR units.

He also notes that both Florida Hospital Tampa and Tampa General Hospital's existing CMR units are at functional capacity. Dr. Luke also points out that these two hospital-based units treat patients discharged from their own health systems. He indicates that Tampa General only has 56, not 59 rooms, without room to grow economically to a larger bed complement. Dr. Luke notes that while the 65+ population in Hillsborough County has increased significantly, census has remained stable at Tampa General thereby illustrating that the 65+ population is not accessing the service since the facility is at functional capacity.

Dr. Luke maintains that in 2010, Tampa General went through several steps (spent \$12 million on land, submitted plans to the city and started the city's permitting process) to build a larger CMR hospital (150 beds) that is still a parking lot. Dr. Luke concludes that this fact illustrates that even Tampa General knows that there is a need for additional CMR beds. He also indicates that Tampa General and Florida Hospital have partnered to create an outpatient services center in Brandon. He questions whether opposition to these proposed projects are rooted in institutional priorities or an unbiased assessment of community need.

In terms of material financial adverse impact to the entire Tampa General health system with approval of the HealthSouth application under the worst case scenario, Dr. Luke maintains that CMR services only accounts for 0.3 percent (\$18 million) of Tampa General's \$5.8 billion gross revenue in 2015. Dr. Luke maintains that HealthSouth's proposal will not affect the census at Tampa General's CMR unit since Tampa General referrals will more than likely stay at Tampa General.

Dr. Luke analyzes the CMR bed need in Hillsborough County utilizing the 25th percentile of use rate for counties with freestanding facilities, noting that the bed need in 2022 is 56 beds. He also utilizes the 50th percentile use rate for counties with freestanding facilities, noting that the bed need in 2022 is 98 beds.

Dr. Luke indicates that the HealthSouth application best meets the needs of the Hillsborough County residents versus the needs of HCA's Hillsborough County patient needs—which is what the proposed application by HCA and HCA's experience in other areas of the state illustrates.

He concludes that the HealthSouth application illustrates not normal circumstances, demonstrating lack of access in the county justifying the approval of the application by the Agency. Dr. Luke discounts that anyone in Hillsborough County would access services in Manatee or Polk County. He also noted the success of other HealthSouth applications that were approved outside of need.

Letters of Support

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) submitted two letters of support. One letter was composed by a local area resident and the other by Dr. Thomas Lane of the Florida Orthopaedic Institute. The local area resident expressed the sentiment that there is need for CMR services, especially for patients who are discharged home in lieu of a skilled nursing facility (SNF) after hospitalization and still require rehabilitation. Dr. Lane voiced his concern pertaining to the limited availability of CMR beds for BRH patients in need of such services. Dr. Lane states “Last year alone BRH treated 148 hip fractures and 355 stroke patients. Many required more care than a SNF could provide. It’s time to make available to these patients the safe, convenient and optimal medical rehabilitation care they deserve.”

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) submitted 19 unduplicated letters of support composed by physicians, local health care providers and professionals, assisted living facilities and university faculty. A majority of the support letters shared a common sentiment that patients would benefit from HealthSouth’s proposed CMR hospital. One letter of support from Dr. Mathew Berlet, Medical Director Stroke Center of St. Joseph’s Hospital, discusses how many patients he treats are not suitable for discharge after their acute stay and need CMR services that insurance companies are unwilling to cover. Several support letters expressed concerns related to the geographic barriers to access present for those patients in need of available CMR services.

Letters of support are noted from the following:

- John Soliman, D.O., Brain and Spine Neuroscience Institute
- Djenaba Burns, President & CEO, Brain Injury Association of Florida
- Jennifer Rotunda, Executive Director, Allegro Senior Living
- Mary T. Blackinton, PT, EdD, GCS, CEEAA, Director HE-DPT Program, Nova Southeastern University
- Michael Whyte, Executive Director, Westbrooke Manor Assisted Living
- Joseph W. Joseph, President, Hyde Park Assisted Living
- Lisa Milne, Vice President of Programs, Alzheimer’s Association

- Vivian B. Toney, Assistant Principal for Administration, Brewster Technical College
- Mohamma Munir, M.D.
- Cecilio Hernandez, M.D.
- Elias Kanaan, M.D.
- Anna Prishutova, M.D.
- Ajoy Kotwal, M.D.
- Carolyn Connelly, M.D.
- Sylvia Hazelwood, ARNP

C. PROJECT SUMMARY

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481), also referenced as BRH, or the applicant, a subsidiary of the for-profit entity HCA, proposes to establish a new 30-bed CMR unit at its existing facility in District 6, Hillsborough County, Florida. BRH states that HCA affiliated hospitals in Florida operate 10 inpatient CMR programs totaling 268 CMR beds. HCA Florida operated CMR programs include:

- Blake Medical Center (28 beds)
- Central Florida Regional Hospital (13 beds)
- Fawcett Memorial Hospital (20 beds)
- Largo Medical Center-Indian Rocks (30 beds)
- Lawnwood Regional Medical Center and Heart Institute (44 beds)
- Mercy Hospital (15 beds)
- Orange Park Medical Center (20 beds)
- Palm of Pasadena Hospital (20 beds)
- The Rehabilitation Institute of Northwest Florida (20 beds)
- West Florida Hospital (58 beds)

BRH is a 422-bed Class I general hospital composed of 375 acute care beds, 25 psychiatric beds, 14 Level II neonatal intensive care unit (NICU) beds and eight Level III NICU beds located at 119 Oakfield Drive, Brandon, Florida 33511. Brandon Regional provides non-CON regulated Level II adult cardiovascular services and a designation as a primary stroke center. The applicant intends to locate the proposed CMR unit on the second floor of the existing patient Tower A at BRH.

The project involves 42,159 gross square feet (GSF) of new construction, at a construction cost of \$18,441,000. The total project cost is \$28,527,000. Project costs include building, equipment, project development, financing and start-up costs.

The applicant proposes the following conditions to approval on the applicant's Schedule C:

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- Brandon Regional will provide minimum of 4.0 percent of its annual total CMR patient days to the combination of Medicaid, Medicaid HMO and charity (including self-pay) patients.
- Brandon Regional will apply for Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation for its CMR program in the first 12 months of operation.
- Brandon Regional will be accredited by the Joint Commission.
- The medical director of the CMR program will be a board-certified or board-eligible psychiatrist with at least two years of experience in the medical management of inpatients requiring rehabilitation services.
- Therapy services will be available seven days a week.
- The hospital will provide the equipment described below as part of a technology package when the CMR unit opens. If a technological change makes better equipment available by the time of purchase, the hospital may substitute more modern [sic] equipment that serves the same functions.
 - ReoGoAmbulator
 - Balance System SD
 - Saebo Hand Unit
 - VitalStim
 - Bioness
 - Adnodyne Unit

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482), also referenced asHRHHC or the applicant, a subsidiary of the for-profit HealthSouth Corporation, proposes to establish a new 60-bed CMR hospital in District 6, Hillsborough County, Florida. The applicant indicates that the exact site for the proposed CMR hospital has not been determined. HealthSouth operates 12 CMR programs in Florida which include:

- HealthSouth Emerald Coast
- HealthSouth Tallahassee
- HealthSouth Ocala
- HealthSouth Spring Hill
- HealthSouth Altamonte Springs
- HealthSouth Largo
- HealthSouth Sarasota
- HealthSouth Sea Pines
- HealthSouth Treasure Coast
- HealthSouth Martin Health
- HealthSouth Sunrise
- HealthSouth Miami

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The project involves 57,764 GSF of new construction, at a construction cost of \$16,450,000. The total project cost is \$32,852,500. Project costs include building, equipment, project development, financing and start-up costs.

The applicant proposes the following conditions to approval on the applicant's Schedule C:

Percent of Particular Population Group to be Served:

- Medicaid, Medicaid Managed Care, charity care and self-pay patients will be a minimum of 2.25 percent of HRHHC's patient days.

Special Programs:

- HRHHC will be accredited by The Joint Commission and apply for accreditation during the first year of operation.
- HRHHC will institute a stroke rehabilitation program and will obtain specialty certification from The Joint Commission in stroke rehabilitation within the first three years of operations.
- HRHHC conditions this application on having the following equipment at the proposed hospital when it opens. If technological changes leads to better equipment being available by the time of purchase, the hospital may substitute more modern equipment that serves the same functions.
 - a. Bioness BITS
 - b. Bioness L300
 - c. Bioness H200
 - d. Biodex Freestep SAS
 - e. ACP Synchrony

Total GSF and Project Costs of Co-Batched Applicants

Applicant	CON #	Project	GSF	Costs \$	Cost Per Bed
Brandon Regional Hospital	10481	New 30-Bed CMR Unit	42,159	\$28,527,000	\$950,900
HealthSouth	10482	New 60-Bed CMR Hospital	57,764	\$32,852,500	\$547,542

Source: CON applications #10481 and 10482, Schedules 1 and 9

The reviewer notes Section 408.043 (4), Florida Statutes, prohibits accreditation by any private organization as a requirement for the issuance or maintenance of a certificate of need, so Joint Commission accreditation and Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation will not be cited as conditions to approval. Should the project be approved, the applicant(s)' proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes; and applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code. 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 evaluating the responses and data 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(s) best meets the review criteria.

Rule 59C-1.010 (3) (b), Florida Administrative Code, prohibits any amendments once an application has been 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 Everett (Butch) Broussard of the Bureau of Central Services, who reviewed 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 review criteria and application content requirements found in sections 408.035, and 408.037; 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? ss. 408.035 (1)(a), Florida Statutes, Rules 59C-1.008(2) and 59C-1.039(5), Florida Administrative Code.**

In Volume 43, Number 13 of the Florida Administrative Register, dated January 20, 2017, a fixed need pool of zero beds was published for CMR beds for District 6 for the July 2022 planning horizon. Therefore, each co-batched applicants' proposed project is outside the fixed need pool.

As of January 20, 2017, District 6 had 173 licensed and zero approved CMR beds. During the 12-month period ending June 30, 2016, District 6's 173 licensed CMR beds experienced 53.01 percent utilization.

- b. According to Rule 59C-1.039 (5)(d) of the Florida Administrative Code, need for new comprehensive medical rehabilitation inpatient services shall not normally be made unless a bed need exists according to the numeric need methodology in paragraph (5)(c) of this rule. Regardless of whether bed need is shown under the need formula in paragraph (5)(c), no additional comprehensive medical rehabilitation inpatient beds shall normally be approved for a district unless the average annual occupancy rate of the licensed comprehensive medical rehabilitation inpatient beds in the district was at least 80 percent for the 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed bed need pool.**

As shown in the table below, District 6's 173 licensed CMR beds experienced 53.01 percent total occupancy during the 12-month period ending June 30, 2016.

CMR Bed Utilization, District 6 July 1, 2015 to June 30, 2016		
Facility	Beds	Total Occupancy
Florida Hospital Tampa	30	83.29%
Tampa General	59	39.10%
Blake Medical Center	28	73.67%
Winter Haven Hospital	24	43.32%
Lakeland Regional Medical Center	32	37.18%
District 6 Total	173	53.01%

Source: Florida Hospital Bed Need Projections & Service Utilization by District, January 2017 Batching Cycle

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In addition, the last five years of utilization for these facilities are illustrated below.

District 6 CMR Utilization Five-Year Period Ending June 30, 2016						
Facility	Beds	7/1/2011-6/30/2012	7/1/2012-6/30/2013	7/1/2013-6/30/2014	7/1/2014-6/30/2015	7/1/2015-6/30/2016
Florida Hospital Tampa	30	63.45%	73.69%	77.05%	62.95%	83.29%
Tampa General	59	71.67%	63.22%	66.28%	69.59%	39.10%
Blake Medical Center	28	68.39%	68.48%	75.02%	57.05%	73.67%
Winter Haven Hospital	24	64.66%	58.61%	67.29%	66.40%	43.32%
Lakeland Regional Medical Center*	32	--	--	--	--	37.18%
District 6 Total	173	68.08%	65.71%	70.48%	65.55%	53.01%

Source: Florida Hospital Bed Need Projections & Service Utilization by District, January (2011-2015) Batching Cycles
*Lakeland Regional Medical Center received licensure on 08/21/2015

The reviewer generated the following table illustrating the driving distance in miles from the proposed facilities to existing CMR providers. The reviewer notes that HealthSouth has not indicated a physical location for the proposed site. Therefore, CON application #10482 distances are indicated as “NA”.

Driving Distance in Miles—Existing Facilities and Proposed Sites							
Facility	Brandon Regional Hospital (CON #10481)	HealthSouth Rehabilitation Hospital (CON #10482)	Florida Hospital Tampa	Tampa General	Lakeland Regional Medical Center	Winter Haven Hospital	Blake Medical Center
Brandon Regional Hospital (CON application #10481)		NA	18.0 miles	12.8 miles	26.8 miles	40.9 miles	44.7 miles
HealthSouth Rehabilitation Hospital of Hillsborough County (CON application #10482)*	NA		NA	NA	NA	NA	NA
Florida Hospital Tampa	18.0 miles	NA		8.9 miles	36.5 miles	54.6 miles	50.6 miles
Tampa General	12.8 miles	NA	8.4 miles		34.9 miles	53.0 miles	50.3 miles
Lakeland Regional Medical Center	26.8 miles	NA	36.0 miles	35.3 miles		15.9 miles	70.0 miles
Winter Haven Hospital	40.9 miles	NA	54.2 miles	53.4 miles	15.9 miles		88.2 miles
Blake Medical Center	44.7 miles	NA	51.1 miles	51.1 miles	69.4 miles	87.4 miles	

Source: MapQuest

Note: Distance is measured in shortest drive time.

The table below shows the total number of Hillsborough County adult residents discharged from a Florida CMR provider, including hospital-based and freestanding CMR units in the 12-month period ending June 30, 2016.

Hillsborough County Adult Residents Discharged from CMR Providers 12 Months Ending June 30, 2016					
Facility Name	Facility District/County	Total Discharges	Percent Total Discharges	Total Patient Days	Percent Patient Days
Florida Hospital Tampa	6/Hillsborough	110	32.74%	1,501	31.61%
Tampa General Hospital	6/Hillsborough	226	67.26%	3,247	68.39%
Blake Medical Center	6/Manatee	0	--	--	--
Winter Haven Hospital	6/Polk	0	--	--	--
Lakeland Regional Medical Center	6/Polk	0	--	--	--
Total District 6 Facilities		0	--	--	--
Other Florida Facilities (Non-District 6)		0	--	--	--
Total		336	100%	4,748	100%

Source: Florida Center for Health Information and Transparency database—CMR. MS-DRGs 945 and 946

The reviewer notes that, in the 12-month period ending June 30, 2016, according to data from the Florida Center for Health Information and Transparency, Hillsborough County residents did not out-migrate to other districts to receive CMR services.

c. Other Special or Not Normal Circumstances

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) presents several “not normal” circumstances justifying the approval of the proposed 30-bed CMR unit in District 6. These include the following:

- There are huge gaps between the age-adjusted rates of acute care discharges from CMR beds among District 6 hospitals and the State as a whole, making it obvious that CMR is greatly underutilized in District 6.
- The estimated and projected difference between expected and actual discharges from CMR beds from District 6 hospitals and among subdistrict residents supports a “not normal” need of 30 additional CMR beds.
- This shortfall in CMR utilization represents a suppressed demand that will drive the utilization of the 30-bed unit. Thus, the proposal is unlikely to have a significant adverse impact on any existing provider.
- On a quarter-by-quarter basis during the 12 months ending June 2016, utilization of CMR beds at Tampa General Hospital (TGH) ranged from a low of five percent to a high of 71 percent. The reasons for these wide fluctuations in utilization are not known, but certainly support the contention that CMR beds at TGH are not available on a full-time basis. A review of more historical utilization reveals that these erratic utilization patterns are not new. The erratic utilization at TGH and the resulting shortage of available CMR beds in Hillsborough is a not normal circumstance.

- There has not been a published need for CMR beds in several years because existing CMR providers can add beds via the CON exemption process, it is unlikely that there will be a net need for CMR beds projected anywhere in the state. This fact, coupled with the increasingly localized nature of CMR service delivery, constitutes a “not normal” circumstance.
- An additional “not normal” circumstance arises due to the fact the CMR CON Rule 59C-1.039 has not been amended since 1995¹. Thus the rule does not account for the many subsequent changes in health care such as the Medicare reimbursement changes affecting CMR, more recent Centers for Medicare and Medicaid Services (CMS) policy changes, and current medical literature as sampled herein, nor the resultant changes in CMR service delivery away from the regional referral model and toward a more locally-based step-down model that emphasizes and enhances patient continuity of care.
- Available data reinforces the belief that CMR units do not function as regional referral centers but instead primarily serve their own acute care discharges and other residents of their home counties.

BRH states that Hillsborough County is one of five counties comprising District 6, the third most populous district in Florida with a total population in excess of 2.5 million residents. The applicant states that it is reasonable to analyze the utilization of a CMR program at the acute care subdistrict level. BRH maintains that CMR beds should be available and accessible to all residents of the district, therefore the absence of published need at the district level does not automatically indicate a lack of need at the subdistrict level.

The Agency recognizes Rule 59C-1.002 (41), Florida Administrative Code which states, in part that comprehensive rehabilitation is a tertiary health service, defined in part as “...a health service which, due to its high level of intensity, complexity, specialized or limited applicability, and cost, should be limited to, and concentrated in, a limited number of hospitals, to ensure the quality, availability, and cost-effectiveness of such services”. In addition, the Agency recognizes that pursuant to Rule 59C-1.039, Florida Administrative Code and the Agency’s semi-annual publication Florida Hospital Bed Need Projections and Service Utilization by District, CMR bed need, CMR service areas and the CMR bed need methodology are determined on a district, not a subdistrict, basis.

¹ The reviewer notes that a Notice of Development was published for amendments to 59C-1.039 Florida Administrative Code on August 5, 2016 with a second workshop requested by representatives of HCA. Notice of Proposed Rule was published on March 16, 2017 with no public hearing requested for the proposed amendments. A final adoption packet of those amendments is currently circulating within the Agency and will be filed no later than June 14, 2017.

The applicant notes that the Agency has been receptive to need arguments based on “not normal” and/or unique local circumstances in the past. The applicant contends that despite the publication of no need at a regional or “tertiary” level, the Agency approved a number of applicants despite the presence of existing CMR facilities/units with occupancy rates less than optimal levels as defined by rule, located well within the travel time parameters also set forth by rule.

BRH references Agency Rule 59A-3.2085, Florida Administrative Code, stating that this rule allows for designation by attesting to either certification by the Joint Commission or compliance with Agency Rule criteria. The applicant reiterates its Agency designation as a certified primary stroke center and states this is noteworthy because persons recovering from strokes are typically among the primary users of CMR services.

BRH maintains that over the past decade the severity rating of patients (CMI)² admitted to rehabilitation programs has increased. According to the applicant, this means that rehab patients have more co-morbid conditions that need to be medically managed along with their physical disability. The applicant emphasizes that clinical continuity of care is of primary importance to the patient and that this proposal would result in patients having the direct benefit of having the same physicians manage their medical care in conjunction with a rehabilitation physician. BRH further emphasizes that clinical continuity is a distinct advantage to the patient, pointing out that the proposed project will allow for the shortest amount of time between discharge from acute care and admission to the program. The applicant also points out that elderly patients in particular (which the applicant anticipates will be the majority of patients for the proposed project) prefer to choose rehabilitation facilities that are in close proximity to their acute care setting or home and that to go elsewhere is a burden to the family and is unfamiliar. BRH maintains that elderly patients are often likely to choose a facility that is proximate to home even if the service is not optimal to their needs.

The applicant states that inpatient CMR utilization in District 6 significantly lags behind other areas of the state. BRH indicates that District 6 has the lowest CMR resident use rates of any district in Florida, yet age-specific CMR ALOS experienced by District 6 residents are longer than the corresponding statewide ALOS. The applicant states

² Case Mix Index (CMI) is a relative value assigned to a diagnosis-related group (DRG/MSDRG) of patients in a medical care environment. The CMI value is used in determining the allocation of resources to care for and/or treat the patients in the group. (HealthData.gov)

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this dispels any notion that the lower use rates in District 6 are somehow a function of a lower acuity patient population and by these measures the residents of District 6 received significantly fewer CMR services than the typical Floridian.

The applicant provides the following table depicting the rate of resident CMR discharges by age cohort and by district of residence, as well as the state total for the period October 2014-September 2015. The applicant states that District 6 ranked eighth out of 11 districts in total number of resident adult CMR discharges during this time period.

The reviewer notes that the applicant utilized discharged data for the period October 2014-September 2015 when more current discharge data, July 2015-June 2016, was readily available prior to the submission of CON application #10481.

CMR Adult Discharges by Age and Agency District of Residence October 2014-September 2015				
CMR Discharges	District	15-64	65+	Total
	1	357	628	985
	2	762	1,916	2,678
	3	1,024	3,285	4,309
	4	1,291	2,396	3,678
	5	936	2,506	3,442
	6	1,029	1,994	3,023
	7	1,195	2,183	3,378
	8	915	3,596	4,511
	9	1,336	4,478	5,814
	10	1,776	4,470	6,516
	11	1,750	4,984	6,734
	Unknown	683	1,632	2,315
	Florida	13,054	34,338	47,392

Source: CON application #10481, page 18

The applicant provides a chart with the volumes adjusted by population size. The following table illustrates age-specific and totals populations for Florida's 11 districts and statewide totals estimated as of April 1, 2015.

Adult Population by Agency District, April 1, 2015*				
Population	District	15-64	65+	Total
	1	471,926	111,418	583,343
	2	508,048	107,330	615,387
	3	1,014,166	413,482	1,427,648
	4	1,316,806	338,863	1,655,669
	5	884,025	318,739	1,202,764
	6	1,553,762	412,346	1,966,108
	7	1,731,273	351,168	2,082,441
	8	961,199	457,231	1,418,429
	9	1,217,536	457,556	1,675,092
	10	1,196,974	285,885	1,482,859
	11	1,823,160	409,439	2,232,599
	Unknown	--	--	--
	Florida	12678873	3,663,454	16,342,327

Source: CON application #10481, page 19

*Values are straight-line interpolation between published January and July estimates

BRH notes that the data provided in the previous table shows that District 6 has the third-largest adult (15+) population among the Agency’s 11 districts. The applicant contends that the disparity in inpatient CMR utilization in District 6 becomes apparent when use rates are compared among districts and to Florida as a whole. BRH states the following table (calculated from the two previous tables) depicting the rate of resident CMR discharges by Agency district and the state, during the 12-month period ended September 2015. See the table below.

Adult CMR Discharge Rate by Agency District of Residence October 2014-September 2015				
Rate per 100,000	District	15-64	65+	Total
	1	75.6	563.6	168.9
	2	150.0	1,785.1	435.2
	3	101.0	794.5	301.8
	4	98.0	707.1	222.7
	5	105.9	786.2	286.2
	6	66.2	483.6	153.8
	7	69.0	621.6	162.2
	8	95.2	786.5	318.0
	9	109.7	978.7	347.1
	10	148.4	1,658.0	439.4
	11	96.0	1,217.3	301.6
	Unknown	--	--	--
	Florida	103.0	937.3	290.0

Source: CON application #10481, page 20

The applicant reports that the average rate of inpatient CMR discharges in Florida was 103.0 per 100,000 population age 15-64 and 937.3 per 1,000 65+ during the time period of October 2014-September 2015. BRH contends that District 6’s use rates for the same time period were 66.2 and 483.6 per 100,000 respectively, far below the corresponding state averages.

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BRH indicates that the proposed CMR unit will primarily serve patients being discharged from an acute care setting within Subdistrict 6-1, as well as any visitor residing outside the area. The applicant provides a map on page 21 of CON application #10481 illustrating the primary service area (PSA) in which BRH expects to draw approximately 89 percent of its acute care discharges. According to the applicant, as of July 2017, Subdistrict 6-1's total adult population (age 15+) is expected to reach 1,104,349. BRH includes the following population table illustrating the adult population by subdistrict. See the table below.

District 6 Adult Population by Subdistrict--July1, 2017			
Subdistrict	15-64	65+	Total 15+
Hillsborough	918,906	185,473	1,104,379
Polk	40,3412	13,1459	534,871
Manatee	209,120	90,453	299,573
Hardee	17,810	3,920	21,730
Highlands	53,680	34,675	88,355
District 6	160,2928	445,980	2,048,908

Source: CON application #10481, page 22

BRH observes that the adult population of Hillsborough County is by far the largest in District 6 and notes when focusing solely on the older population (ages 65+). The applicant indicates this is significant because persons 65+ are the most intensive users of CMR services as measured by the rates of resident inpatient CMR discharges by age group. BRH asserts that the rehabilitation model proposed will employ a model based on access to rehabilitation services provided quickly is the best way to facilitate returning elderly persons back into the community and avoiding long-term stays in a nursing home setting.

The applicant reports that District 6's CMR bed utilization averaged 51.5 percent during the 12-month period ending June 2016. BRH notes that the utilization on a facility-by-facility basis varied from a low of roughly 32 percent at Lakeland RMC to a high of 83 percent at Florida Hospital Tampa. BRH maintains that given the distances, travel times and conditions between most of Hillsborough County and the CMR beds located in other subdistricts, these units are not realistic alternatives for residents of Subdistrict 6-1. The applicant includes the following table illustrating CMR bed utilization in District 6. See the table below.

District 6 CMR Utilization, July 2015-June 2016			
Facility	Beds	Patient Days	Occupancy Percent
Florida Hospital Tampa	30	9,120	83.1%
Tampa General	59	8,421	39.0%
Blake Medical Center	28	7,529	73.5%
Winter Haven Hospital	24	3,795	43.2%
Lakeland Regional Medical Center*	32	3,724	31.8%
District 6 Total	173	32,589	51.5%

Source: CON application 10481, page 23

*Licensed 8/21/15

BRH indicates that during the 12-month period ending June 2016 the 30-bed program at Florida Hospital Tampa was consistently occupied above 80 percent, averaging 83.3 percent for the year. Given this consistently high level of utilization, coupled with the fact that this hospital and BRH are nearly 20 miles apart via heavy urban traffic, Florida Hospital Tampa is not a realistic alternative for many residents who reside south and east of that campus, near the location of BRH.

The reviewer notes that the applicant states that the average 12-month utilization at Florida Hospital Tampa was 83.3 percent but the chart provided by the applicant misstates utilization to be 83.1 percent. The reviewer also notes that the CMR utilization listed in the applicant's chart for each facility in District 6, as well as the District 6 cumulative utilization percent for the 12-month period ending June 30, 2016 is inaccurate. The discrepancy is likely due to a rounding error, please see the District 6 CMR utilization table in item E.1.b. of this report.

BRH states that Tampa General Hospital (TGH) is the other Hillsborough County provider of CMR services, which according to the latest published Agency data, averaged just 39 percent occupancy during the 12-month period ended June 2016. The applicant argues that an examination of TGH's CMR utilization by quarter yields some puzzling results. BRH states that on a quarter-by-quarter basis, utilization ranged from a low of five percent to a high of over 77 percent. The applicant states that a review of the historical utilization data for TGH reveals that these erratic utilization patterns are not new. BRH indicates that the reasons for these wide fluctuations in utilization are unknown, but certainly support the conclusion that CMR beds at TGH are not available on a full-time basis. The reviewer notes that a lack of occupancy does not necessarily correlate with a lack of availability.

In addition, the applicant states that TGH and BRH are nearly 15 miles apart via extremely heavy urban traffic, indicating that TGH is not a viable alternative for many residents who reside south and east of that campus, nearer the location of BRH. The reviewer notes that according to MapQuest, TGH and BRH are 12.8 miles apart. The applicant provides the following table, which displays historical utilization of CMR beds at TGH by calendar quarter for the last five fiscal years ending June each year. See the table below.

Historical Utilization Trends, Tampa General Hospital Third Quarter 2011- Second Quarter 2016			
Quarter	Beds	% Occupancy	Patient Days
July-Sep 2011	59	67.72%	3,676
Oct-Dec 2011	59	68.17%	3,700
Jan-Mar 2012	59	77.18%	4,144
Apr-June 2012	59	73.68%	3,956
July-Sep 2012	59	68.92%	3,741
Oct-Dec 2012	59	46.00%	2,497
Jan-Mar 2013	59	74.44%	3,953
Apr-June 2013	59	63.75%	3,423
July-Sep 2013	59	65.59%	3,560
Oct-Dec 2013	59	62.62%	3,399
Jan-Mar 2014	59	66.95%	3,555
Apr-June 2014	59	70.01%	3,759
July-Sep 2014	59	65.49%	3,555
Oct-Dec 2014	59	69.25%	3,759
Jan-Mar 2015	59	67.36%	3,577
Apr-June 2015	59	76.27%	4,095
July-Sep 2015	59	51.33%	2,786
Oct-Dec 2015	59	4.96%	269
Jan-Mar 2016	59	28.81%	1,547
Apr-June 2016	59	71.13%	3,819
Percent Change	--	5%	4%

Source: CON application #10481, page 24

The applicant discusses the shift from regionalization toward locally based CMR services and provides a table on page 26 of CON application #10481, which depicts statewide CMR discharge data. BRH maintains that the data shows CMR discharges originating from the home county of the CMR facility during the period October 2014-September 2015. BRH contends that given current practices, patterns and payment restrictions, CMR facilities no longer function as regional referral centers and that on average, 81 percent of CMR discharges from hospital-based CMR units consisted of residents from the county in which the CMR facility was located and that 79 percent of CMR discharges from freestanding CMR hospitals consisted of residents from the county in which a freestanding facility was located.

The applicant indicates there is a perceived substantial unmet need for CMR beds at BRH as substantiated by the letters of support. The reviewer notes that the applicant submitted two letters of support. BRH believes that the unmet need imposes an unfair burden on patients and families who cannot or will not travel to other CMR facilities within or outside of District 6, due to the lack of available beds as well as the inherent disruptions in their continuity of care. The applicant states that the letters of support attest to the gap in the choices available to

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patients and families that would be rectified if BRH was allowed to provide inpatient CMR services and resultant improvements in the continuity of care available to patients and their families.

BRH indicates the need for the proposed CMR unit arises from the consistently high utilization of CMR beds at Florida Hospital Tampa (FHT), the unreliable and unpredictable availability of beds at TGH and the resultant low rates of acute care discharges to CMR at most of the acute care hospitals in Hillsborough County.

The applicant provides a discussion of CMR bed need on pages 31-34 of CON application #10481. BRH includes the following table illustrating the expected versus actual adult (15+) CMR discharges in Subdistrict 6-1 for the first two years of operation. The applicant states that age-specific discharge rates depicted in the following tables are the statewide average rates for the 12-month period ending September 2015.

Expected Versus Actual Adult CMR Discharges in Subdistrict 6-1 Forecasted Year One of Operation (2021)			
Age Group	15-64	65+	Total
Discharge Rate	103.0	937.3	290.0
6-1 Population 7/2021	973,322	212,716	1,186,038
Projected Discharges	1,002	1,994	2,996
Actual Discharges (2014-15)	524	665	1,189
Projected-Actual	478	1,329	1,807
ALOS	15.0	14.7	14.8
Projected Patient Days	15,047	29,334	44,381
Actual Patient Days	7,869	9,783	17,652
Expected-Actual	7,178	19,551	26,729

Source: CON application #10481, page 32

Expected Versus Actual Adult CMR Discharges in Subdistrict 6-1 Forecasted Year Two of Operation (2022)			
Age Group	15-64	65+	Total
Discharge Rate	103.0	937.3	290.0
6-1 Population 7/2022	985,922	212,521	1,205,443
Projected Discharges	1,015	2,058	3,073
Actual Discharges (2014-15)	524	665	1,189
Projected-Actual	491	1,393	1,884
ALOS	15.02	14.71	14.85
Projected Patient Days	15,242	30,267	45,518
Actual Patient Days	7,869	9,783	17,652
Expected-Actual	7,373	20,493	27,886

Source: CON application #10481, page 33

The applicant explains that expected discharges are the product of the statewide discharge rates and the July 2021 population estimates for the subdistrict. BRH indicates differences between these expected discharges and the actual discharges are multiplied by the subdistrict ALOS by age cohort to arrive at an estimate of expected CMR patient days. The applicant further explains that subtracting actual patient days

from the expected figures and summing across the age groups yields a result of 26,729 subdistrict resident CMR patient days that would have been generated had the statewide average discharge rates prevailed within Hillsborough County. BRH states that 26,729 represents the difference between the expected number and the actually-reported number of CMR patient days (all of which are attributable to existing providers of inpatient CMR services). BRH maintains that this shortfall of 26,729 patient days represents an unmet need under not normal circumstances beyond the current level of service being provided by existing CMR units. The applicant expresses that implicit in this finding is that the offering of CMR services at BRH will have no significant adverse impact on any existing CMR provider.

BRH maintains that the substitution of statewide average use rates for the lower rates actually generated by District 6 and Subdistrict 6-1 residents during 2014-2015 is a reasonable health planning approach. BRH states that regulatory and clinical changes and advancements have led to an evolution in CMR service delivery away from the regional referral model and toward a more locally-based step-down model that emphasizes and enhances patient continuity of care.

BRH indicates that most patients eligible for the CMR level of care will be experiencing their first disability and that their understanding of options, services and providers is typically very limited. The applicant asserts that the presence of the CMR program within BRH will increase options for many subdistrict patients, especially those residing south and east of existing programs a TGH and Florida Hospital Tampa, resulting in rising CMR use rates approximating the statewide norm.

The applicant believes an additional factor positively impacting the need for CMR services is the Patient Protection and Affordable Care Act, which imposes reduced Medicare payments to hospitals that have high rates of Medicare readmissions. BRH indicates that hospitals may seek CMR services to a greater extent than SNF services in future years because they provide intensive interdisciplinary treatment that can reduce the need to return to the acute care hospital.

BRH forecasts that for the proposed 30-bed project, for year one (2021) it will realize program total discharges of 404, 5,991 patient days, an average daily census (ADC) of 16.4 and occupancy of 54.6 percent. The applicant also forecasts that for year two (2022) BRH will realize program total discharges of 586, 8,706 patient days, an ADC of 23.8 and occupancy of 79.3 percent. See the tables below.

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BRH Forecast CMR Utilization CY 2021				
Service Area	Discharges	Base Capture Rate	12%	143
		Incremental Capture Rate	12%	217
Total Subdistrict 6-1 Discharges				
	Days	ALOS	14.8	5,337
	ADC			21.2
Out of Area	Discharges	Percent	10.9%	44
	Days	Percent	10.9%	654
	ADC			1.8
Program Total	Discharges			404
	Days			5,991
	ADC			16.4
Occupancy			30	54.6%
Beds			30	54.6%

Source: CON application #10481, page 34

BRH Forecast CMR Utilization CY 2022				
Service Area	Discharges	Base Capture Rate	17%	202
		Incremental Capture Rate	17%	320
Total Subdistrict 6-1 Discharges				
	Days	ALOS	14.85	7,756
	ADC			21.2
Out of Area	Discharges	Percent	10.9%	64
	Days	Percent	10.9%	950
	ADC			2.6
Program Total	Discharges			586
	Days			8,706
	ADC			23.8
Occupancy			30	79.3%
Beds			30	79.3%

Source: CON application #10481, pages 36

BRH states that first and second year occupancy rates are sufficient to assure the financial viability of the unit. Elderly persons (65+) are expected to be the primary users of the CMR unit at BRH, as reflected in the Financial Schedules accompanying CON application #10481.

The applicant maintains that the discussion of bed need and the utilization forecast presented in this application are based on the assumption that an establishment of a CMR unit at BRH will help bring District 6 CMR use rates more in line with statewide norms. BRH states that utilization will be driven primarily by the shortfall between expected discharges based on these norms and the actual suppressed demand. The applicant concludes that its modest proposal is unlikely to have a significant adverse impact on any existing provider.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states this application is filed under not normal circumstances. The applicant summarized these circumstances below, stating that they justify approval of this application:

- Hillsborough County is growing rapidly, exceeding state averages for the adult population and the population age 65+. Rapid growth in the elderly population will increase demands on existing health care resources, including comprehensive rehabilitation services.

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- Hillsborough County is a separate market for CMR services and units in Polk and Manatee Counties are not reasonably accessible for most Hillsborough County residents.
- There are no freestanding CMR specialty hospitals in the service area or District 6. The service area has one 59-bed rehabilitation unit at TGH and one 30-bed rehabilitation unit at FHT. TGH has been at operational full capacity for many years and has not expanded to meet the increased needs of Hillsborough's growing and aging population. FHT reached full capacity in 2016 after the Adventist System acquired the hospital at the end of 2011 and began referring CMR patients from three other hospitals in Hillsborough and Pasco Counties.
- The limited CMR bed capacity in Hillsborough County has depressed the use of CMR services by county residents below reasonable levels and left needs unmet. HealthSouth has a history of providing top quality CMR services and serving its communities to bring CMR use rates to appropriate levels.
- HRHHC is the only applicant that has proposed a sufficient number of beds for the unmet needs of Hillsborough County residents, and the facility is designed to allow the addition of beds when justified without disruption of operations. Adding a CMR hospital instead of a third smaller CMR unit is more in-line with the proper distribution of CMR, as defined by the Florida Statutes. It is preferable to approve HRHHC, because CMR is defined as a "tertiary service" that: "due to its high level of intensity, complexity, specialized or limited applicability, and cost should be limited to, and concentrated in, a limited number of hospitals to ensure the quality, availability, and cost effectiveness of such a service".
- There should be no reduction in the census of either existing CMR program. General hospitals without CMR units do not routinely refer patients to CMR units in competing general hospitals. Only an independent CMR specialty hospital will give patients in all Hillsborough County general hospitals (except TGH and FHT) improved access to CMR services.
- The control TGH and FHT discharge planners have over CMR referrals will prevent significant adverse impact to the existing providers. Approximately 85 percent of CMR patients at TGH and FHT were acute care patients at that hospital. Discharge planners will dissuade their acute care patients from transferring to a CMR program at another health system.

- HealthSouth as a specialized CMR provider has the advantage of focusing solely on providing CMR services. Freestanding CMR hospitals are preferable to CMR units in general hospitals in terms of cost, emphasis on CMR care, technology/space and other factors. Of the two applicants in Hillsborough County, HealthSouth has the most experience in providing CMR services in both Florida and the country. As a specialized provider of CMR services, HealthSouth will bring the most advanced equipment and treatment programs to the district, as well as the most years of expertise.
- The comprehensive services provided in a freestanding CMR hospital provide training opportunities for nursing and therapy training programs in local colleges. As shown in the letters of support in Attachment 2, the Brewster Technical College and Nova Southeastern University are interested in working with HRHHC to enhance their students' training opportunities.

HRHHC notes that the Agency's fixed need pool calculation published January 20, 2017, shows no numeric need for additional CMR beds in District 6, but in fact shows a surplus of 56 beds and occupancy for the 12-months ending June 2016 of 54.01 percent. The applicant contends that the Agency's formula gives an inaccurate picture of the need and supply of services in District 6, and the picture is particularly inaccurate for Hillsborough County.

The applicant states that there are five CMR programs in District 6: Tampa General Hospital and Florida Hospital Tampa in Hillsborough County, Winter Haven Hospital and Lakeland Regional Medical Center in Polk County, and Blake Medical Center in Manatee County. HRHHC indicates that Polk County has a low occupancy rate due to the 32-bed CMR unit that opened in August 2015 at Lakeland Regional Medical Center and low occupancy of the 24-bed Winter Haven Hospital unit. The applicant makes note that Blake Medical Center's 28-bed CMR unit has maintained a steady occupancy rate in the "mid-seventy" range. However, HRHHC argues that the CMR units in Polk and Manatee Counties are not reasonably accessible to most Hillsborough County residents.

HRHHC analyzes the reported 39.1 percent by TGH on its 59 licensed beds and states when comparing Agency fixed need pool data against Agency discharge data and Medicare standard analytical file (SAF) data, the Agency calculations for fixed need are not reliable for 2015-Q3, 2015-Q4, and 2016-Q1. The applicant also compares the Agency's published occupancy and discharge data for FHT and Medicare SAF. HRHHC asserts that fixed need pool calculations are probably reliable with the exception of 2015-Q2 but indicates that Agency discharge data for 2015-Q4, 2016-Q1 and Q2 are not reliable. The applicant states to have evaluated the discharge data for all hospitals in Florida to calculate

average use rates. Two Orange County CMR hospital units, Florida Hospital and Winter Park Memorial Hospital, did not report CMR discharges in the Agency’s Inpatient Discharge Database in CY 2015-Q4. For that period, the applicant substituted each hospital's 2015-Q3 discharges for 2015-Q4.

The applicant provides the following District 6 CMR bed need calculation, the reviewer notes that the applicant’s calculations yields a net need of zero for CMR beds in District 6 in accordance with Agency publication. See the table below.

HealthSouth’s District 6 CMR Bed Need Calculation		
District Six	Published	Corrected
PD=CMR Patient Days for 12-Month Period	32,589	41,392
P=EOG Estimated Population for 1/01/16	2,459,393	2,459,393
(PDP)	1.33%	1.68%
PP=EOG Estimated Population for 7/01/22	2,741,780	2,741,780
(PD/P*PP	36,330	46,145
(PD/P)*PP/(365*.85)	117	149
LB=Licensed Comprehensive Medical Rehabilitation Beds	173	173
AB=Approved Comprehensive Medical Rehabilitation Beds	0	0
NN=Net District Comprehensive Medical Rehabilitation Bed Need	-56	-24
Occupancy for 12-Month Period	54.01%	67.32%
Adjusted District Comprehensive Medical Rehabilitation Bed Need	0	0

Source: CON application #10482, page 57

HRHHC discusses population demographics and dynamics and states that Hillsborough County has nearly 1.4 million residents, one million of whom are adults 18+ and 182,000 of whom are 65+. The applicant includes a table on page 59 of CON application #10482 which illustrates that the county's population growth rate is projected to exceed the growth rate for the State of Florida over the next five years. The applicant contends that the adult population is expected to grow by 9.3 percent between 2017 and 2022. HRHHC indicates that in 2022, there will be nearly 216,000 Hillsborough residents 65+, a growth rate of 18.7 percent over the same period. The applicant declares that this rapid growth in the elderly population will increase demands on existing healthcare resources, including CMR services.

The applicant states that the Agency has repeatedly recognized that districts are not the appropriate geographic areas for determining need for CMR services and has also recognized that for reasons of geographic access and continuity of care, counties or subdistricts are often the correct service areas for establishing need and determining if the existing providers are meeting the need. HRHHC maintains that the Agency has approved these projects when the fixed need pool showed zero adjusted need for the district. The reviewer notes that the Agency recognizes that pursuant to Rule 59C-1.039, Florida Administrative Code and the Agency’s semi-annual publication Florida Hospital Bed

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Need Projections and Service Utilization by District, CMR bed need, CMR service areas and the CMR bed need methodology are determined on a district, not a subdistrict, basis and that the Agency shall not normally approve new CMR beds unless a bed need exists in the district.

HRHHC indicates that Hillsborough County is a market separate from the other counties in District 6 for CMR services. The applicant examines patient origin and destination patterns using Agency discharge data and the hospitals used by Hillsborough County residents for CMR services for the past three fiscal years (FY). The applicant reports that for the most recent period, 82 percent of residents stayed in the county, one percent went to other hospitals in District 6 and the remaining 17 percent went to hospitals mainly in adjacent districts. The applicant adds that for those people living near the county line, hospitals in adjacent counties or districts may be reasonably accessible, however this is not the case for many Hillsborough residents. HRHHC provides the following table illustrating Hillsborough County resident CMR patient destinations.

Hillsborough County Resident CMR Patient Destination FY 2014-2016				
Hospital	YE 2014 Q2	YE 2015 Q2	YE 2016 Q2	YE 2016 Q2 Percent
Tampa General Hospital	624	614	708	53%
Florida Hospital Tampa	442	396	396	30%
Subtotal Hillsborough Hospital	1,066	1,010	1,104	82%
Blake Medical Center	6	5	11	1%
Winter Haven Hospital	2	4	3	0%
Lakeland Regional Medical Center	0	0	0	0%
Subtotal Other D6 Hospitals	8	9	14	1%
Subtotal All D6 Hospitals	1,074	1,019	1,118	83%
Other	140	179	223	17%
Total	1,214	1,198	1,341	100%

Source: CON application #10482, page 61

The applicant identifies two Hillsborough CMR programs, TGH and FHT, and presents data which shows discharges by patient county of residence for each program. HRHHC indicates that over 70 percent of admissions to each program come from Hillsborough County. Based on analysis of Medicare data, HRHHC reports that Polk County acute care hospitals do not refer patients to Hillsborough County CMR programs and that Polk County residents admitted to the TGH or FHT CMR units also received acute care at those hospitals. See the table below.

Hillsborough County Hospitals Year Ending 2016 CMR Patient Origin				
	Florida Hospital Tampa		Tampa General Hospital	
County	Discharges	Percentage	Discharges	Percentage
Hillsborough	396	74%	708	70%
Polk	12	2%	39	4%
Manatee	2	0%	16	2%
Hardee	4	1%	1	0%
Highlands	1	0%	20	2%
Subtotal D6	415	77%	784	77%
Other	121	23%	231	23%
Total	536	100%	1,015	100%

Source: CON application #10482, page 9

To further support need for additional CMR services in Hillsborough County, HRHHC discusses the availability and utilization of existing CMR providers. The applicant states that TGH has had a 59-bed CMR unit for 30 years with a four-bed ward and most of the other beds are in semi-private rooms. HRHHC contends that for the past 16 years, the TGH CMR census has remained relatively flat, varying between an average daily census (ADC) of 39 and 47 each year with no upward trend. The applicant states that TGH has not reported exceeding 85 percent occupancy for any 12-month period since 2000. The applicant maintains that during the same 16 years, factors driving demand for CMR services have increased and if TGH had unused CMR capacity, its ADC should have increased rather than remaining flat. The applicant notes that the adult population of Hillsborough County has grown by 285,052 (38 percent) during this time period and the population of 65+ residents, which uses CMR services the most, has increased by 59,167 (49 percent). HRHHC states that the relevant acute care discharges³ at TGH have grown from an ADC of 328 to an ADC of 566 or 73 percent.

HRHHC discusses letters submitted with CON application #10482 from Hillsborough County residents and physicians. The applicant states that letters from physicians indicate the TGH is at full capacity. HRHHC cites a specific letter of support from Dr. Matthew Berlet, Medical Director of St. Joseph’s Hospital’s Stroke Center, which expresses frustration over his inability to admit patients to the TGH CMR unit and referral of his patients to other, non-optimal post-acute settings for care. A Hillsborough County resident gives a testimony regarding need for rehabilitation services yet being denied by TGH for reasons unknown. The applicant states that the resident in question

³ The applicant states that relevant discharges exclude Behavioral Health, RTF, Specialty (Women's and Children's), CMR, and LTAC Hospitals and exclude OB, Newborns, NICU, Mental Health, and Substance Abuse patients as well as patients discharged to death or hospice.

was appropriate for admission to a CMR unit but ultimately received services several hours away at UF Health Shands Rehabilitation Hospital in Alachua County.

HRHHC states that since FHT added 10 beds in 2007 there has been no growth in the number of CMR beds in Hillsborough County. The applicant notes FHT reported occupancy of 84.58 percent in the most recent quarter and indicates that FHT's 20-bed CMR unit has maintained a quarterly ADC between 15 and 19 patients for 18 years despite the increase from 20 to 30 beds in 2007. The applicant indicates that TGH nor FHT have responded to the growth in demand for CMR services from Hillsborough County residents by increasing the number of licensed beds or renovating facilities to increase operational capacity.

The applicant cites three metrics in determining the unmet need for CMR services in Hillsborough County. First the applicant examines CMR use rates expressed as discharges per 1,000 population 18+ and reports that Hillsborough County residents had use rate of 1.2, which the applicant states is less than half the state average. HRHHC states that if one equates the 59-bed TGH unit to a freestanding hospital, the Hillsborough use rate is one-third the average rate for counties with a freestanding CMR hospital. The applicant further attempts to put the Hillsborough use rate into perspective, stating that only 11 counties in Florida have lower use rates (Clay, Columbia, Glades, Hamilton, Hardee, Highlands, Orange, Osceola, Polk, Suwannee, and Union) with the only major urban counties being Orange and Seminole. The applicant states that the combined use rate in Orange and Seminole Counties, a medical market, has been very low in the past. HealthSouth recognized an unmet need and after receiving CON approval to build HealthSouth Altamonte Springs--the hospital reached 80 percent occupancy on 50 beds within a few months of opening in October 2015 and was approved to add 10 beds by exemption January 19, 2017. The applicant adds that since HealthSouth opened the Altamonte Springs hospital, the CMR use rate increased 72 percent in Seminole and 42 percent in Orange County from June 2014 to June 2016. HRHHC contends that the extremely low use rate and the limited CMR capacity in Hillsborough, shows significant unmet needs for CMR services.

HRHHC offers the second metric utilized to compare access to CMR services, which looks at the number of CMR discharges as a percentage of relevant acute care discharges. The applicant indicates that most patients are admitted to CMR programs directly from acute care hospitals. The number of CMR admissions from hospitals in Hillsborough County is determined in part by the number of acute care discharges from general hospitals in the county. HRHHC states that not all acute care discharges have the potential for a CMR admission and

that Research and Planning Consultants (RPC)⁴ defines relevant discharges as all acute care discharges except obstetric, mental health and substance abuse patients, neonatal ICU patients and patients discharged due to death/hospice. On page 70 of CON application #10482, the applicant compares Hillsborough County to other Florida counties with different access to CMR services noting that the pattern is similar to the patterns for use rates for CMR discharges per 1,000 population age 18+. HRHHC reiterates that the Hillsborough County resident use rate of 1.2 percent is less than half the state average and slightly more than a third of the average for counties with CMR hospitals. This metric shows significant unmet need for CMR services according to CON application #10482.

The applicant states the final metric analyzes CMR discharges as a percentage of CMS-13 qualifying discharges from acute care hospitals in a county. HRHHC attests that Medicare requires that 60 percent of a CMR program's discharges have one of 13 diagnoses if the program is to qualify for payment as an Inpatient Rehabilitation Facility⁵. This is referred to by the applicant as CMS-13 discharges. The applicant states that CMR discharges as a percentage of CMS-13 discharges from general hospitals to be much higher than the previous metric--Hillsborough County residents' CMR discharges account for 6.5 percent of all CMS-13 discharges. However, the applicant maintains that relative to the percentage in other Florida counties, this metric is additional evidence of unmet need.

HRHHC asserts that the approval of the proposed project will give Hillsborough County residents access to an independent CMR hospital. The applicant maintains that access to additional CMR beds will increase the use rate for Hillsborough County residents to a level within the range of use rates for counties with CMR hospitals. The applicant declares that based on HealthSouth's experience in other Florida markets, the proposed CMR hospital will receive referrals from all Hillsborough County general hospitals without CMR units and from physicians with acute care patients at TGH and FHT who cannot gain admission to those CMR units.

The applicant states that access to additional CMR beds will increase the use rate for Hillsborough County residents to a level within the range of use rates for counties with CMR hospitals. HRHHC presents data for the three-year period ending June 2016, which shows the range of use rates

⁴ Research & Planning Consultants, LP is a consulting firm acting as the authorized representative for CON application #10482.

⁵ Stroke, spinal cord injury, congenital deformity, amputation, major multiple trauma, hip fracture, brain injury, neurological disorders, burns, certain arthritic conditions, systemic vasculidities with inflammation, sever or advanced osteoarthritis with joint deformity, and knee or hip replacement with specific criteria

for these counties based on the three-year average for each county separately, for ages 18-64 and ages 65+. The applicant states to have calculated the 25th and 50th percentile (the median) rank for each county and age group. See the table below.

**CMR Discharges as a Percent of Relevant Discharges
Counties with Freestanding CMR Hospitals
3 Year Average, Age 18+
Years Ending June 2014, June 2015, June 2016**

County	Age 18-64
Bay	4.08
Indian River	3.08
Martin	2.34
Sarasota	2.33
Broward	2.14
Leon	1.86
Miami-Dade	1.72
Hernando	1.62
Pinellas	1.57
Okaloosa	1.50
Brevard	1.48
Marion	1.39
Alachua	1.36
Duval	1.20
Seminole	1.01
Lake	0.93

County	Age 65+
Indian River	13.00
Bay	11.04
Hernando	8.32
Sarasota	7.85
Leon	7.35
Martin	6.83
Broward	5.72
Miami-Dade	4.37
Marion	4.18
Brevard	3.78
Pinellas	3.69
Okaloosa	3.05
Alachua	2.89
Duval	2.82
Seminole	2.38
Lake	1.63

25th Percentile	1.38
50th Percentile (Median)	1.59
Freestanding (with or w/o unit) (Mean)	1.71

25th Percentile	3.01
50th Percentile (Median)	4.27
Freestanding (with or w/o unit) (Mean)	4.75

Hillsborough	.95
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Hillsborough	1.97
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Source: CON application #10482, page 73

HRHHC calculated the number of additional beds needed in Hillsborough County using the 25th percentile and the 50th percentile use rate. The applicant's projections assume the total relevant discharges will increase proportionate to the increase in the adult and senior population of the county. On pages 76-77 of CON application #10482, the applicant provides two tables illustrating the calculated number of CMR discharges at the current Hillsborough County use rates for each age group (0.95

and 1.97 CMR discharges per 1,000 relevant discharges for ages 18-64 and 65+, respectively), and the number of CMR discharges at the use rates with a CMR hospital for the 25th percentile (1.38 and 3.01 CMR discharges per 1,000 relevant discharges for ages 18-64 and 65+, respectively) and the 50th percentile (1.59 and 4.27 CMR discharges per 1,000 relevant discharges for ages 18-64 and 65+, respectively). The applicant states the assumption that existing CMR programs will receive all patients at the current use rate, and the number of additional beds needed is determined by the difference between the current and the projected use rate. HRHHC indicates that both need projections assume approval of the proposed CMR hospital and does not reduce the census at existing programs below what it would have been without the new hospital.

HRHHC assumes that five percent of the discharges at a new CMR hospital in Hillsborough County will be residents of other counties. The applicant projects that the ALOS will be 13.3 days, the three-year state average for CMR programs. The applicant provides that additional beds have a target occupancy rate of 85 percent, which is the desired occupancy rate used in the CMR Bed Need formula. HRHHC asserts that the analysis presented affirms that the proposed 60-bed CMR hospital is needed and can be fully utilized without reducing the census at existing CMR programs. HRHHC contends that the data presented in CON application #10482 show that the assumed volume projections offered in Schedule 5 are reasonable to establish the long-term financial feasibility of the proposed project.

The applicant states the "not normal conditions" that justify approval of the proposed program are the deficiency in availability and access to CMR services for the residents of Hillsborough County. HRHHC declares that despite the growth in the County's total and senior population and growth in the acute care discharges relevant to CMR services, the two existing providers have not added CMR beds in 10 years. The applicant indicates that both TGH's flat ADC despite growth in factors driving demand for CMR services, and FHT's high occupancy shows they have reached operational full capacity. HRHHC argues that the suppressed demand for CMR services is shown by Hillsborough County residents having one of the lowest CMR use rates of any Florida county.

The applicant compares the quality of care and efficiency in CMR units versus CMR Hospitals and states that there are advantages and disadvantages to both, but indicates that the benefits of a CMR hospital make it the superior setting in markets large enough to support one. HRHHC states that an independent CMR hospital is more accessible to patients than one connected to a general acute care hospital. The applicant provides the following comparison of CMR hospitals and units across several metrics.

Comparison of CMR Hospitals and CMR Units		
	CMR Hospital	CMR Unit
Achieves Economies of Scale	✓	Sometimes
Lower Average Cost per Discharge	✓	
Lower Direct and Indirect Costs	✓	
Better Cost Management	✓	
Staffs Time Fully Committed to CMR	✓	
Medical Director's CMR Time	40 hrs./week	20 hrs./week
Patient Volume to Support Diagnosis Specific Programs	✓	✓
Architectural Design Specific for CMR Services	✓	✓
Immediate Access to Acute Care Services	✓	✓
Does Not Compete with Referring Hospitals	✓	✓

Source: CON application #10482, page 89

The applicant assures that once operational, it will employ multiple liaisons with clinical backgrounds as nurses or therapist to build these relationships and provide continuing education programs and technology. HRHHC states that liaisons will assist physicians and discharge planners in determining whether a particular patient is eligible for CMR services, with the final determination being made by the physician. The applicant expects liaisons to return referral calls within one hour and evaluate patients for admissions on site the same day as the referral, seven days a week. HRHHC indicates the importance of liaisons in stating that general hospital discharge planners and physicians in some specialties do not know if a patient needs and would benefit from CMR services, HealthSouth’s liaisons will assist in evaluation a patient’s functional capacity, ability to participate in therapy and rehabilitation potential when discharged from acute care. HRHHC contends that often a patient is directly referred to SNF or home health care without being fully evaluated for CMR eligibility. HRHHC maintains that it will have four rooms designed for use by bariatric patients, should any morbidly obese patients need CMR services.

HealthSouth states that community physicians, regardless of their acute care affiliation, can apply for consulting or admitting privileges at HealthSouth’s hospitals. HRHHC asserts that the patient’s primary care physician often does not see the patient during the CMR hospital stay. The applicant states that HealthSouth knows the continuity of care is important to patients and with a patient’s consent, HealthSouth provides the primary care physician reports on the patient’s progress during their stay, covering functional progress, changes in medical condition and medication use and dosage. HRHHC indicates that these reports are given to primary case managers by liaisons. The applicant will also utilize electronic medical records (EMR) to communicate information to physicians and other appropriate providers and states that HealthSouth will coordinate the post-discharge services by scheduling an appointment with the primary care physicians and making referrals for outpatient therapy of home health.

HRHHC also discusses the relationship between family involvement in recovery and a patients' ability to return home and avoid a long-term institutional setting. The applicant plans to feature a customized activities of daily living (ADL) suite, with a model bedroom, bathroom and kitchen so patients can prepare for their return home. HealthSouth states that it recognizes the emotional component of recovery that is best served when patients are able to spend time with their loved ones while undergoing treatment. The applicant notes that it is often able to make accommodations for family members to stay overnight with a patient.

The applicant indicates that helping patients cope with loss of function and new ways to adapt is provided through the rehabilitation team. One of the communication tools used for patient and family education is the Wellness Information and Tools for Health (WITH) notebook, which includes state and federal resources and helpful reminders related to fall prevention, safety, pain management, exercise and stress relief. HRHHC expresses that throughout a patients stay, pertinent information (i.e. medication, exercise instructions, therapy notes) is added to a patients' WITH notebook, which travels with the patient to therapy as well as home at the time of discharge. Many patients take their WITH notebook with them to their primary physician follow-up appointment, according to the applicant.

HRHHC asserts that at reasonable use rates for counties with CMR hospitals, there is sufficient unmet bed need to fill the proposed hospital without reducing the census of TGH or FHT. HRHHC contends that its proposed hospital does more to increase access, availability and quality of CMR services for Hillsborough County residents than the HCA proposal because of the competitive dynamics between acute care hospitals, HCA probably would not be able to achieve 85 percent occupancy for a 30-bed unit.

2. Agency Rule Criteria:

Please indicate how each applicable preference for the type of service proposed is met. Refer to Chapter 59C-1.039, Florida Administrative Code, for applicable preferences.

a. General Provisions:

(1) Service Location. The CMR inpatient services regulated under this rule may be provided in a hospital licensed as a general hospital or licensed as a specialty hospital.

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states intent to operate the proposed CMR program under its license as a general hospital.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states intent to operate the proposed CMR program under its license as a specialty hospital.

- (2) **Separately Organized Units. CMR inpatient services shall be provided in one or more separately organized unit within a general hospital or specialty hospital.**

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) indicates that the CMR unit will be a separately organized unit on the second floor in the existing Tower A of the hospital.

The applicant states the following programmatic-based features:

- An activities of daily living (ADL) area with simulated areas for kitchen, bedroom and bath
- A day room/activity room
- An exercise physical therapy room on the floor will allow maximum rehab patient convenience and efficient patient transport
- Each rehab patient room will have an accessible toilet and shower
- One negative pressure isolation patient room will be included

The applicant indicates that the physical layout and configuration of the unit is more fully described in the responses for questions presented in Schedule 9, architectural criteria and the accompanying schematic drawings.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) indicates that the CMR hospital will be freestanding and will be solely dedicated to providing CMR inpatient services.

- (3) **Minimum Number of Beds. A general hospital providing comprehensive medical rehabilitation inpatient services should normally have a minimum of 20 comprehensive rehabilitation inpatient beds. A specialty hospital providing CMR inpatient services shall have a minimum of 60 CMR inpatient beds.**

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) proposes to establish a 30-bed unit in compliance with this criterion.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482)

proposes to establish a 60-bed freestanding CMR hospital, which the applicant states is the appropriate size for a new entrant in the Hillsborough County market

- (4) Medicare and Medicaid Participation. Applicants proposing to establish a new comprehensive medical rehabilitation service shall state in their application that they will participate in the Medicare and Medicaid programs.**

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) currently participates in the Medicare and Medicaid programs and states intent to do so in the proposed CMR unit. BRH indicates that Medicare and Medicare HMO patients are expected to be 59.8 percent of total rehabilitation patient days while Medicaid and Medicaid HMO patients are expected to be 11.0 percent during the first two years of operation.

As a condition of approval for the proposed CMR unit, the applicant states it will provide a minimum of 4.0 percent of its annual total CMR patient days to the combination of Medicaid, Medicaid HMO and charity (including self-pay) patients.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482)

states that it conditioned approval of the proposed program on participation in Medicare and Medicaid programs.

Notes to Schedule 7 indicate that the facility will provide 68.2 to 69 percent of its total annual patient days to Medicare and Medicare HMO patients, 1.4 percent to Medicaid HMO patients and 1.1 percent to charity care patients during years one (ending FY 2020) through three (ending FY 2022). The notes further state that charity care is reported in the schedules as self-pay at 100 percent write-off and \$0 reimbursement per day.

As a condition of approval for the proposed CMR hospital, the applicant states that Medicaid, Medicaid Managed Care, charity care and self-pay patients will be a minimum of 2.25 percent of HRHHC's patient days.

b. Required Staffing and Services

- (1) Director of Rehabilitation. CMR inpatient services must be provided under the medical director of rehabilitation who is a board-certified or board-eligible psychiatrist and has had at least two years of experience in the medical management of inpatients requiring rehabilitation services.**

Each co-batched applicant states intent to comply with this rule.

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states that the proposed program will be operated under the direct medical supervision of a board-certified physical medicine and rehabilitation specialist (psychiatrist). BRH anticipates recruiting a physician for this position and will be assisted in this endeavor by its corporate physician recruitment office. The applicant states the intent to involve the services of physicians who have expertise and specialized focus in the areas of geriatric medicine, neurology, orthopedics, cardiology and cardiovascular surgery, pulmonology, urology, oncology and neurosurgery.

The applicant maintains that it will be the role of the recruited physician to:

- Participate in the pre-admission screening process and identify those patients to be admitted to the rehab program
- Ensure identification of the nature and extent of functional disability
- Perform diagnostic examinations to detect or confirm pathologic states underlying, complicating or existing concurrently with physical impairment and disabling conditions
- Synthesize all medical and rehabilitation data pertinent to the patient and apply it to design interventions used electively to prevent complication, enhance recovery or promote adaptations to optimal levels of function, performance and pursuit of personal life goals
- Monitor the quality and effectiveness of the patient's progress toward the achievement of rehabilitation goals and health maintenance
- Work on an administrative level with hospital management to determine and devise plans for continued improvement to the program

The applicant further discusses the Centers for Medicare and Medicaid Services (CMS) Case Mix Index and this index's application in the provision of CMR services.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) agrees to provide CMR services in the proposed facility under the supervision of a medical director of rehabilitation who is a board-certified or board-eligible physiatrist and has had at least two years of experience in the medical management of inpatients requiring rehabilitation services. The applicant further indicates the position will be under contract and to avoid disrupting services at any other programs, HealthSouth will recruit for the position from outside the county, if necessary. HealthSouth states that estimated cost included in year one is \$140,000, adjusted by 2.5 percent in year two and three and this is only the administrative function and not direct patient services. Schedule 6 of the application confirms the medical director is a contracted position.

(2) Other Required Services. In addition to the physician services, CMR inpatients services shall include at least the following services provided by qualified personnel:

- 1. Rehabilitation nursing**
- 2. Physical therapy**
- 3. Occupational therapy**
- 4. Speech therapy**
- 5. Social services**
- 6. Psychological services**
- 7. Orthotic and prosthetic services**

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states CMR inpatient services shall include at least the following services and includes a description of each:

- Rehabilitation nursing⁶
- Physical therapy
- Occupational therapy
- Speech therapy
- Social worker
- Case management services

⁶ Brandon Regional Hospital states it will seek a complement of nursing personnel with the designation of Certified Rehabilitation Registered Nurse, and will encourage and assist all unit RNs to achieve the credential

BRH includes a description of each of the following additional personnel to be provided based on patient need:

- Diabetic nurse educator
- Wound care specialist
- Psychology and neuropsych services
- Orthotic and prosthetic services
- Pharmacology
- Certified therapeutic recreation specialist
- Chaplin and other spiritual persons

The applicant indicates that all of the identified services are currently available to patients at BRH with the exception of rehabilitation nursing. The applicant states that psychological services are available at BRH and will be available to inpatient rehabilitation patients when needed to fulfill the rehab plan of care. The applicant notes that the provision of orthotics/prosthetic services is more cost-effective and efficient when contracted out of the hospital.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states it will offer the following service and provides a description of each on pages 100-103 of CON application #10482:

- Rehabilitation nursing
- Physical therapy
- Occupational therapy
- Speech therapy
- Social worker
- Case management services
- Psychological services
- Orthotics/prosthetic services
- Respiratory therapy

The applicant notes that the provision of orthotics/prosthetic services is more cost-effective and efficient when contracted out of the hospital.

HealthSouth professes to employ more than 1,500 certified rehabilitation registered nurses (CRRN) and states this number increases by close to 10 percent each year. HealthSouth indicates that several specialized programs will be offered and states depending on the program, appropriately licensed professionals will provide the care and treatment of patients on an inpatient basis.

c. Criteria for Determination of Need:

- (1) Bed Need. A favorable need determination for proposed new or expanded comprehensive medical rehabilitation inpatient services shall not normally be made unless a bed need exists according to the numeric need methodology in Rule 59C-1.039 (5) (c), Florida Administrative Code.**

Each co-batched applicant is applying outside the fixed need pool.

- (2) Most Recent Average Annual District Occupancy Rate. Regardless of whether bed need is shown under the need formula in Rule 59C-1.039 (5) (c), no additional comprehensive medical rehabilitation inpatient beds shall normally be approved for a district unless the average annual occupancy rate of the licensed comprehensive medical rehabilitation inpatient beds in the district was at least 80 percent for the 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed bed need pool.**

The reviewer notes that the most recent average annual District 6 occupancy rate for CMR beds was 53.01 percent occupancy during the 12-month period ending June 30, 2016.

- (3) Priority Consideration for Comprehensive Medical Rehabilitation Inpatient Services Applicants. In weighing and balancing statutory and rule review criteria, the Agency will give priority consideration to:**

- (a) An applicant that is a disproportionate share hospital as determined consistent with the provisions of section 409.911, Florida Statutes.**

Neither co-batched applicant is a disproportionate share hospital.

- (b) An applicant proposing to serve Medicaid-eligible persons.**

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states its intent to provide care to Medicaid-eligible persons as described in numerous places in its application.

As a condition of approval for the proposed CMR unit, the applicant states it will provide minimum of 4.0 percent of its annual total CMR patient days to the combination of Medicaid, Medicaid HMO and charity (including self-pay) patients.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that all HealthSouth rehabilitation hospitals in Florida participate in the Medicaid program and HRHHC will also serve Medicaid patients.

As a condition of approval for the proposed CMR hospital, the applicant states that Medicaid, Medicaid Managed Care, charity care and self-pay patients will be a minimum of 2.25 percent of HRHHC's patient days.

- (c) An applicant that is a designated trauma center, as defined in Rule 64J-2.011, Florida Administrative Code.**

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) is not a designated trauma center.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that as a specialty hospital it cannot qualify for trauma center status but states the intent to work with area hospitals with trauma status to provide post-acute care for trauma patients.

- d. Access Standard. Comprehensive medical rehabilitation inpatient services should be available within a maximum ground travel time of two hours, under average travel conditions, for at least 90 percent of the district's total population.**

The reviewer notes that the access standard is currently met for District 6 CMR services.

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) indicates that the proposed project does not depend upon improvements in this geographic access standard for its justification. BRH points out that HCA acute care patients are routinely unable to access existing inpatient rehabilitation beds in the service area. The applicant maintains that the proposed project will remedy this identified access issue in Hillsborough County.

The reviewer notes that the applicant has not demonstrated poor or substandard healthcare outcomes due to the current CMR options or rehabilitation alternatives in Hillsborough County.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that the access standard has been met for District 6 and all other districts since 1991. The applicant contends that this standard case criterion does not take into account the actual dynamics of patient referrals for CMR services. HRHHC explains that due to age, medical fragility and a desire for continuity of care by patients and their physicians, patients needing CMR services generally seek to remain in the county where they receive acute care hospital services. The applicant asserts that if CMR services are not offered in Hillsborough County in a freestanding hospital that is not affiliated with an acute care hospital, many patients will not have reasonable access to CMR services regardless of driving times.

e. Quality of Care

- (1) Compliance with Agency Standards. Comprehensive medical Rehabilitation inpatient services shall comply with the Agency standards for program licensure described in section 59A-3, Florida Administrative Code. Applicants who submit an application that is consistent with the Agency licensure standards are deemed to be in compliance with this provision.**

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states that all HCA affiliated hospitals in Florida currently operate in compliance with licensure standards referenced above, as well as CMS Medicare conditions of participation and will continue do so following the implementation of the proposed CMR unit. The applicant discusses the Quality and Clinical Excellence Program, stating that through this program, the proposed CMR hospital will have the ongoing ability to internally monitor the quality of care to patients and implement improvement activities when needed.

BRH notes the Quality and Clinical Excellence Program's four major focus areas: clinical outcomes, patient experience, technology and innovation and the culture of safety. The applicant includes a list of the reporting tools used to measure the success of each program and provides a table that sets forth the current HCA rehabilitation performance improvement indicators for 2017 on page 53-54 of CON application #10481. The applicant indicates that these are updated periodically as necessary. BRH states the intent to apply for CARF accreditation within the first year of operation.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that all of HealthSouth's Florida hospitals are in compliance with Agency standards for program licensure as described by Section 59A-3, Florida Administrative Code. The applicant maintains that it has invested in state-of-the-art quality measurement systems to carefully monitor process and outcomes, allowing each facility to maintain the highest possible levels of quality. HRHHC affirms this system will be implemented at the proposed facility.

The Quality and Clinical Excellence Program, as stated by the applicant, focuses on four major areas: clinical outcomes, patient experience, technology and innovation and the culture of safety. HRHHC includes a list of the reporting tools used to measure the success of each program.

The applicant states it measures clinical outcomes by consistently implementing the following tools:

- National Quality Forum (NQF) endorsed performance measures
- Uniform Data Systems for Medical Rehabilitation (UDSMR®) benchmarks
- Internal benchmarking of its hospitals
- Clinical advisory boards

HRHHC asserts that in 2016, 36 of HealthSouth's hospitals received special recognition from UDSMR® as "high performing" hospitals by virtue of their rank in the top 90th percentile of CMRs that qualified to be ranked in the CMR database. The applicant states the intent to obtain Joint Commission disease-specific certification in stroke rehabilitation by the end of the third year of operation. HRHHC provides a brief summary of HealthSouth's Quality and Clinical Excellence Program on pages 107-111 of CON application #10482.

f. Services Description. An applicant for comprehensive medical rehabilitation inpatient services shall provide a detailed program description in its certificate of need application including:

(1) Age group to be served

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) states that it will serve adults age 15+. The applicant anticipates that approximately 39 percent of admissions to the proposed unit will be age 15-64 and 61 percent will be age 65+.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that it will provide CMR services to all patients.

(2) Specialty inpatient rehabilitation services to be provided, if any (e.g. spinal cord injury; brain injury)

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) states specialty programs will be provided on an inpatient or outpatient basis, or both, as necessary to meet the needs of the patient population. The applicant presents in-depth description of the wide array of rehabilitative programs including: stroke, arthritis, wound care, orthopedic, spasticity as well as balance and vestibular.

BRH provides a brief narrative of each program listed above on pages 61-64 of CON application #10481.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states it will offer the following diagnosis-specific programs:

- Amputee
- Arthritis/rheumatoid
- Balance and vestibular
- Brain injury
- Cardiac
- Diabetes
- Geriatric
- Joint replacement
- Lymphedema
- Multiple Sclerosis
- Neurological disorders
- Oncology
- Orthopedics

- Osteoporosis
- Pain management
- Parkinson's Disease
- Pulmonary disease
- Sleep disorders
- Spasticity management
- Stroke rehabilitation
- Urinary incontinence
- Wound care

- (3) Proposed staffing, including qualifications of the medical director, a description of staffing appropriate for any specialty program and a discussion of the training and experience requirements for all staff who will provide comprehensive medical rehabilitation inpatient services.**

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) states staffing levels are consistent with licensure, CMS and CARF standards, as are the training and experience requirements for each staff position providing CMR services. The applicant provides a list of training topics and experience requirements, and asserts that all medical staff and employees will be trained on the significance of a culture of safety, which is essential in a quality environment. BRH provides the following staffing pattern for year one (ending December 31, 2020) and year two (ending December 31, 2021) of its proposed CMR program.

The reviewer notes that the applicant's Schedule 6A indicates a year one ending date of December 21, 2020 and a year two ending date of December 31, 2021. Throughout the narrative of CON application #10481 as well as in the applicants Schedules 5, 7B and 8A, the year one and year two ending dates are stated as December 31, 2021 and December 31, 2022 respectively.

CON Action Number: 10481 and 10482

Staffing Pattern for BRH (CON application #10481)		
	Year One FTEs	Year Two FTEs
ADMINISTRATION		
Program Director	1.00	1.00
Manager	1.00	1.00
Outreach Coordinator	1.50	1.60
PAI Coordinator	1.00	1.00
PHYSICIANS		
Medical Director/Physiatrist	0.23	0.23
NURSING		
Charge Nurse/Clinical Coordinator	1.00	1.00
RNs	14.80	22.40
CNAs	4.20	5.60
Unit Secretary	1.40	1.40
ANCILLARY		
Inpatient Therapy Manager	1.00	1.00
Physical Therapist	4.00	6.00
Physical Therapist Assistant	1.25	2.00
Speech Therapist	1.50	2.00
Occupational Therapist	4.00	6.00
Occupational Therapy Assistant	1.25	2.00
SOCIAL SERVICES		
Social Worker/Case Manager	1.00	1.50
TOTAL	40.13	55.73

Source: CON application #10481, Schedule 6A

Notes to Schedule 6A indicate that no FTEs are shown for non-patient care services, such as dietary, housekeeping, laundry and plant maintenance--these services will be provided directly by the hospital and both staffing and other non-labor expenses for these service departments have been allocated and included on Schedule 8A of the application.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that the proposed CMR hospital will be fully staffed with trained qualified individuals. The applicant asserts that it will train all medical staff and employees on the significance of a culture of safety and includes a list of training topics. HRHHC proclaims to offer staff many clinical education opportunities such as courses via the Clinical Excellence University. The applicant provides the following staffing pattern for year one (ending April 30, 2020) and year two (ending April 30, 2021) of its proposed CMR program.

CON Action Number: 10481 and 10482

Staffing Pattern for HealthSouth (CON application #10482)		
	Year One FTEs	Year Two FTEs
ADMINISTRATION		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Controller	1.00	1.00
Admissions	2.50	3.00
AP/Payroll	1.00	1.00
Administrative Asst.	1.13	1.50
Health Information Mgmt.	1.75	2.25
Marketing	1.50	1.50
Data Entry	1.00	2.00
Rehab Liaison	3.42	4.50
Human Resources	2.00	2.00
Switchboard	2.00	2.00
PHYSICIANS		
Medical Director	Contracted	Contracted
NURSING		
RNs	17.68	22.15
Nursing Supervisor	4.00	4.00
LPNs	4.54	6.67
CNAs	15.76	19.74
Quality Management	1.00	1.00
Education	0.50	0.50
Secretary	2.00	2.00
ANCILLARY		
Physical Therapist	5.10	6.90
Speech Therapist	2.83	3.96
Occupational Therapist	5.10	6.90
Director of Therapy	1.00	1.00
Therapy Aides	2.32	3.23
Therapy Assistants	5.06	8.32
Pharmacist	2.50	2.50
Pharm Tech	1.00	1.50
Respiratory Therapy	1.25	2.00
Central Supply	1.13	1.50
DIETARY		
Dietary Supervisor	1.00	1.00
Cooks	2.00	2.00
Dietary Aides	3.13	3.71
Dieticians	1.00	1.00
SOCIAL SERVICES		
Case Manager	3.00	3.50
HOUSEKEEPING		
Housekeeping Supervisor	1.00	1.00
Housekeepers	4.13	517
LAUNDRY		
Laundry Supervisor	Contracted	Contracted
PLANT MAINTENANCE		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.75	1.50
TOTAL	109.08	136.50

Source: CON application #10482, Schedule 6

(4) A plan for recruiting staff, showing expected sources of staff.

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) indicates that some of the personnel required for the unit may be reassigned from the existing hospitals with others being recruited as necessary. The applicant states that BRH currently recruits most of the affected personnel categories for its acute care units of the hospital using a variety of methods and processes, which include:

- Internal promotions from BRH
- Promotion and recruitment within HCA
- Utilization of corporate recruitment personnel and resources
- Utilization of professional recruiting
- Advertisements in local, state and national media and professional publications

The applicant states that these methods have been adequate in the past and are expected to meet such needs in the future, including for the proposed project.

HealthSouth Rehabilitation Hospital of Hillsborough County,

LLC (CON application #10482) states that it is prepared to put forth special efforts to attract quality staff required for its rehabilitation programs and has initiated innovative approaches to recruit and retain staff throughout its Florida facilities and corporate structure. HealthSouth's methods of staff recruitment include:

- In-house job postings
- Corporate recruiting
- Employment open house
- Professional recruitment firms
- Participation in local job fairs
- Referral bonuses for select positions
- Advertising in local newspapers, specialty newsletters/magazines, colleges with specialty programs
- Strong clinical affiliations program with allied health fields with a wide variety of universities
- Participation in professional conferences and educational events on a local and regional level
- HealthSouth Corporation clinical travelers
- Hard to fill positions are advertised in specialty journals
- Flyers mailed to home addresses from nationwide mailing lists

The applicant states that in addition to traditional methods for recruiting, HealthSouth has residency programs with several schools of allied health, actively participates in professional

organizations, both locally and nationally, and if necessary offers a sign-up bonus to attract high quality personnel. HealthSouth states to have active affiliation agreements with over six hundred universities and colleges--including medical schools, schools of nursing, local vocational/technical schools, graduate programs for psychology, physical therapy, occupational therapy, speech therapy and therapeutic recreation. The applicant states that beyond the local area recruitment efforts, it will rely on support from HealthSouth's corporate recruiting department to assist in recruitment of all professional areas.

(5) Expected sources of patient referrals.

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) states it will draw referrals to the proposed unit from various sources and expects many admissions will emerge from among BRH's acute care patients. The applicant indicates that referrals will come from physicians on staff at BRH and other physicians practicing in the service area. BRH anticipates additional referrals from area nursing homes and other acute care hospitals in the area.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482)

states that the primary source of patient referrals will be area health care providers. HealthSouth states that since it does not operate any acute care general hospitals, patient referrals are expected from general hospitals in the subdistrict (particularly HCA, Bay Care hospital and H. Lee Moffitt) and past experience has shown this to be true. The applicant indicates other referral resources include nursing homes, physicians, assisted living facilities, home health agencies as well as word of mouth.

(6) Projected number of comprehensive medical rehabilitation inpatient services patient days by payer type, including Medicare, Medicaid, private insurance, self-pay and charity care patient days for the first two years of operation after completion of the proposed project.

Galencare, Inc. d/b/a Brandon Regional Hospital

(CON application #10481) presents the following CMR unit patient days by payer type in years one and two of the proposed project on its Schedule 7B.

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BRH Medical CMR Unit Patient Days by Payer Class				
	Year One	Percent	Year Two	Percent
Medicare	2,748	45.9%	3,993	45.9%
Medicare HMO	833	13.9%	1,211	13.9%
Medicaid HMO	660	11.0%	959	11.0%
Commercial Insurance/HMO/PPO	1,179	19.7%	1,714	19.7%
Other	481	8.0%	698	8.0%
Self-Pay/Charity	90	1.5%	131	1.5%
Total	5,991	100%	8,706	100%

Source: CON application #10481, Schedule 7B

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) presents the following CMR unit patient days by payer type in years one and two of the proposed project on its Schedule 7B.

HealthSouth CMR Unit Patient Days by Payer Class				
	Year One	Percent	Year Two	Percent
Medicare	6,852	67.0%	9,515	66.8%
Medicare HMO	202	2.0%	284	2.0%
Medicaid HMO	138	1.4%	194	1.4%
Commercial Insurance	435	4.3%	614	4.3%
Managed Care	2,290	22.4%	3,201	22.5%
Self-Pay/Charity	113	1.1%	160	1.1%
Other Payers	190	1.9%	267	1.9%
Total	10,220	100%*	14,235	100%

Source: CON application #10482, Schedule 7B

*The reviewer notes the percent total for year one, according to the applicant's figures, is 100.1.

(7) Admission policies of the facility with regard to charity care patients.

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states that BRH will continue to extend services to all patients in need of care, regardless of the ability to pay or source of payment. The applicant indicates that it currently serves Medicaid-sponsored, self-pay and indigent patients. BRH asserts the proposed project herein will ensure that needed inpatient rehabilitation services are accessible by these patients.

The applicant's Schedule 7B forecasts that 1.5 percent in both year one and year two, representing \$714,886 and \$1,082,178 respectively, will be provided to self-pay/charity care.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) indicates that although HealthSouth does not have a dedicated emergency room, it will appraise emergencies, provide initial treatment and refer or transfer an individual, when appropriate, to another hospital or

facility without discrimination or regard to whether the individual is eligible for financial assistance. The applicant provides HealthSouth's Financial Assistance and No Insurance Discount polices in Attachment 9 of CON application #10482.

g. Utilization Reports. Facilities providing licensed comprehensive medical rehabilitation inpatient services shall provide utilization reports to the Agency or its designee, as follows:

- (1) Within 45 days after the end of each calendar quarter, facilities shall provide a report of the number of comprehensive medical rehabilitation inpatient services discharges and patient days which occurred during the quarter.**
- (2) Within 45 days after the end of each calendar year, facilities shall provide a report of the number of comprehensive medical rehabilitation days which occurred during the year, by principal diagnosis coded consistent with the International Classification of Diseases (ICD-9).**

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states that it currently reports to the Agency or its designee its inpatient acute care discharge data consistent with this provision and will collect and report similar data for patients discharged from the proposed inpatient rehabilitation unit.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that it will participate in the data collection activities of the Agency and the local health council, as well as the data collection activities in accordance with Chapter 408 of Florida Statutes.

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 SA?

As stated previously, District 6 had 173 licensed CMR bed which experienced an average 53.01 percent occupancy rate for the 12-month period ending June 30, 2016.

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) reiterates that given the distances, travel times and conditions between most of Hillsborough County and the CMR beds located in other subdistricts within District 6, these units are not realistic alternatives for the residents of Subdistrict 6-1. As evidence of the unavailability of CMR beds, the applicant presents the following table comparing all Hillsborough County acute care hospitals based upon the percentage of acute care discharges of the adult residents to the CMR setting. See the table below.

Hillsborough County Acute Care Adult Discharges to CMR July 2015-June 2016			
Acute Care Hospitals	Discharges		
Hospital	To CMR	% to CMR	Acute Total
Tampa General Hospital	666	2.8%	23,400
Florida Hospital Carrollwood	71	1.6%	43,65
Florida Hospital Tampa	238	1.5%	15,573
H Lee Moffitt Cancer Center	32	1.4%	2,241
South Bay Hospital	55	0.9%	5,963
St. Joseph's Hospital	167	0.8%	20,771
Memorial Hospital of Tampa	22	0.7%	3,233
Brandon Regional Hospital	110	0.4%	16,789
Tampa Community Hospital	11	0.3%	2,656
St. Joseph's Hospital South	21	0.3%	6,113
South Florida Baptist Hospital	17	0.3%	5,436
St. Joseph's Hospital	15	2.8%	5,012
Total	1,425	1.3%	111,552

Source: CON application #10481, page 25

BRH explains that the highest proportion of adult acute care discharges to CMR is nearly three percent at TGH, compared to a subdistrict average of 1.3 percent. The applicant notes that eight of Hillsborough County's 12 acute care hospitals fall below this average including BRH at 0.7 percent.

BRH asserts that SNFs, as inpatient alternatives to CMR services, are not adequate. The applicant indicates that rehabilitation programs in a CMR unit are led by a rehabilitation physician a minimum of three times a week, sometimes daily, compared to once-a-week at a SNF. Furthermore, the applicant states that CMRs are required to provide rehabilitation nursing and there is no comparable requirement for nursing homes. BRH adds that in a CMR unit, the patient care planning team has to develop an interdisciplinary plan of care for each patient geared toward rehabilitation, however this is not required in a nursing home.

BRH states that no specific diagnosis is required for nursing home admission if the criteria for nursing care are satisfied, subsequently SNFs can only admit Medicare patients within 30 days of an acute care hospital episode of at least three consecutive days. The applicant notes that in contrast, CMR facilities can admit a patient from any location at any time provided the patient needs intensive inpatient rehabilitative services.

The applicant cites two studies from 2008 that have noted the benefits of care in the CMR setting versus that in a SNF⁷. BRH discusses a more recent 2014 study by Dobson DaVanzo & Associates on page 29 of CON application #10481, which compared outcomes of Medicare patients who utilized inpatient rehabilitation facilities or IRFs (designated as CMRs in Florida) with Medicare patients who utilized SNFs. The applicant states that the IRF patients experienced much better outcomes, such as lower mortality rates, fewer emergency room visits and fewer hospital admissions. The applicant provides copies of the referenced studies in Tab 5 of CON application #10481.

BRH states that it makes no representations regarding the adequacy of the quality of care available via the existing providers of CMR in the district--the need for the proposed project is not dependent upon an assertion or finding of an absence of quality preventing utilization. The applicant affirms that the greatly below average utilization of CMR services by the residents of Hillsborough County and District 6 arises for other reasons previously discussed in CON application #10481.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that there are two applications for new CMR programs in this batching cycle. HealthSouth proposes a 60-bed freestanding hospital with the full complement of facility, equipment, and staff that HealthSouth provides in its existing Florida hospitals. This application describes the proposed hospital in detail. HCA has proposed a CMR unit of up to 35 beds at BRH. The reviewer notes that the initial application by BRH was for 35 beds but the omission response requested 30 beds. Comparing the two proposals, HealthSouth identifies that as the applicant with the better capability to improve the availability, accessibility and quality of CMR services for Hillsborough County residents. HealthSouth indicates that it will have additional comments on the HCA application at the public hearing on April 28, 2017.

⁷ Vincent, Vincent, "Functional and Economic Outcomes of Cardiopulmonary Patients", American Journal of Physical Medicine & Rehabilitation, 2008, 87:371-380.

Kind, Amy J. et.al. "The Price of Bouncing Back: One-year Mortality and Payments for Acute Stroke with 30-Day Bounce Backs", Journal of the American Geriatrics Society, 2008, Vol. 56 No. 6, 999-1005.

The applicant contends that general hospitals without CMR units do not routinely refer patients to CMR units in competing general hospitals--only an independent CMR specialty hospital will give patients in all Hillsborough County general hospitals (except TGH and FHT) improved access to CMR services. HRHHC provides a chart on page 81 of CON application #10482 which shows Medicare patients transferred from Hillsborough County acute care hospitals to the CMR units at the TGH or FHT in 2015. The applicant points out that except for St. Joseph's, none of the competing Hillsborough County acute care hospitals refer many patients to TGH or FHT--this dynamic means a CMR unit at an HCA hospital will receive almost all referrals from the three HCA hospitals in Hillsborough County. The applicant asserts that the location of BRH is also a factor discouraging referrals for patients from western Hillsborough County.

HRHHC states that SNFs in Hillsborough County are operating at an average occupancy rate of 80 percent, according to their most recent Medicare Cost Reports. The applicant indicates that high occupancy and demand will increase as the elderly population grows and while the rehabilitation services offered by a SNF are appropriate for some patients, the more intensive rehabilitation services HRHHC will provide are better for those whose conditions require it and those who can tolerate intensive therapy.

HRHHC expresses that patients appropriate for CMR services redirected to a SNF may suffer diminished patient outcomes that impact their quality of life. The applicant references a 2014 study conducted by Dobson DaVanzo & Associates to investigate possible impacts of the 60 percent rule on clinical outcomes found that for many clinical conditions categories, patients treated in IRFs experienced improved patient outcomes including but not limited to lower risk of mortality, more days at home and lower ER readmission rates.

The applicant also cites a 2016 study issued by the American Hospital Association and the American Stroke Association has concluded that medical rehabilitation is a better option than SNFs for stroke patients. Their research states:

Whenever possible, the American Stroke Association strongly recommends that stroke patients be treated at an inpatient rehabilitation facility rather than a skilled nursing facility... The studies that have compared outcomes in hospitalized stroke patients first discharged to an IRF, a SNF, or a nursing home have generally shown that IRF patients have higher rates of return to community living and greater functional recovery.⁸

⁸ AHA. 2016. Press Release. May 4. Inpatient rehab recommended over nursing homes for stroke rehab. AHA/ASA. 2016. Guidelines for Adult Stroke Rehabilitation and Recovery.

HRHHC asserts that to maximize the recovery of each patient, the entire continuum of rehabilitation services should be available to those with serious acute physical impairments such as paralysis, amputation, or gait disturbance--some patients can do well in either a CMR or SNF, but for most patients, one is a superior option. The applicant believes that patients must have local access to the setting that will permit them to reach their maximum improvement and functional status. HRHHC states that SNFs do not provide the intensive rehabilitation services as CMR hospitals. The applicant proclaims that without additional CMR beds, CMR-eligible patients may be inappropriately discharged to SNFs.

The applicant maintains that the proposed CMR hospital will greatly benefit future patients like those treated in SNFs, since SNFs rarely have all the high tech equipment HRHHC proposes for this facility. Because CMRs take higher severity patients, the applicant states that patients can enter the post-acute care continuum and begin their recovery earlier than they could in a SNF. HRHHC indicates that its programs can assist short-term acute care hospitals in better managing their discharges, and in controlling their census during peak season, including direct admissions from the Emergency Department to CMR.

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

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states that HCA is the second largest provider of inpatient rehabilitation facility services in the nation, with over 1,200 Medicare certified inpatient rehabilitation beds located in over 50 hospitals from Alaska to Florida and its programs admit over 22,000 rehabilitation patients annually. The applicant asserts that HCA has made a significant commitment to inpatient rehabilitation as a critical part of its patients' continuum of care.

BRH states that since opening in 1977, it has provided the community with high quality, cost-effective health care. The applicant affirms its dedication to providing quality relationship-based care that promotes healing through collaboration, compassion, integrity, safety and accountability. BRH list the following key service areas: centers for behavioral health, emergency, heart and vascular, orthopedic, pediatric, reflux, sinus, spine, the women's center and the DaVinci robotic surgery program.

The applicant indicates that it is accredited by the Joint Commission and has received numerous awards and recognitions relative to its quality of care. The applicant provides a list of various awards and recognitions on page 71 of CON application #10481. BRH states that it currently

provides care to Medicare and Medicaid patients and is in good standing with both programs, along with VA, Workers Comp, private insurance carriers, HMO's and other managed care providers.

The applicant discusses a wide variety of state-of-the-art rehabilitation equipment, some or all of which HCA utilizes at its existing CMR programs. BRH includes a description of the following partial list of rehabilitation specific equipment:

- Lite Gait (supportive ambulation system)
- ReoGo
- Balance Master
- Visipitch
- SaebFlex Wrist Splint and Exercise Station
- VitalStim
- Bioness
- Interactive Metronome (IM)

According to BRH, all HCA comprehensive inpatient rehabilitation programs participate in a nationally recognized data collection system known as UDS (Uniform Data Systems). The applicant indicates that UDS is the nationally recognized data collection tool for rehab. BRH describes the application of UDS within the HCA Rehab Services Division, as follows:

- Through UDS, HCA Rehab Services Division has the means to receive corporate-wide reports for all its programs
- PEM, or program evaluation model, allows managers to measure each program's quality performance in a variety of areas
- HCA is committed to adherence to regulatory compliance and through documentation and that therefore, HCA has contracted with UDS to review documentation at each of HCA's rehab programs

The applicant notes the American Medical Rehabilitation Providers Association (AMRPA), the nation's only trade organization dedicated solely to the interests of Rehab. BRH indicates that all of HCA's rehab programs are members of AMRPA and discusses HCA's association and affiliation with AMRPA.

BRH indicates that its management experience, resources, operational procedures and protocols that have contributed to the ability to provide superior quality health care in its existing hospital operations, will also contribute to the ongoing success and effectiveness of the proposed CMR program once it is operational. BRH asserts that HCA has a number of programs and support services available to assist its affiliates in the design, construction, start-up and continuing operation of high quality inpatient rehabilitation programs and that these include:

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- Regulatory education and training materials - Web-based materials, courses and webinars ensure timely regulatory knowledge and continuing compliance
- Template Documentation Toolkit - Up to date forms, tools and instruments to best build and carry out the rehabilitation plan of care
- CMR Probe/RAC reviews and appeals support
- Policies and Procedures – ethics and compliance policies and procedures are in place to help ensure that each affiliate helps further the HCA commitment to doing the right thing
- Program protocols to ensure successful return to the community systems support – HCA uses Meditech as the primary electronic medical record and will integrate with UDS

BRH discusses aspects of performance improvement stating that, from an organizational perspective, the proposed CMR will be incorporated into the applicant’s existing care delivery system, performance delivery system and performance improvement structure. The applicant mentions its mission, vision, values and provides its 2016 Performance Improvement and Utilization Review Plans along with other pertinent quality-related policies in Tabs 11 and 12 of CON application #10481.

The applicant states that through its focus on the ongoing challenge to deliver superior patient care, BRH has amassed an extensive body of experience, resources, proven ability and reliability in the operation of its existing highly regarded acute care hospital, and in the provision of quality health care in the service area affected by this program.

Agency compliant records indicates BRH had four substantiated complaints during the three-year period ending March 8, 2017. A single complaint can encompass multiple complaint categories.

BRH Substantiated Complaint Categories 36 Months Ending March 8, 2017	
Complaint Category	Number Substantiated
Quality of Care/Treatment	1
Nursing Services	1
Restraints/Seclusion General	1
Life Safety Code	1
Total	4

Source: Florida Agency for Healthcare Administration Complaint Records

The reviewer notes the parent company HCA, had 93 substantiated complaints among its 50 facilities (11,866 licensed beds), for the 36-month period ending March 8, 2017. A single complaint can encompass multiple complaint categories. The substantiated complaint categories, for the parent and for BRH, are listed below:

HCA Substantiated Complaint Categories 36 Months Ending March 8, 2017	
Complaint Category	Number Substantiated
Quality of Care/Treatment	23
Emergency Access	20
Nursing Services	19
State Licensure	12
EMTALA	11
Resident/Patient/Client Rights	8
Admission/Transfer and Discharge	5
Administration/Personnel	3
Life Safety Code	3
Resident/Patient/Client Assessment	3
Infection Control	2
Resident/Patient/Client Abuse	2
Falsification of Records/Reports	1
Physical Environment	1
Restraints/Seclusion General	1
Total	93

Source: Florida Agency for Healthcare Administration Complaint Records

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that it has no current operations or operation history, yet indicates it will utilize HealthSouth’s corporate experience, knowledge and accreditation principles at the proposed facility. The applicant states that it will seek Joint Commission accreditation and implement protocols to maintain a superior quality of care upon licensure. HealthSouth indicates that it will also seek disease-specific certification in stroke rehabilitation from The Joint Commission within the first three years of operation and will evaluate patients to identify the need for other specialized programs.

With regards to demonstrating its commitment to quality care, HealthSouth states that it works hard to set the highest standards for patient care by protecting patient privacy, listening to patient needs, and respecting patient preferences. HealthSouth asserts that it focuses on patient-centered care, safety, and technology--utilizing patient experience surveys, patient feedback calls, focus groups and community outreach support (e.g., Arthritis Foundation, MS Society, Stroke Association, etc.) to measure patient-centered care. HealthSouth states it utilizes Uniform

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Data System for Medical Rehabilitation (UDSMR®)⁹ to monitor overall patient outcomes. The applicant’s additional quality instruments include FIM®¹⁰ gain and a performance evaluation model (PEM)¹¹ to score the overall quality of the proposed facility.

HealthSouth maintains that it promotes a culture of patient and employee safety and provides a description of its safety programs on pages 141-142 of CON application #10482.

The applicant contents that HealthSouth Corporation devotes significant resources to developing, implementing, and maintaining state-of-the-art systems and technology, which enables HealthSouth to provide the highest quality of patient care. Examples of such systems and technology include:

- Risk Management Reporting System
- Equipment (with embedded technology)
- Rehabilitation technologies (e.g. FreeStep Supported Ambulation System)
- Automated Medical Records System
- Computerized Order Entry System
- Clinical Education

Agency compliant records indicates HealthSouth Corporation had eight substantiated complaints during the three-year period ending March 8, 2017. A single complaint can encompass multiple complaint categories.

HealthSouth Substantiated Complaint Categories 36 Months Ending March 8, 2017	
Complaint Category	Number Substantiated
Dietary Services	1
Nursing Services	3
Life Safety Code	1
Quality of Care/Treatment	1
Resident/Patient/Client Assessment	1
Physical Environment	1
Total	8

Source: Florida Agency for Healthcare Administration Complaint Records

⁹ Uniform Data System for Medical Rehabilitation measures the effectiveness of rehabilitation programs by tracking a patient's functional status at admission, discharge, and after discharge to document the effectiveness of rehabilitation.

¹⁰ FIM gain is a measure of functional improvement from admission to discharge and indicates the degree of practical improvement toward the patient's rehabilitation goals. This tool includes 18 cognitive and functional measures including walking, climbing stairs, transfers, bowel and bladder function and dressing.

¹¹ PEM is a case-mix adjusted and severity-adjusted metric that provides rehabilitation providers with a composite performance score and percentile ranking drawn from nearly three-quarters of all CMR in the country.

- 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.**

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481):

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 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 bench marks 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 below is an analysis of the audited financial statements of HCA Holdings, Inc. hospitals in the State of Florida (parent company) and where the two short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

HCA Holdings, Inc. Hospitals in the State of Florida		
	Dec-15	Dec-14
Current Assets	\$1,488,431,842	\$1,425,854,571
Total Assets	\$8,234,337,056	\$7,329,962,173
Current Liabilities	\$571,978,063	\$618,111,722
Total Liabilities	\$744,262,118	\$783,306,052
Net Assets	\$7,490,074,938	\$6,546,656,121
Total Revenues	\$8,218,737,451	\$7,568,087,055
Excess of Revenues Over Expenses	\$903,809,620	\$822,647,294
Cash Flow from Operations	\$1,151,484,643	\$1,054,044,895
Short-Term Analysis		
Current Ratio (CA/CL)	2.6	2.3
Cash Flow to Current Liabilities (CFO/CL)	201.32%	170.53%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	2.3%	2.5%
Total Margin (ER/TR)	11.00%	10.87%
Measure of Available Funding		
Working Capital	\$916,453,779	\$807,742,849

Position	Strong	Good	Adequate	Moderately Weak	Weak
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:

On Schedule 2 the applicant indicates capital projects totaling \$38,927,000, which includes \$28,527,000 for this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by the parent company, Healthcare Corporation of America (HCA), from available resources.

The applicant provided a copy of HCA’s December 31, 2015 audited financial statements. These statements were analyzed for the purpose of evaluating the parent’s ability to provide the capital. The applicant also provided a copy of a letter of financial commitment from HCA’s senior vice president—Finance and Treasurer, indicating the parent company would finance the project through via an inter-company loan to the applicant. HCA further indicated fund would be derived from its available financial resources, including \$5.25 billion in revolving credit facilities.

Conclusion:

Funding for this project should be available to the applicant as needed.

**HealthSouth Rehabilitation Hospital of Hillsborough County, LLC
(CON application #10482):**

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 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 bench marks 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 below is an analysis of the audited financial statements of HealthSouth Corporation and Subsidiaries (parent company) and where the two short-term and long -term measures fall on the scale (highlighted in gray) for the most recent year.

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HealthSouth Corporation and Subsidiaries		
	Dec-16	Dec-15
Current Assets	\$654,500,000	\$598,700,000
Total Assets	\$4,681,900,000	\$4,606,100,000
Current Liabilities	\$475,600,000	\$426,400,000
Total Liabilities	\$3,753,200,000	\$3,826,800,000
Net Assets	\$928,700,000	\$779,300,000
Total Revenues	\$3,646,000,000	\$3,115,700,000
Excess of Revenues Over Expenses	\$318,100,000	\$252,800,000
Cash Flow from Operations	\$605,500,000	\$484,800,000
Short-Term Analysis		
Current Ratio (CA/CL)	1.4	1.4
Cash Flow to Current Liabilities (CFO/CL)	127.31%	113.70%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	352.9%	436.3%
Total Margin (ER/TR)	8.72%	8.11%
Measure of Available Funding		
Working Capital	\$178,900,000	\$172,300,000

Position	Strong	Good	Adequate	Moderately Weak	Weak
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:

On Schedule 2 the applicant indicates capital projects totaling \$33,032,500, which includes \$32,852,500 for this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by the parent company from available resources. These statements were analyzed for the purpose of evaluating the parent's ability to provide the capital and operational funding necessary to implement the project.

The applicant provided a copy of the December 31, 2016 form 10-K (includes audited financial statements for the period ending 12/31/2016) for its parent corporation, HealthSouth Corporation. The applicant also provided a copy of a letter of financial commitment from HealthSouth

Corporation's senior vice president and Treasurer indicating the parent company would finance the project through its available financial resources, including a \$600 million revolving line of credit with an available \$410 million at December 31, 2016.

Conclusion:

Funding for this project should be available to the applicant as needed.

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

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481):

Analysis:

A comparison of the applicant's estimates to the control group values provides for an objective evaluation of financial feasibility, (the likelihood that the services can be provided under the parameters and conditions contained in Schedules 7 and 8) and efficiency (the degree of economies achievable through the management skills of the applicant). In general, projections that approximate the median are the most desirable and balance the opposing forces of feasibility and efficiency. In other words, as estimates approach the highest in the group, it is more likely that the project is feasible because fewer economies must be realized to achieve the desired outcome. Conversely, as estimates approach the lowest in the group, it is less likely that the project is feasible because a much higher level of economies must be realized to achieve the desired outcome. These relationships hold true for a constant intensity of service through the relevant range of outcomes. As these relationships go beyond the relevant range of outcomes, revenues and expenses may go either beyond what the market will tolerate or may decrease to levels where activities are no longer sustainable.

Per Diem rates are projected to increase by an average of 3.0 percent per year. Inflation adjustments were based on the new CMS Market Basket, 3rd Quarter, 2016. 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	14,050,825	1,614	2,134	1,686	1,580
Total Expenses	13,908,773	1,598	1,758	1,359	1,148
Operating Income	142,052	16	373	187	70
Operating Margin	1.01%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	8,706	79.51%	91.74%	74.77%	56.01%
Medicaid/MDCD HMO	959	11.02%	21.12%	2.14%	0.10%
Medicare	5,204	59.77%	88.93%	79.87%	60.24%

The projected net revenue and cost per patient day fall within the control group range, while profitability fall below the control group range.

Conclusion:

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

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482):

Analysis:

A comparison of the applicant’s estimates to the control group values provides for an objective evaluation of financial feasibility, (the likelihood that the services can be provided under the parameters and conditions contained in Schedules 7 and 8) and efficiency (the degree of economies achievable through the management skills of the applicant). In general, projections that approximate the median are the most desirable and balance the opposing forces of feasibility and efficiency. In other words, as estimates approach the highest in the group, it is more likely that the project is feasible because fewer economies must be realized to achieve the desired outcome. Conversely, as estimates approach the lowest in the group, it is less likely that the project is feasible because a much higher level of economies must be realized to achieve the desired outcome. These relationships hold true for a constant intensity of service through the relevant range of outcomes. As these relationships go beyond the relevant range of outcomes, revenues and expenses may go either beyond what the market will tolerate or may decrease to levels where activities are no longer sustainable.

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Per Diem rates are projected to increase by an average of 3.0 percent per year. Inflation adjustments were based on the new CMS Market Basket, 3rd Quarter, 2016. NRPD, CPD, and profitability (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	19,604,954	1,377	2,110	1,667	1,562
Total Expenses	18,547,847	1,303	1,738	1,344	1,135
Operating Income	1,057,107	74	544	274	83
Operating Margin	5.39%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	14,235	65.00%	91.74%	74.77%	56.01%
Medicaid/MDCD HMO	194	1.36%	21.12%	2.14%	0.10%
Medicare	9,799	68.84%	88.93%	79.87%	60.24%

The projected CPD falls within the control group range. The projected NRPD and profitability fall slightly below the control group range.

Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant, but likely not at the levels expected.

- e. **Will the proposed project foster competition to promote quality and cost-effectiveness? ss. 408.035(1) (e) and (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 hospital industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The existing health care system's barrier to price-based competition via fixed price payers limits any significant gains in cost-effectiveness and quality that would be generated from competition.

Conclusion:

These projects are 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-3, Florida Administrative Code.**

The plans submitted with these applications 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).

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481): submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. It was observed that 14 of the proposed 30 beds would be located in semi-private patient rooms. Current standards require single bed patient rooms. The proposed room configuration would require justification from the governing body and approval of the authority having jurisdiction for licensure or a reconfiguration of the plans to provide private rooms. The cost estimate for the proposed project provided in Schedule 9, Table A appears to be high when compared to projects of a similar size, type, and complexity. Cost increases would be anticipated if the proposed room configuration is not approved. 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 additional deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have significant impact on either construction costs or the proposed completion schedule.

- 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 table below illustrates the Medicaid/Medicaid HMO days and percentages as well as charity percentages provided by BRH for FY 2015 data, according to the Florida Hospital Uniform Reporting System (FHURS). The reviewer notes that HealthSouth does not currently operate an acute care hospital in District 6, therefore HealthSouth Corporation’s Medicaid/Medicaid HMO days and percentages as well as charity percentages for FY 2015 will be provided in a separate table. Per FHURS, BRH provided 19.49 percent of their total patient days to Medicaid/Medicaid HMO patients and 2.75 percent to charity care. District 6 acute care facilities provided 18.11 percent of their total patient days to Medicaid/Medicaid HMO and 3.50 percent to charity care during FY 2015. See the table below.

BRH and District 6 Acute Care Hospitals Medicaid, Medicaid HMO and Charity Data FY 2015				
Applicant	Medicaid and Medicaid HMO Days	Medicaid and Medicaid HMO Percent	Percent of Charity Care	Percent Combined Medicaid, Medicaid HMO and Charity Care
BRH	20,516	19.49%	2.75%	22.24%
District 6 Total	291,786	18.11%	3.50%	21.61%

Source: FHURS data for FY 2015

The table below illustrates the Medicaid/Medicaid HMO days and percentages as well as charity percentages provided by HealthSouth’s Florida facilities for FY 2015 data, according to FHURS. Per FHURS, HealthSouth’s Florida facilities provided 1.58 percent of their total patient days to Medicaid/Medicaid HMO patients and .86 percent to charity care.

HealthSouth Corporation Acute Care Hospitals Medicaid, Medicaid HMO and Charity Data FY 2015				
Applicant	Medicaid and Medicaid HMO Days	Medicaid and Medicaid HMO Percent	Percent of Charity Care	Percent Combined Medicaid, Medicaid HMO and Charity Care
HealthSouth	3,701	1.58%	.86%	2.44%

Source: FHURS data for FY 2015

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) states that it extends and will continue to extend services to all patients in need of care regardless of the ability to pay or source of payment. The applicant provides the following table summarizing the historical indigent care payer proportions for BRH for FY 2014 and 2015. The reviewer confirms these data in the Agency’s 2014 and 2015 publications, Florida Hospital Financial Data. See below.

BRH Patient Days by Payer FY 2014 and FY 2015				
	2014		2015	
	Patient Days	Percent	Patient Days	Percent
Medicare	30,860	29.0%	29,904	28.4%
Medicare HMO	20,453	19.2%	23,300	22.1%
Medicaid	10,998	10.3%	5,011	4.8%
Medicaid HMO	11,598	10.9%	15,505	14.7%
Comm HMO/PPO	23,247	21.8%	22,234	21.1%
Charity	3,988	3.7%	3,151	3.0%
All Other	5,382	5.1%	6,146	5.8%
Total Patient Days	106,526	100.0%	105,251	100.0%

Source: CON application #10481, page 96

BRH maintains that it is a significant provider of indigent care, noting that the hospital’s combined Medicaid, Medicaid HMO and charity volume in 2014 and 2015 represented 24.9 percent and 22.5 percent respectively, of its overall inpatient days. BRH provides the following estimates of utilization by payer class for its CMR program for the first two years of operation and states that the specific mix is based on rehabilitation discharges in the subdistrict and the experience of other HCA hospitals with CMR units.

BRH Projected Payer Mix: Year One and Year Two of Operation				
	2021		2022	
Payor	Discharges	Percent	Discharges	Percent
Medicare	193	47.8%	280	47.8%
Medicare HMO	55	13.6%	80	13.7%
Medicaid	19	4.7%	28	4.8%
Medicaid HMO	18	4.5%	27	4.6%
Commercial HMO/PPO	80	19.8%	116	19.8%
Charity	7	1.7%	10	1.7%
Other	32	7.9%	45	7.9%
Total	404	100.0%	586	100.0%

Source: CON application #10481, page 97

The reviewer notes that the applicant’s Schedule 7 does not completely correlate to the chart above and that there are small discrepancies between the two charts. The applicant has conditioned the approval of the proposed CMR unit upon providing a minimum of 4.0 percent of its annual total CMR patient days to the combination of Medicaid, Medicaid HMO and charity (including self-pay) patients.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states that although it has no past or current operations, HealthSouth facilities have an extensive history of providing services for Medicaid and the medically indigent. The applicant provides a historical payer mix for HealthSouth’s 12 Florida facilities over the last three years. See the table below.

HealthSouth Rehabilitation Hospitals of Florida Payer Mix for CY 2014-2015			
Discharges			
Payor	YE 2014 Q4	YE 2015 Q4	YE 2016 Q4
Medicare	14,522	15,919	16,383
Medicaid	339	258	195
Commercial	1,534	2,021	1,859
Self-Pay/Charity	107	135	176
Other	413	480	482
Total	16,915	18,813	19,095
Percent of Total Discharges			
Payor	YE 2014 Q4	YE 2015 Q4	2016 Q4
Medicare	85.85%	84.62%	85.80%
Medicaid	2.00%	1.37%	1.02%
Commercial	9.07%	10.74%	9.74%
Self-Pay/Charity	0.63%	0.72%	0.92%
Other	2.44%	2.55%	2.52%

Source: CON application #10482, page 154

HealthSouth proposes to provide service to Medicaid patients and the medically indigent. As a condition of approval of CON application #10482, the applicant agrees to provide a minimum of 2.5 percent of patient days to Medicaid, Medicaid Managed Care and charity care patients.

F. SUMMARY

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) a subsidiary of the for-profit entity HCA, proposes to establish a new 30-bed CMR unit at its existing facility in District 6, Hillsborough County, Florida. The applicant states that HCA affiliated hospitals in Florida operate 10 inpatient CMR programs totaling 268 CMR beds.

BRH is a for-profit 422-bed Class I general hospital composed of 375 acute care beds, 25 psychiatric beds, 14 Level II NICU)and eight Level III NICU beds located at 119 Oakfield Drive, Brandon, Florida 33511. The applicant provides non-CON regulated Level II adult cardiovascular services and a designation as a primary stroke center. The applicant intends to locate the proposed CMR unit on the second floor of the existing patient Tower A at BRH.

The project involves 42,159 GSF of new construction, at a construction cost of \$18,441,000. The total project cost is \$28,527,000. Project costs include building, equipment, project development, financing and start-up costs.

The applicant proposes six conditions to CON approval on the application’s Schedule C.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) proposes to establish a new 60-bed CMR hospital in District 6, Hillsborough County, Florida.

The project involves 57,674 GSF of new construction, at a construction cost of \$16,450,000. The total project cost is \$32,852,500. Project costs include building, equipment, project development, financing and start-up costs.

The applicant proposes four conditions on its Schedule C.

Need

In Volume 43, Number 13 of the Florida Administrative Register, dated January 20, 2017, a fixed need pool of zero beds was published for CMR beds for District 6 for the July 2022 planning horizon. Therefore, each co-batched applicants' proposed project is outside the fixed need pool.

As of January 20, 2017, District 6 had 173 licensed and zero approved CMR beds. During the 12-month period ending June 30, 2016, District 6's 173 licensed CMR beds experienced 53.01 percent utilization.

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481) presents several "not normal" circumstances as justification for the approval of the proposed 30-bed CMR unit in District 6. These include the following:

- There are huge gaps between the age-adjusted rates of acute care discharges from CMR beds among District 6 hospitals and the State as a whole, making it obvious that CMR is greatly underutilized in District 6 and Hillsborough County.
- The estimated and projected difference between expected and actual discharges from CMR beds from District 6 hospitals and among Hillsborough County residents supports a "not normal" need of 30 additional CMR beds.
- This short fall in CMR utilization represents a suppressed demand that will drive utilization of the 30-bed unit proposed at Brandon Regional. The proposal is unlikely to have a significant adverse impact on any existing provider.
- The erratic utilization at TGH and the resulting shortage of available CMR beds in Subdistrict 6-1 is a not normal circumstance.

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- There has not been a published need for CMR beds in several years because existing CMR providers can add beds via the CON exemption process, it is unlikely that there will be a net need for CMR beds projected anywhere in the state. This fact, coupled with the increasingly localized nature of CMR service delivery, constitutes a “not normal” circumstance.
- The current CON CMR rule does not account for the many changes in health care such as the Medicare reimbursement changes affecting CMR, more recent CMS policy changes, current medical literature, nor the resultant changes in CMR service delivery away from the regional referral model and toward a more locally-based step-down model that emphasizes and enhances patient continuity of care.
- Available data reinforces the belief that CMR units do not function as regional referral centers but instead primarily serve their own acute care discharges and other residents of their home counties.

BRH states that utilization will be driven primarily by the shortfall between expected discharges based on norms and the actual suppressed demand. The applicant concludes that its modest proposal is unlikely to have a significant adverse impact on any existing provider.

BRH forecasts that for the proposed 30-bed project, for year one (2021) it will realize program total discharges of 404, 5,991 patient days, an average daily census (ADC) of 16.4 and occupancy of 54.6 percent. The applicant also forecasts that for year two (2022) BRH will realize program total discharges of 586, 8,706 patient days, an ADC of 23.8 and occupancy of 79.3 percent.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482) states the following need justification to support the proposed project:

- Hillsborough County is growing rapidly, exceeding state averages for the adult population and the population age 65 and over.
- Hillsborough County is a separate market for CMR services and units in Polk and Manatee County are not reasonably accessible for most Hillsborough County residents.
- There are no CMR specialty hospitals in the service area or District 6. TGH has been at operational full capacity for many years and has not expanded to meet the increased needs of Hillsborough's growing and aging population. FHT reached full capacity in 2016 after the Adventist System acquired the hospital at the end of 2011.

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- The limited CMR bed capacity in Hillsborough County has depressed the use of CMR services by county residents below reasonable levels and left needs unmet.
- HRHHC is the only applicant that has proposed a sufficient number of beds for the unmet needs of Hillsborough County residents, and the facility is designed to allow the addition of beds when justified without disruption of operations.
- There should be no reduction in the census of either existing CMR program. General hospitals without CMR units do not routinely refer patients to CMR units in competing general hospitals. Only an independent CMR specialty hospital will give patients in all Hillsborough County general hospitals improved access to CMR services.
- The control TGH and FHT discharge planners have over CMR referrals will prevent significant adverse impact to the existing providers.
- HealthSouth as a specialized CMR provider has the advantage of focusing solely on providing CMR services. Freestanding CMR hospitals are preferable to CMR units in general hospitals in terms of cost, emphasis on CMR care, technology and space, and other factors.
- The comprehensive services provided in a freestanding CMR hospital provides training opportunities for nursing and therapy training programs in local colleges.

The applicant projects a range of bed need from 56 in CY 2022 to 98 in the same year depending on whether the 25th or 50th percentile use rate for counties with freestanding facilities is utilized. HRHHC states that the ALOS for the proposed facility will be 13.3 days (the three-year state average for CMR programs). The applicant provides that additional beds have a target occupancy rate of 85 percent. HRHHC asserts that the analysis presented affirms that the proposed 60-bed CMR hospital is needed and can be fully utilized without reducing the census at existing CMR programs.

The Agency notes that opposition discussed and provided written documentation at the public hearing on the relationship between current occupancy and use rates for existing CMR programs. The opposition notes that both applications' need methodologies indicate that the unusually low use rate of CMR services in Hillsborough County implies that an unserved demand representing a barrier for individuals seeking CMR services, however all existing providers have capacity for additional patients indicating that utilization does not show that there is suppressed demand for these services.

In absence of published need, the burden to prove need for the tertiary services by the proposed projects within the specific and unique circumstances for the residents of the service district (District 6) upon examination of data on existing services and utilization in the service district is incumbent upon the applicant. The Agency has determined that neither applicant demonstrated need for tertiary CMR services for District 6 within the context specified in Section 408.035 (1), F.S., and Rule 59C-1.039 F.A.C. Neither applicant demonstrated a lack of availability or accessibility to CMR services in the District nor did either applicant demonstrate adverse outcomes to residents of the service district from empirical or anecdotal evidence. In addition, the applicants did not demonstrate the extent to which the proposed services will enhance access to health care for residents of the service district. Due to the inclusion of semi-private rooms and the higher than expected cost estimates for the required renovation, CON application #10481, in particular, failed to show the costs and methods of proposed construction are feasible.

Quality of Care

Both applicants demonstrate the ability to provide quality care. In addition, neither applicant indicated that there were perceived quality issues at existing CMR providers in District 6.

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481):

- BRH indicates that it is accredited by The Joint Commission and has received numerous awards and recognitions relative to its quality of care.
- The applicant states its Clinical Excellence program builds on best in industry performance, resulting in improved patient safety and clinical outcomes.
- Agency compliant records indicates BRH had four substantiated complaints and HCA had 93 substantiated complaints among its 50 facilities during the three-year period ending March 8, 2017.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482):

- The applicant states that it has no current operations or operation history and will utilize HealthSouth's corporate experience, knowledge and accreditation principles at the proposed facility.
- HealthSouth indicates that it will also seek disease-specific certification in stroke rehabilitation from the Joint Commission within the first three years of operation.
- Agency compliant records indicates HealthSouth Corporation had eight substantiated complaints during the three-year period ending March 8, 2017.

Cost/Financial Analysis

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481):

- Funding for this project should be available as needed
- 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.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482):

- Funding for this project should be available as needed
- This project appears to be financially feasible based on the projections provided by the applicant, but likely not at the levels expected
- This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Medicaid/Indigent Care

Neither of the co-batched applicants were DSH program or LIP program participating hospitals in SFE 2016-2017

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481): The applicant has conditioned the approval of the proposed CMR unit upon providing a minimum of 4.0 percent of its annual total CMR patient days to the combination of Medicaid, Medicaid HMO and charity (including self-pay) patients.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482): The applicant conditions the proposed project to provide a minimum of 2.5 percent of patient days to Medicaid, Medicaid Managed Care and charity care patients.

Architectural Analysis

Galencare, Inc. d/b/a Brandon Regional Hospital (CON application #10481): It was observed that 14 of the proposed 30 beds would be located in semi-private patient rooms. Current standards require single bed patient rooms. The proposed room configuration would require justification from the governing body and approval of the authority having jurisdiction for licensure or a reconfiguration of the plans to provide private rooms. The cost estimate for the proposed project provided in Schedule 9, Table A appears to be high when compared to projects of a similar size, type, and complexity. Cost increases would be

anticipated if the proposed room configuration is not approved. The project completion forecast provided in Schedule 10 appears to be reasonable.

HealthSouth Rehabilitation Hospital of Hillsborough County, LLC (CON application #10482): The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

G. RECOMMENDATION

Deny CON #10481 and CON #10482.

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: _____

Marisol Fitch
Health Administration Services Manager
Certificate of Need