

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Indian River Memorial Hospital, Inc./CON #9510
c/o Michael D. Jernigan, Healthcare Consultant
1725 Mahan Drive, Suite 201
Tallahassee, Florida 32308

Authorized Representative: Michael Jernigan
(850) 877-4332

Martin Memorial Medical Center, Inc./CON #9511
P.O. Box 9010
Stuart, Florida 34995

Authorized Representative: Richmond M. Harman or
Christopher Coffey
(561) 287-5200

Bethesda Healthcare System, Inc./CON #9512
2815 South Seacrest Boulevard
Boynton Beach, Florida 33435

Authorized Representative: Thomas F. Porter
(561) 727-7733 ext. 4406

Boca Raton Community Hospital, Inc./CON #9513
800 Meadows Road
Boca Raton, Florida 33486

Authorized Representative: Richard Cascio
(561) 395-7100

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2. Service District/Subdistrict

District 9 (Indian River, Okeechobee, St. Lucie, Martin, and Palm Beach Counties)

B. PUBLIC HEARING

A public hearing was not requested concerning the proposed projects. However, letters in opposition to and in support of the applicant's proposals to establish adult open heart surgery programs in District 9 were received and a discussion of these follows.

Indian River Memorial Hospital, Inc. (CON #9510) included approximately 25 letters of support from community leaders, patients and physicians in support of the project. The applicant included these letters in Volume 2 of 3, in its attachments. Some of the individuals submitting letters of support include Al Swanson, Assistant District Administrator for the Florida Department of Children & Families, Indian River County Chamber of Commerce, School District of Indian River County, Schlitt Services Investments, Arden & Felten Insurance, ML Engineering, Inc., ACTS Retirement – Life Communities, PNC Advisors, Board of County Commissioners and Indian River County Council on Aging. A majority of the writers either expressed concern or stated that they have experienced first hand the difficulty and inconvenience of having to transport patients outside the county for open heart procedures.

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Martin Memorial Medical Center, Inc. (CON #9511)

submitted many volumes of letters from area physicians in support of its project. Dr. Howard Helfman and Dr. Robert Colter of the Cardiology Associates of Stuart cited the following reasons Martin Memorial should have an open heart surgery program: there are more than 850 area patients being sent out of the area for open heart and angioplasty each year; Martin Memorial has excellent cardiologists and an excellent cardiology program; and the medical staff and community are committed to the highest standards of medical care. The cardiologists also stated that when cardiology patients need them most they (the doctors) must send patients to other areas, which creates undue distress for the patient and their families. Dr. Larry Mufson (Stuart Cardiology Group) indicated that his group performs over 900 of the nearly 1,800 cardiac catheterizations annually performed at Martin Memorial. Dr. Mufson states that at least 40-60 cardiac catheterizations require interventional or surgical revascularization and greater than 80 percent of these are transferred to West Palm Beach hospitals as well as some Miami hospitals. Thirteen of Martin Memorial Health System physicians sent in letters of support stating the inconvenience for the family of patients as well as the patients, of transporting patients to other facilities for open heart surgery or angioplasty.

The applicant also included letters of support from former patients who were transferred to other facilities from Martin Memorial for open heart surgery or angioplasty procedures. To illustrate what transfers out of the county means to families, some letters expressed the difficulties families experienced having to travel through bad weather conditions, increased cost for medical services to the patient and their insurance and unnecessary delays because they had to be transported to other facilities. Writers stated that the transfers added stress and increased non-reimbursable cost as hotels, gas food, etc.

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Bethesda Healthcare System, Inc. (CON #9512) included a form letter signed by approximately 61 physicians on staff at Bethesda. Each letter was dated April 5, 2001. This letter indicates that Bethesda's primary and secondary service areas continue to experience steady population growth, a large number of which are elderly, requiring a high level of cardiovascular services particularly in the West Boynton and Lake Worth sectors. It is also stated that the Medicaid and indigent patients in Bethesda's primary and secondary service areas are in need of this same level of service and are unable to obtain it from existing providers. Writers provided no evidence to support this contention. Additionally, Dr. April Quinones of Anesthesia Associates, P.A. wrote in support of the project and states that she has provided anesthesiology support for cardiovascular procedures at Bethesda, this letter was dated April 11, 2001.

Boca Raton Community Hospital, Inc. (CON #9513) included numerous letters from local physicians and community leaders in support of its project. These letters indicate that many of their patients are at risk because Boca Raton does not have an open heart surgery program. These doctors also express frustration because they are unable to perform acute interventions on patients experiencing acute myocardial infarction when angioplasty or stenting can be lifesaving. They also indicate that transfer to an existing open heart surgery provider can take as long as one to two hours and this time can be vital to saving lives. The physicians state that there are current problems and issues regarding transfers or delays in transfer and disruption in the continuity of medical care.

The applicant also submitted a resolution signed by Mayor, Steven Abrams and City Clerk Sharma Carannante, supporting the efforts of the Boca Raton Community Hospital in bringing an open heart program to the residents of Boca Raton.

C. PROJECT SUMMARY

In May of 2001, the Agency approved CON #9455 (Martin Memorial Medical Center, Inc.) and CON #9452 (Boca Raton Community Hospital) to establish adult open heart surgery programs in District 9. The approvals have been challenged by the applicants denied in the batch and by the existing providers in District 9. Both approvals are pending final orders (Case #01-2913).

Indian River Memorial Hospital, Inc. (CON #9510) proposes to establish an adult open heart surgery program to serve primarily residents of Indian River County and the hospital's primary service area. The hospital is a non-profit, general acute care hospital with a total of 335 licensed beds located in Vero Beach, Indian River County, Florida. The applicant's licensed bed compliment consists of 38 adult psychiatric beds, eight child/adolescent psychiatric beds, 28 skilled nursing beds and 261 acute care beds¹. Indian River Memorial Hospital's 261 acute care beds averaged 57.51 percent occupancy during the 12 months ending December 2000.

The applicant proposes to condition award of the CON upon providing four percent of the total number of adult open heart surgery and PTCA/stent procedures to Medicaid and charity/self-pay patients and two percent to charity/self pay patients.

The project is anticipated to consist of 9,040 GSF of renovation with construction costs of \$1,727,000 at a total project cost of \$5,423,500.

¹ The applicant has a pending expedited CON application to convert 4 adult psychiatric beds to 4 child/adolescent beds (CON #9524).

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Martin Memorial Medical Center, Inc. (CON #9511) proposes to establish an adult open heart surgery program to serve primarily Martin County residents and those in the hospital's primary service area. The applicant is a non-profit corporation, which operates a 236-bed facility consisting of 231 acute care and five Level II NICU beds located in Stuart, Martin County, Florida. The applicant also operates Martin Memorial Hospital - South, a 100-bed acute care facility, which is also located in Stuart. Martin Memorial Medical Center's main campus's 231 acute care beds averaged 71.79 percent occupancy during the 12 months ending December 2000, and Martin Memorial South averaged 57.69 percent occupancy during that same period. The proposed project will be located at the 236-bed Martin Memorial Medical Center, the north or main campus.

The applicant proposes to condition CON approval upon providing one percent of the proposed project's total cases to charity patients and two percent of its total cases to Medicaid recipients, including Medicaid HMO.

The proposed project consists of 8,635 GSF of new construction and 6,508 GSF of renovation for a total of 15,143 GSF. Total construction costs are projected at \$3,396,358. Total project costs are projected at \$9,685,916.

Bethesda Healthcare System, Inc. (CON #9512) proposes to establish an adult open heart surgery program to serve primarily Palm Beach County residents and those in the hospital's primary service area. Bethesda proposes to develop a Comprehensive Heart Unit on the 3rd floor of the hospital. The applicant is a non-profit corporation, which operates Bethesda Memorial Hospital, a 362-bed facility located in Boynton Beach, Florida. The facility's bed complement consists of 300 acute care, 12 Level II neonatal intensive care unit (NICU), three Level III NICU, 20 adult psychiatric and 27 skilled nursing beds. The applicant was recently approved under CON # 9472 to convert its 20 adult psychiatric beds to 20 acute care beds. During the 12 months ending December, 2000, Bethesda Memorial Hospital had 303 acute care beds² with an average occupancy of 67.06 percent.

² Three of the hospital's acute care beds have subsequently been converted to Level III NICU beds.

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Bethesda Healthcare System, Inc. proposes to condition CON approval upon providing three percent of the hospital's total open heart surgery cases to Medicaid patients and three percent to indigent patients.

The proposed project involves 8,323 gross square feet of new construction with \$1,581,370 in construction costs and no renovation to the existing facility at a total project cost of \$5,964,815.

Boca Raton Community Hospital, Inc. (CON #9513) proposes to establish an adult open heart surgery program to serve primarily residents of 18 of the 21 zip codes that make up the hospital's primary service area. The hospital places special emphasis on the need to develop a primary angioplasty program on its campus. The applicant operates a 394-bed not-for-profit acute care hospital located in Boca Raton, Palm Beach County, Florida with a bed complement of 384 acute care and 10 Level II NICU beds. Boca Raton Community Hospital's 384 acute care bed's average annual occupancy rate was 68.94 percent during the calendar year 2000 reporting period.

Boca Raton Community Hospital, Inc. proposes to condition CON approval on its provision of five percent of its year two adult open heart and angioplasty cases to Medicaid/charity patients on a combined basis. The applicant also agrees, as a condition of CON approval to the establishment of an outreach program to locate and serve uninsured patients for its adult open heart surgery and cardiology services. The applicant indicates that funding for this program will come from the hospital's foundation.

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The proposed project consists of 74,140 GSF of new construction and construction costs of \$14,002,898³ with no renovation, at a total project cost of \$7,221,011. If this project is approved, it will be located in a Heart Center the applicant will construct located adjacent to the hospital's existing facility and will house two OR suites, two cardiac catheterization suites, one electrophysiology lab, and 12 (currently licensed) intensive care beds. The space will also house non-invasive cardiology services, including EKG, echocardiography, and stress testing services.

Comparison of Costs Proposed by Applicants Seeking to Establish Adult Open Heart Programs in District 9			
Applicant/CON #	Total Project Costs	Total GSF	Total Construction Costs
Indian River/9510	\$5,423,500	9,040	\$1,727,000
Martin/9511	\$9,685,916	15,143	\$3,396,358
Bethesda/9512	\$5,964,815	8,323	\$1,581,370
Boca Raton/9513	\$7,221,011	74,140	\$14,002,898

Source: CON applications 9510-9513. See footnotes regarding costs for CON #9513.

Refer to discussion regarding proposed costs in the architectural review below under statutory criterion E. 4. h. and in 4.i.

All co-batched applicants are currently not-for-profit providers and have agreed to condition award of the CON upon providing some portion of their adult open heart surgery services to the medically indigent. Refer to E. 4. i. below for a comparison of each applicant's proposal to serve this sub-population and each applicant's history of service to this sub-population. Of the four co-batched applicant's, Bethesda Memorial Hospital is the only hospital qualified as a Medicaid Disproportionate Share provider in State Fiscal Year 2000-2001.

³ Total construction costs provided on the second Schedule 9 submitted that include exempt portions are \$13,813,687. The applicant included a second Schedule 9 showing costs and GSF involved in the total project part of which is exempt from CON review.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes, rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code, and local health plans. 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 (subdistrict or service planning area), applications are comparatively reviewed to determine which applicants best meet the review criteria.

Section 59C-1.010(2) (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, Cheryl Clark, analyzed the application in its entirety with consultation from the financial analyst, Roger Bell, who evaluated the financial data, and the Architect, Joel Hill, who evaluated the architecturals and the schematic drawings.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed projects with the criteria and application content requirements found in Florida Statutes, Sections 408.035, and 408.037; applicable rules of the State of Florida, Chapter 59C-1 and 59C-2, Florida Administrative Code (F.A.C.), and the Local Health Plan.

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? Ch. 59C-1.008(2), Florida Administrative Code.**

In Volume 27, Number 30, dated July 27, 2001 of the Florida Administrative Weekly, a need for zero (0) additional open heart surgery programs was published for District 9, for the January 2004 planning horizon. As mentioned above, there are currently two approved/non-operational programs in District 9: Boca Raton Community and Martin Memorial Medical Center. All co-batched applicants are applying to establish an adult open heart surgery program under special circumstances.

Generally, a strong cardiac catheterization program is an indicator of whether or not a hospital can be expected to develop an efficient and quality open heart surgery (OHS) program. The chart below compares the number of cardiac catheterizations performed at each co-batched applicant's hospital and shows the number of OHS procedures projected by each applicant by its third year of operation:

Comparison of Cardiac Catheterizations and Projected Third Year OHS Procedures for Co-Batched Applicants		
Hospital CON #	# CC procedures 04/00 - 03/01	Projected Adult OHS Procedures
Indian River/ 9510	1,005	year 3 - 397
Martin Mem./9511	1,779	year 2 - 669
Bethesda/9512	510	year 2 - not given
Boca Raton/9513	1,862	year 2 - 447

Source: AHCA Program Utilization Data for Adult CC, published 7/27/2001

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Percentage Increase in Adult* Population Estimated by County and for District 9 between 2000 and 2003 and 2000 and 2005				
Area	Estimated Increase 7/2000 - 7/2003		Estimated Increase 7/2000 - 7/2005	
	total adult	age 65+	total adult	age 65+
Indian River Co.	6.4%-	4.5%	10.8%	10.7%
St. Lucie Co.	7.7%-	4.8%	12.6%	10.4%
Martin Co.	6.4%-	5.8%	10.5%	7.2%
Okeechobee Co.	4.6%-	4.2%	7.0%	10.3%
Palm Beach Co.	6.2%	6.3%	10.5%	12.7%
District 9	6.4%	4.4%	10.7%	10.5%

Source: AHCA Population Estimates date September, 2000.
*** Age 15 and older**

As shown above all of the District 9 population estimates by county show only small percentage differences, with St. Lucie County showing the largest adult (age 15 and older) population in both years and Palm Beach County showing the greatest percentage increase for the 65 and older population in the planning horizon and by 2005. It is noted that Palm Beach County is also the largest District 9 county.

Indian River Memorial Hospital, Inc. (CON #9510) provided a comprehensive need study (by Research & Planning Consultants) of its service area use rates, population growth, demographic trends, referral patterns and other potential influences in order to estimate demand for open heart surgery and PTCA/procedures at IRMH through the year 2006. Volume forecasts are based on 12-month periods beginning with the anticipated initiation of service on January 1, 2004.

The applicant contends that it is a “not normal” circumstance that the approval of this application will not affect the volumes of the previously approved District 9 programs and the cumulative impact of approval of the IRMH and the previously approved programs will not result in any District 9 program performing less than 350 cases per year.

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The applicant states that it will partner with Florida Hospital to provide these services and provided an agreement in Attachment 6 of the application. Florida Hospital's involvement includes:

- Human resources staff from both hospitals will cooperate in the recruitment of staff for the IRMH program.
- Protocols, procedures and clinical pathways installed at IRMH will be those, which have proven successful at Florida Hospital.
- IRMH staff will be trained for several months at Florida Hospital and will practice the procedures they will follow at IRMH.
- Florida Hospital clinical managers will provide on-site, day-to-day management of the open heart surgery program.
- Florida Hospital will assist IRMH in recruiting a surgical team and in reviewing the credentials of all physicians connected with the program.
- The two hospitals will institute an inter-hospital review and quality assurance program for open heart surgery and PTCA/stent procedures to compare IRMH outcomes to those at Florida Hospital, and to provide for independent peer review.

The applicant indicates that the cardiac patients in Indian River County currently seek care in Melbourne or Orlando and a few travel to Fort Pierce. In the year ending June 30, 2000, 88 percent of residents of Indian River County who received open heart surgery did so at hospitals outside District 9. Almost half went to Holmes Regional Medical Center and another third of them went to Florida Hospital. Of those who went to District 9 hospitals 14 went to Palm Beach Gardens, 17 went to HCA Lawnwood and two went to HCA JFK.

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The applicant lists the following reasons for approving its application:

- Open Heart surgery program operations will be initiated on January 1, 2004.
- During the first three years of operation changes in technology, reimbursement policy, and other factors in the external environment (e.g., managed care) will not result in service demands below recent historic levels.
- The current medical staff at IRMH is highly supportive of the proposed program.
- Florida Hospital's reputation in open heart surgery will attract additional patients to the program.

Indian River suggests that heart attack victims in counties without open heart surgery programs do not have the same access to state of the art treatment in an emergency as resident of counties with open heart surgery programs. It is noted that the percentage of patients requiring emergency adult open heart surgery is relatively small. The majority of procedures are not done on an emergency basis.

The applicant states that based on its analysis it concludes that there is a need for the open heart surgery program proposed by Indian River Memorial Hospital to meet the health care needs of the residents of Indian River County and surrounding counties. There is a sufficient patient base to generate a sufficient volume of open heart surgery and PTCA/stent to exceed the clinical and financial threshold for a successful program. However, the current planning area of adult open heart surgery is the district, not the county. The applicant has not shown that county residents are unable to access needed care within reasonable times.

Martin Memorial Medical Center, Inc. (CON #9511): As mentioned above, the applicant is submitting this application pending final order on the challenge of its approval. The applicant indicates that this application is largely an update of the application approved last May.

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The applicant reiterates from the previous application that the numerical need determination shows a net need for four additional open heart surgery programs. The applicant indicates that a more accurate picture of the need for another open heart surgery program in the district is obtained by using the District 9 residential use rate in order to capture the number of residents who currently seek open heart surgery from providers outside the district. The applicant indicates that during CY 1998, 3,785 residents of District 9 received open heart surgery.

The applicant discusses District 9 out-migration. As discussed earlier, approximately 30 percent of the district's residents are treated in OHS facilities outside of District 9, primarily in Districts 7 and 10. Refer to 1999 AHCA OHS discharge data provided earlier.

According to the applicant, if all District 9 residents were included in the need calculation, the results would be a net need for 8 more open heart programs, as shown in the calculations that follow.

$$\begin{aligned} UC &= 3,925/1,255,554 = 3.126 \text{ per } 1,000 \\ PX &= 1,362,903 \\ NN &= 3.120 \text{ per } 1,000 \times 1,362,903 = 4,261 \\ NN &= (4,261/350) - 4 \\ NN &= 12 - 4 = 8 \end{aligned}$$

The applicant also provides the following methodology to project volume at Martin Memorial's proposed open heart surgery program:

Step 1. Define service area

Martin Memorial defines its service area as Martin County and southern St. Lucie County, primarily the city of Port St. Lucie (the applicant uses the terms "Port St. Lucie and South St. Lucie County interchangeably). South St. Lucie County is defined in this application as the following zip codes: 34952, 34953, 34983, 34984, 34985 and 34986. As shown in the table below these areas accounted for 90.4 percent of Martin Memorial's MDC-5 patients during the 12 months ended June 30, 2000 and 92.6 percent of its cardiac catheterization patients in FY 2000.

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Martin Memorial's Cardiac Cath and MDC 5 Patient Origin					
	Martin County	South St. Lucie	Other St. Lucie Co.	All Other	Total
MMMC MDC 5	70.9%	19.5%	9.6%	9.6%	100.0%
Cardiac Cath Lab	74.5%	18.1%	7.4	7.4	100.0%

Source: CON #9511

The applicant also states that its service area is projected to grow at a faster rate than the district as a whole, Indian River County and Palm Beach County. Again, refer to the chart provider above which compares population growth by county in District 9. As shown in the table below, the fastest growing age cohorts in Martin Memorial's service area are those 45 to 64 and 65+. These age groups have the highest use rates for cardiac interventional services.

Growth by Age Cohort 2001 - 2006		
Martin Memorial Service Area	Percent Change	AAGR
15-44	5.9%	1.2%
45-64	29.8%	5.3%
65+	8.2%	1.6%
Total Adult	13.5%	2.6%

Source: CON #9511 AHCA population estimates for Martin county and Claritas for Port St. Lucie.

Step 2. Project Total Open Heart Cases from Service Area

The applicant calculated open heart surgery use rates for three age groups (15-44, 45-64, and age 65+), these use rates were calculated based upon January 1, 2000 population and service area AHCA discharge data for the 12 months ended June 30, 2000 for the service area. Calculation of the historic use rate included DRGs 104-109 and excluded open heart surgery discharges of patients under 15 years of age. The table below shows the open heart surgery use rates for the 12-month period ending June 30, 2000. These rates are used in the calculation of projected open heart surgery cases for 2004 and 2005 (years one and two of the program).

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Open Heart Surgery Use Rates 12 Months Ending June 30, 2000				
	15-44	45-64	65+	Total
Martin County				
Adult OH Cases	5	72	233	310
Adult Pop.	41,158	29,574	34,318	105,050
Use rate per 1,000	0.12	2.43	6.79	2.95
Port St. Lucie				
Adult OH cases	7	75	223	305
Adult Pop.	34,375	21,972	20,876	77,223
Use rate per 1,000	0.23	3.41	10.68	3.95
Total Service Area				
Adult OH cases	12	147	456	615
Adult Pop.	75,533	51,546	55,194	182,273
Use Rate per 1,000	0.16	2.85	8.26	3.37

Source: CON #9511 Discharges from the AHCA patient database for 2000. AHCA/Claritas population estimates.

Total open heart cases for residents of the service area were also calculated by applying age-specific use rates to the projected service area population. The applicant projects 691 open heart surgery cases in projected year 2004 and 709 in projected year 2005.

Although the applicant's note indicates the open heart surgery rate is based on the number of open heart discharges per 1,000 population within each age group, the District 9 use rate per 1,000 population as shown in the 'January 2004 Open Heart Surgery Projections' is 2.14816. Therefore, the applicant's number of projected open heart surgeries is overstated.

Step 3. Calculate Estimate of Adult Open Heart Surgery Market Share

Martin Memorial estimates the adult open heart surgery program's share of total open heart cases originating from the service area by considering the following factors:

- Martin Memorial's historic market share of MDC 5 discharges in the service area
- Historic MDC 5 market share of other local hospitals
- Geographic proximity and road access to the program
- Support services provided at Martin Memorial

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Service Area Cardiovascular Market Share for the 12 Months Ended June 30, 2000			
Hospital	Martin County	South St. Lucie	Service Area
Martin Memorial	84.8%	25.3%	60.1%
St. Lucie Medical Center	2.9%	58.9%	26.1%
Palm Beach Gardens	4.0%	2.7%	3.5%
Lawnwood Medical Center	0.3%	8.2%	3.6%
Jupiter Medical Center	3.9%	0.3%	2.4%
Other	4.1%	4.6%	4.3%
Total	100%	100%	100%

As shown in the table above, Martin Memorial's FY 2000 cardiovascular market shares in Martin County and Port St. Lucie were 4.8 and 25.3 percent, respectively. The applicant contends that it is reasonable to assume that an open heart surgery program at Martin Memorial will achieve market shares of 75 and 15 percent in Martin County and Port St. Lucie, respectively by 2004, the first year of the program. In 2005, the market share levels are projected to increase to 80 and 20 percent for Martin County and Port St. Lucie, respectively. These numbers are reflected in the table below.

Step 4 and Step 5. Project Martin Memorial Cases from Service Area and Project Total Cases by adding In-migration

The table below represents the projected open heart cases for the first two years of operation of Martin Memorial's proposed program. The table shows that Martin will be able to exceed 350 open heart cases by the second year of operation with a market share five percentage points lower than its existing cardiovascular market share in Martin County and Port St. Lucie.

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Projected Utilization of MMMC Open Heart Surgery Program		
	2004	2005
Total Service Area Cases		
Martin County	342	350
Port St. Lucie	349	359
Projected Total Service Area Cases	691	709
Market Share		
Martin County	75%	80
Port St. Lucie	15	20
Martin Memorial Cases from Service Area		
Martin County	257	280
Port St. Lucie	52	72
Service Area Total	309	352
Percent from Outside Service Area	6.0%	6.0%
Cases from Outside Service Area	20	22
Total MMMC Cases	329	374

Source: CON #9455

According to AHCA's Florida Need Projections for Adult Open Heart Surgery Programs published for the January 2004 planning horizon, Martin Memorial operates the second highest volume cardiac catheterization laboratory in the state among non-open heart surgery providers. This program performed 1,779 adult cardiac catheterizations during the 12 months ending March, 2001. The applicant indicated that for the 12 months ending March 31, 2001 it referred 265 patients for open heart surgery and 377 for angioplasty. The following charts show the cardiac cath lab volume comparison for the co-batched applicants for the 12 months ending March 31, 2001 and patient destination for referrals from Martin Memorial.

Martin Memorial Medical Center Patient Destination for Referrals to Open Heart Surgery 12 months ending 3/31/01				
Open Heart Provider	Open Heart	Angioplasty	Total	Miles from MMMC
Palm Beach Gardens Med. Center	143	207	350	25
JFK Medical Center	30	159	189	41
Mt. Sinai Medical Center	74	5	79	100
Holy Cross Hospital	3	-	3	70
Miami Heart Institute	4	-	4	100
Other	11	6	17	At least 60
Total	265	377	642	

Source: CON #9511- Source Martin Memorial Cath Lab.

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Cardiac Cath Lab Volume Comparison for Co-batched Applicants 12 Months Ending 3/31/01			
CON Applicant	Cardiac Caths	Difference	Martin as % of Hosp.
Martin Memorial Medical Center	1,745*	-	-
Boca Raton Community	1,862	117	93.7
Indian River Memorial	1,005	(740)	173.6
Bethesda Memorial Hospital	510	(1,235)	342.1

Source: CON #9511, * The Martin Memorial figure is corrected from what was published by AHCA in the fixed need pool. AHCA's Florida Need Projections for Adult Open Heart Programs for the January 2004 Planning Horizon indicate that Martin Memorial had a volume of 1,779 cardiac cath. The applicant indicates that this number is incorrect. The correct number is 1,745. The discrepancy occurred due to a reporting error to the Local Health Council by Martin Memorial for April 2000. The April 2000 reported figure was 181 and should have been 147.

According to the table below Martin Memorial's 1,779(1,745 according to the applicant) cath ranks it fifth among District 9 providers, with four Palm Beach County facilities offering open heart having higher volumes. Martin Memorial's cath volumes tripled from 569 cases in 1990 (first full calendar year of the program) to 1,770 cases in 2000. Additionally, cardiac cath volume at Martin Memorial increased 87 percent between 1995 and 2000. The applicant indicates that a discrepancy occurred in a reporting error to the Local Health Council by Martin Memorial for April 2000. The April 2000 reported figure was 181 and should have been 147 [1,779 - (181 -147) = 1,745]. The Martin Memorial figure is corrected from that published by AHCA in the fixed need pool documentation.

District 9 Adult Inpatient Cardiac Catheterization Program Utilization Data 12 months ending 9/30/00.	
Hospital	Caths
JFK Medical Center	5,397
Palm Beach Gardens Medical	4,597
Delray Medical	3,554
<i>Martin Memorial</i>	<i>1,779</i>
Lawnwood Regional	2,675
<i>Boca Raton Community</i>	<i>1,862</i>
<i>Indian River Memorial</i>	<i>1,005</i>
St. Lucie Medical Center	696
Palms West Hospital	356
<i>Bethesda Memorial Hospital</i>	<i>510</i>
St. Mary's Hospital	153

Source: AHCA Utilization Data for Adult Cardiac Cath for the period of April 2000 - Mar. 2001. Competing applicants' italics.

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The applicant is centrally located within District 9 and indicates that because of physician referral patterns does not expect to negatively impact any existing adult OHS providers, including Lawnwood, located in St. Lucie County. For further discussion of the potential impact of an adult OHS program at Martin Memorial, please refer to b. below.

Bethesda Healthcare System, Inc. (CON #9512) need argument is summarized below.

The applicant indicates that there is no need for an additional program in AHCA District 9, but if there were need for an additional program it would be in Palm Beach County.

The chart below provided by the applicant, illustrates that of the adult open heart surgeries performed in District 9 on residents of the district, more are performed on residents of Palm Beach County than on residents of the other four counties in the district; 70.3 percent compared to 29.7 percent.

1999 District 9 Adult Open Heart Surgery Patient Origin		
Area	OHS Cases	% of Total
Bethesda Service Area Residents	1,163	31.3%
Other Palm Beach County Residents	1,447	39.0%
Residents of Other District 9 Counties	1,102	29.7%
Total District 9	3,712	100.0%

Source: CON # 9512pg. 37

Out-migration is not considered in this chart for Palm Beach County or other counties. With the exception of Lawnwood in St. Lucie County, which only performed 364 adult open heart surgeries in the most recent reporting period, all of the existing adult open heart surgery providers are located in Palm Beach County. However, in the following table AHCA discharge data shows the following:

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1999 District 9 Adult Open Heart Surgery Patient Origin		
Counties	OHS Cases	% of Total
Indian River	261	6.63%
Martin	314	7.98%
Okeechobee	95	2.42%
Palm Beach	2,755	69.95%
St. Lucie	513	13.02%
Total Dist. 9	3,938	100.0%
Other Counties	1,644	29.45%
Total	5,582	

1999 AHCA Discharge Data

The applicant looks two years beyond the planning horizon for adult open heart surgery of 2003 to discuss population growth in the district. According to Claritas population data sorted by zip code and submitted by the applicant, Bethesda's service area population will increase 11.2 percent by 2005, with the total Palm Beach County population increasing by 11.7 percent and the district only increasing by 7.2 percent. The Medicare eligible, 65 and older population is projected to increase by 36.6 percent in the applicant's service area. This is higher than the county as a whole at 24 percent and the district at 23.8 percent. Data presented by the applicant relative to its contention that Palm Beach County is the best location for an additional adult open heart surgery program is shown in the chart below:

2000 and 2005 Comparative Adult Population Profile Bethesda's Service Area, Palm Beach County, District 9, Florida			
Area	% Increase 2000 - 2005 Age 15+	% Increase 2000 - 2005 Age 65+	% Increase 2000 - 2005 Age 75+
PSA*	11.2%	36.6%	17.1%
County	11.7%	24.0%	11.3%
District 9	7.2%	23.8%	9.6%
State	8.9%	18.7%	8.5%

Source: CON #9512, page 35.

***Primary Service Area for Bethesda**

According to the applicant's chart, population estimates are higher in the applicant's primary service area than they are in the district as a whole. The applicant's projections are for its primary service area. As shown in the previous chart showing AHCA estimated population percentage increase by county, these figures are higher than those published by the Agency for the total District 9, 65 and older age group.

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According to the applicant, of the total 2,610 open heart surgery cases performed on residents of Palm Beach County in 1999, 727 cases were performed in another district, resulting in out-migration rate for the county of 28 percent. However, out-migration in Palm Beach County has declined over the past three years (24 fewer people between 1996-1999). The applicant indicates that the out-migration was to hospitals to the south of Palm Beach County in either Broward or Dade Counties. The applicant also states that the out-migration to open heart surgery (OHS) programs outside of Palm Beach may be explained by a perception of the quality of open heart services available outside of the county.

The applicant provides information which indicates that six of the hospital's primary service area residents requiring adult open heart surgery during the 12-month period ending September 1999, were Medicaid recipients, 27 were self-pay and one was charity. The chart below shows that Medicare and insurance percentages for services provided to Palm Beach County residents by Palm Beach County open heart providers are higher than percentages provided to Palm Beach County Medicaid, charity and self-pay patients residents. The applicant states that this suggests that access to Medicaid and charity/self-pay patients is restricted. As the applicant notes, this is suggestive, but not conclusive.

Payor	Total # of Bethesda's PSA adult open heart procedures	Services Provided by Palm Beach Providers on Bethesda's PSA residents	Services Provided by Providers in other Districts on Bethesda's PSA residents
OHS Cases in Bethesda's PSA	1,163	907	256
Service Area Average	100.0%	78.0%	22.0%
Medicare	883	79.2%	20.8%
Medicaid	6	66.7%	33.3%
Insurance	29	75.9%	24.1%
HMO/PPO	199	75.4%	24.6%
Self Pay	27	70.4%	29.6%
Charity	1	0.0%	100.0%
Other	18	72.2%	27.8%

Source: CON #9512 pg 40

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In addition to its proposed condition, the applicant indicates that it will make referring physicians aware that it welcomes these Medicaid and indigent referrals. Bethesda Memorial Hospital provided more Medicaid than any of the applicants and existing open heart surgery providers in Palm Beach County. With the exception of Lawnwood in St. Lucie County, the existing open heart surgery providers all provide very little Medicaid and charity care as discussed below and E. 4.i.

The applicant states that 256 cardiology inpatients were transferred from Bethesda to OHS providers, some percentage of whom presumably required OHS. Bethesda's service area, particularly the 65 and older population, is anticipated to experience substantial growth within the next five years, and the applicant's service area residence experienced a high percentage of OHS. According to the applicant, its primary service area consists of the following zip codes: 33435, 33436, 33437, 33444, 33426, 33445, 33462, 33483, 33460, 33463, 33484, 33461, 33467, 33465, 33415. The applicant has not clearly demonstrated that it can perform the number of OHS procedures annually necessary to sustain a quality efficient program. The applicant projects 165 procedures in its first year of operation.

Open heart surgery need determination is not based on a county basis, but rather by district. However, the applicant feels that because the Agency recently tentatively approved two programs in the district, this might suggest that the geographical diversity and absence of overlapping service areas were taken into consideration. Therefore, Bethesda assumes that the Agency should consider approving an additional adult open heart surgery program in Palm Beach County based on its assumption of the lack of needed access to such programs by the Medicaid and charity/indigent populations of the county. However, although the Agency did consider the above factors in the previous application, each application is reviewed on a case-by-case basis. Bethesda did not adequately present updated facts in the application to support the approval of another open heart program in Palm Beach county based on the assumption that there was a lack of access for the Medicaid and charity populations as discussed below:

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Bethesda Memorial Hospital is the only applicant designated as a disproportionate share Medicaid provider for the state fiscal year 2000-2001, per the State Medicaid Office. The applicant contends that the recent tentative approval of an adult open heart program at Boca Raton Community Hospital, given that facility's history of treating Medicaid patients, will do little to improve access to this service among the Medicaid population of south Palm Beach. Of the two Palm Beach County applicants, Bethesda's Medicaid experience presents the strongest profile. The following chart is a profile of Medicaid services at Adult Open Heart Surgery Provider facilities and current applicant facilities for adult open heart surgery program provided by the applicant.

Profile of Medicaid Services at Adult Open Heart Surgery Provider Facilities And Current Applicant Facilities for Adult Open Heart Surgery Programs (Medicaid Discharges as Percent of Total Discharges, By Type for Adult Open Heart Surgery Providers and Current Applicant Facilities, 1995 and 1999)				
	Medicaid as % of Total Discharges		Medicaid as % of MDC-5 Discharges	Medicaid as % of OHS Discharges
District Providers	1995	1999	1999	1999
OHS Palm Beach County Providers				
Delray Medical Ctr.	1.7%	1.3%	0.6%	0.3%
JFK Medical Ctr.	2.8	4.1	2.6	1.1
Palm Beach Gardens Med. Ctr.	3.3	2.9	1.4	2.0
OHS Palm Beach County Applicants				
Bethesda Memorial	18.1%		2.4	N/A
Boca Raton Community	1.4		0.6	N/A

Source: CON #9512, Page 20.

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The following chart shows District 9 providers Medicaid and charity care as a percentage of total patient days. As shown below Bethesda does provide the highest percentage of Medicaid and charity of the four applicants

District 9 Hospitals Medicaid and Charity Care Fiscal Year 1999		
Facility	*Medicaid% of total patient days	Charity % of total patient days
Bethesda Memorial Hospital	11.5%	3.5%
Boca Raton Community Hospital	1.0%	0.5%
Columbia Hospital Palm Beaches	20.2%	0.6%
Port St. Lucie Medical Center	6.2%	1.7%
Columbia Raulerson Hospital	5.0%	2.5%
Columbia Palms West Hospital	11.5%	0.0%
Delray Community Hospital	2.5%	0.8%
Everglades Memorial Hospital	46.8%	2.1%
Glades General Hospital	27.3%	3.8%
Good Samaritan Hospital	6.6%	1.4%
Indian River Memorial Hospital	5.4%	3.3%
JFK Medical Center	5.0%	0.4%
Jupiter Hospital	0.8%	0.6%
Lawnwood Regional Medical Center	17.1%	3.5%
Martin Memorial Medical Center	3.2%	2.2%
Palm Beach Gardens Medical Center	1.8%	0.0%
Sebastian Hospital	1.9%	1.2%
St. Mary's Hospital	21.9%	6.4%
Wellington Regional Medical Center	6.8%	0.2%
West Boca Medical Center	4.6%	0.0%
District 9 Facility Average	6.8%	2.2%

Source: AHCA Financial Data Report for FY 1999.

*Medicaid represented here reflects conventional Medical days, not Medicaid HMO days

The applicant states the following in support of its application:

- The growth of interventional cardiology has dramatically increased the number of transfers from Bethesda to existing adult open heart providers.
- Bethesda is best qualified to improve financial access, help stem out-migration, and meet the growing needs of the community. (i.e., not-for-profit provider, historical experience, quality of the proposed program, patient origin, medical staff support).

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- Approval of Bethesda will not impact Lawnwood Regional Medical Center, or the tentatively approved program at Martin Memorial Medical Center. Any potential impact on the tentatively approved program at Boca Raton Community will be minimal.

The applicant discusses the impact of an OHS program at Bethesda on existing District 9 providers, however, it does not project the number of procedures it anticipates performing within the first three years of operations. The applicant has one of the lowest volume cardiac catheterization programs in District 9. A strong cardiac catheterization program is generally a good indicator of whether or not a hospital can support an open heart surgery program. During the period April 2000 through March 2001, Bethesda only performed 510 cardiac catheterizations. Only Palms West and St. Mary's Hospital performed fewer procedures out of the 11 District 9 providers. While other competing applicants have performed at least twice that amount of cardiac catheterization procedures. As noted above, the applicant also claims that approval of other co-batched applicants will not assure care to the district's indigent population. The applicant specifically expresses concern that the Agency's previous approval of Boca Raton Community Hospital will not assure this care. However, as noted in the "Project Summary" Boca Raton proposes to condition award of the CON upon providing five percent of its adult open heart and angioplasty procedures to the medically indigent and will also provide an outreach program to the uninsured population. Bethesda's commitment is stronger, but only by one percent and as noted above, is unable to support the utilization expected at Boca Community and other co-batched applicants.

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Boca Raton Community Hospital, Inc. (CON #9513) indicates the demand for open heart surgery services in District 9 is strong and is served by a relatively small number of providers. All four of the existing providers are owned by two for-profit corporations, Tenet Healthcare Corporation and Columbia/HCA. The two providers serving Boca Raton's population, Delray Medical Center (District 9) and North Ridge Medical Center (District 10) are both owned by Tenet. The applicant contends that with the introduction of a community based not-for-profit organization, Boca Raton Community Hospital, will enhance competition and provide the residents of the service area with the benefits of that competition.

The applicant states that Boca Raton Community Hospital's service area contains an extremely high number and proportion of persons in the age groups from which open heart surgery patients are commonly drawn. The applicant indicates that the Palm Beach county zip codes of the proposed Boca Raton Community Hospital open heart surgery service area (33428, 33431, 33432, 33433, 33434, 33441, 33442, 33445, 33446, 33484, 33486, 33487, 33496) will have 133,165 elderly persons or 33.9 percent of the entire district's population of age 65 and over by the year 2005. Further, the applicant states that, as a large volume provider of cardiac services, particularly emergency acute myocardial infarction cases, that although alternative therapies will work for a certain proportion of its acute myocardial infarction patients, they will not work for all and transfer to an OHS provider is often required. Therefore, the applicant asserts that having OHS capability at Boca Raton Community Hospital is needed.

The applicant also contends that the service area from which Boca Raton Community Hospital expects to draw the majority of its open heart and angioplasty patients is one that is currently characterized by significant out-migration. The applicant states that over 33 percent of the District 9 residents of the proposed Boca Raton Community Hospital open heart surgery service area currently obtain open heart and angioplasty services in facilities that are located outside of District 9, from zip codes 33441 and 33442. 2000 AHCA discharge data indicate that slightly less than 30 percent of the district's residents receive OHS services outside of District 9.

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Boca Raton Community Hospital states that the medically indigent populations are at risk of not receiving services in the current District 9 open heart facilities. The applicant states that North Ridge Medical Center, which is located in District 10, provides a significant level of care to residents of Palm Beach County but fails to provide adequate levels of service to the indigent population. According to the applicant Delray Medical Center and North Ridge Medical Center, Medicaid patients numbered only two out of more than 1,100 open heart cases performed on District 9 residents by these two hospitals during the 12-month period ended June 30, 2000. However, evidence provided by the applicant is suggestive of this, but does not conclusively demonstrate that care to the medically indigent is suppressed for District 9 residents. Boca Raton proposes a funded plan to ensure broad participation by both physicians and the hospital in identifying and caring for uninsured cardiac patients. According to the applicant, based on the scope of the program, it estimates that its outreach program will result in approximately 19 open heart surgery and 43 angioplasty procedures performed on Medicaid and charity patients in its proposed program in its second year of operation. Boca Raton Community Hospital is not a Medicaid Disproportionate Share provider for State Fiscal Year 2000-2001. Refer to comparisons of co-batched applicant's history of care to the medically indigent below in E. 4. i.

The applicant states that it referred 725 open heart surgery cases during the 12-month period ended June 30, 2000 to other service area hospitals, mainly Delray Medical Center and North Ridge Medical Center. No explanation, other than physician referral patterns, was given as to why patients were not referred to other providers in District 9. However, it is noted that North Ridge, which is located in the District 10, is located approximately nine miles from the south Palm Beach County line. The applicant contends that because of the high volume referral pattern, this suggests that its proposed open heart surgery program and angioplasty program will achieve high volume rapidly. Boca also states that it has a high incidence of emergency cases (92,000 visits annually). During the 12-month period ended June 30, 2000 the hospital states that it treated 439 patients with primary diagnoses of acute myocardial infarction (AMI). However, the applicant also states on page 19 of the application that of the 439 AMI cases, relatively few of

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these emergency heart patients were transferred from Boca Raton Community to other area providers with open heart and primary angioplasty services. In Exhibit 11 of the application the applicant ranks itself 14th statewide in the number of AMI admissions generated through its emergency department. All of the other hospitals in the top 15 except for Cape Coral Hospital have open heart surgery programs, all of which experience high volumes of surgical cases.

The following chart shows the applicant's primary cardiac service area for the 12 months ended June 30, 2000 and its proposed open heart surgery service area.

Boca Raton Community Hospital Inpatient Cardiology Services PSA			
Zip Code	12 months ended 6/30/00	Percent	Cumulative %
33433	723	17.9%	17.9%
33432	349	8.6%	26.5%
33434	331	8.2%	34.7%
33486	279	6.9%	41.6%
33431	265	6.5%	48.1%
33487	263	6.5%	54.6%
33442	230	5.7%	60.3%
33496	195	4.8%	65.1%
33428	169	4.2%	69.3%
33484	139	3.4%	72.7%
33445	134	3.3%	76.0%
33441	103	2.5%	78.6%
33446	87	2.1%	80.7%
Subtotal	3,267	80.7%	80.7%
All other	780	19.3%	100.0%
Total	4,047	100.0%	100.0%

CON #9513, exhibit 8

Boca Raton Community Hospital, Inc. also contends that it is a significant hardship on patients and families who must be transferred for open heart surgery or primary percutaneous transluminal coronary angioplasty (PPCTA). The applicant presents a discussion of the American College of Cardiology and the American Heart Association (ACC/AHA) guidelines for treating MIs. One ACC/AHA guideline indicates that PPTCA is indicated in patients with acute MIs and ST segment elevation or new or presumed new left bundle branch block (LBBB) who can undergo angioplasty within 12 hours of the onset of symptoms

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or within 12 hours if ischemic symptoms resist if performed in a timely fashion by persons skilled in the procedure and supported by experienced personnel in an appropriate laboratory environment. Another recommendation for PPTCA is for patients who are within 36 hours of an acute ST-elevation/Q-wave or new LBBB MI who develop cardiogenic shock, are 75 years of age, and revascularization can be performed within 18 hours of onset of shock. The applicant also notes that the ACC/AHA policy recommends these cases not be treated by low volume operators/centers. The applicant presents the following chart documenting the hospital's history of ER transfers to other area hospitals.

Boca Raton Community Hospital Cardiac Catheterization Emergency Room Transfers		
Time Period	Emergency Cath Transfers	Average Time Between Ordering Transfer and Patient Departure from the ER
CY 2000	52	57.0
FY 1999	38	58.2
FY 1998	45	58.9
FY 1997	51	54.3

Source: CON #9513, pg 20.

The applicant indicates the great majority of these cases were diagnosed with myocardial infarctions, chest pains, unstable angina or other coronary disorders. Of the 52 cases reported in FY 2000, MIs accounted for about three quarters of the total volume. The applicant indicates that these are only a partial count of the emergency cardiac cases that are potential candidates for PPTCA as the majority are not transferred and instead are given thrombolytic therapy for a variety of reasons. These reasons consist of practical measures related to time frame, availability of transportation, managed care obstacles, patient and physician anxieties about loss of control of care, or confusion in the midst of a maximally stressful situation. The applicant states that the 52 patients above do not represent the total number of emergency cardiac patients who could have benefited from PPTCA. A study in the July 1999 edition of *Circulation*, entitled "Relationship Between Delay in Performing Direct Coronary Angioplasty and Early Clinical Outcome in Patients with Acute Myocardial Infarction" was included in Appendix F to the application. The most

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important finding of this study is that patients with acute myocardial infarction who were randomized to direct coronary angioplasty, hospital delay in performing the angioplasty appeared to be associated with 30-day mortality. Every additional 15-minute delay increased the 30-day death rate. Six physicians on staff at Boca Raton Community Hospital submitted comments confirming the delay in transfer, total time taking approximately one to two hours and importance of time in reaching successful outcomes.

The applicant also indicates that in addition to PPTCA's clinical effectiveness, it is also cost-effective. While the applicant discussed the State of Florida requiring providers of PPTCA services to also provide open heart surgery services, it also noted that studies are underway on the viability of PPTCA in hospitals that only have a cardiac catheterization laboratory. One current study is the Atlantic Cardiovascular Patient Outcomes Research Team (C-Port) Study being conducted by the Commonwealth of Massachusetts, Department of Health and lead by an associate professor of medicine from Johns Hopkins University School of Medicine, Dr. Thomas Aversano. The study was designed to determine if primary angioplasty is superior to medical therapy for treatment of AMI; and, if it is better, in what hospital, by whom, and how it should be performed. Interim results of this study have shown some success in community hospitals without an open heart surgery program, but suggest further study is needed. One of the primary concerns of allowing providers that currently only provide cardiac catheterization to do angioplasty regards the negative impact on the volume required by existing angioplasty facilities to sustain quality of care. The applicant concludes that its existing cardiology program and ER encounter a large volume of cardiac cases, including a very large volume of ER patients diagnosed with MIs. According to the applicant, MIs are best treated with primary PTCA, which under current state regulations, the hospital cannot provide without open heart surgery capability. A discussion on the impact the addition of an adult open heart surgery program at Boca Community Hospital will have on existing area providers is provided under b. below.

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The applicant discusses its costs of providing OHS services as being lower than the two providers currently serving the patients in its primary service area, indicating that both are Tenet-owned facilities: Delray Medical Center and North Ridge Medical Center. The applicant provides the following:

Comparison of Weighted Average Charges per OHS Case for Boca Community Hospital's Primary Service Area	
Hospital	Charges*
Boca Raton Community Hospital	\$ 77,890
North Ridge Medical Center	\$ 81,989
Delray Medical Center	\$114,544

Source: CON #9513,pg45.

*Project Year 1 weighted average charge per OHS case based on inflation and DRG and payor mix-adjusted average charges

Refer to E. 4. g below for a discussion on whether the applicant will foster competition to promote quality assurance and cost-effectiveness.

In Exhibit 15, the applicant shows that for the twelve months ended June 30, 2000 Boca Raton Community staff physicians transferred 725 patients with a primary DRG of 104-109. The exhibit further shows that 560 of these transfers were from the hospital's primary service area. Based on its existing cardiac catheterization program, the applicant projects year two OHS volume to be 447 procedures and 806 angioplasty.

The applicant also indicates that existing providers have experienced capacity constraints in the past and while these providers have taken steps to remedy this, the applicant contends that its program would further improve geographic and financial accessibility to its service area patients. Delray Medical Center's high utilization is cited as a basis for capacity constraints. However, the applicant does not provide the actual numbers of patients who experienced delays or address the availability of services from other open heart surgery providers in the district. Strong community and medical staff support are also cited as reasons for approval (see Item b. below).

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In summary, Indian River showed that a large portion of the county's adult open heart surgery patients left the district for services. Martin Memorial and Boca Raton Community have demonstrated that their existing cardiac programs can support high volume adult OHS programs. Bethesda and Boca Raton Community have shown there are possible access issues for subpopulations within District 9. Bethesda and Boca Raton Community indicate that this subpopulation is the medically indigent, Bethesda is the only Medicaid Disproportionate Share provider in the district and Boca Community hospital is the only provider agreeing to condition award the CON upon establishing an outreach program for uninsured adult OHS patients.

According to the table below Martin Memorial is proposing the lowest operating costs of the applicants.

CON #	Applicant	Project Cost	Year Two Operating Costs
9510	Indian River Memorial	\$5,423,500	\$14,294,800
9511	Martin Memorial Medical	\$9,685,916	\$7,630,099
9512	Bethesda Healthcare	\$5,964,815	\$11,172,000
9513	Boca Raton Community	\$ 7,221,011	\$10,155,788

Source: CON applications

b. A new adult open heart surgery program shall not normally be approved in the district if any of the following conditions exist:

1. There is an approved adult open heart surgery program in the district.

There are two approved/non-operational programs in District 9. Boca Raton Community and Martin Memorial Medical Center CON #9452 and CON #9455, respectively.

2. One or more of the operational adult open heart surgery programs in the district that were operational for at least 12 months as of three months prior to the beginning date of the quarter of the publication of the fixed need pool performed less than 350 adult open heart surgery operations during the 12 months ending three months prior to the beginning date of the quarter of the publication of the fixed need pool; or

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None of the existing programs in the district that were operational for at least 12 months performed less than 350 adult open heart surgery operations during the period April 2000 – March 2001.

- 3. One or more of the adult open heart surgery programs in the district that were operational for less than 12 months during the 12 months ending three months prior to the beginning date of the quarter of the publication of the fixed need pool performed less than an average of 29 adult open heart surgery operations per month.**

The four operational adult open heart surgery programs in the district were operational for more than 12 months per the specified time frame. The utilization for the four existing programs are as follows: Palm Beach Gardens performed 917 procedures, JFK Medical Center – 661, Delray Medical Center – 751 and Lawnwood Regional Medical Center – 396. All of adult open heart surgery programs in the district averaged more than 29 operations per month.

- 4. Regardless of whether need for a new adult open heart surgery program is shown in response to the district planning formula and published need, a new adult open heart surgery program will not normally be approved for a district if the approval would reduce the 12-month total at an existing adult open heart surgery program in the district below 350 open heart surgery operations.**

District 9 Adult OHS Program Volume for the Period April 2000 through March 2001	
Hospital	Number of Procedures
Palm Beach Gardens MC	917
JFK Medical Center	661
Delray Medical Center	751
Lawnwood RMC	396

Source: Florida Need Projections for Adult OHS, published 7/27/2001

The most recently established program is at Lawnwood Regional Medical Center, which also has the lowest volume of the existing District 9 providers.

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Indian River Memorial Hospital, Inc. (CON #9510) states that the approval of IRMH together with any other applicant will not result in a significant adverse impact on the existing programs. The applicant states that none of the existing providers are located in Indian River County.

According to the applicant, for the year ended June 30, 2000, 88 percent of the residents of Indian River County who received open heart surgery were patients at hospitals outside of District 9. Almost half went to Holmes Regional Medical Center and another third of them went to Florida Hospital. Of those who went to District 9 hospitals 14 went to Palm Beach Gardens (1.6 percent of its 917 cases), 17 went to Lawnwood and two went to JFK. These facilities are in southern Palm Beach County. Delray drew no Indian River County residents and JFK only drew two patients. These patients represented 0.3 percent of JFK's volume of 720 cases for the period ending June 30, 2000.

Martin Memorial Medical Center, Inc. (CON #9511) states that the initiation of a program at Martin Memorial will not have an adverse impact on any other District 9 facility and will not drive any existing provider below the 350 case threshold. Martin Memorial expects to generate virtually all of its cases through its cardiac cath program and other points of service within the organization. The applicant contends that even if Martin Memorial withheld all open heart referrals, none of the existing providers to which it refers would face volumes below the 350 threshold. The applicant gives as an example for the 12-month period ending March 31, 2001, Palm Beach Gardens, the seventh highest volume open heart program in Florida, performed 917 open heart surgeries. Of this number 143 were referred from Martin Memorial. If Martin withheld these referrals for its own program, Palm Beach Gardens still would have performed 774 cases or 2.2 times the threshold. The newest program at Lawnwood, in Ft. Pierce, St. Lucie County would not be affected, the applicant states, because it does not refer cases to the program at Lawnwood. The applicant's primary service area will consist of Martin County and residents of south St. Lucie County.

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Bethesda Healthcare System, Inc. (CON #9512):

District 9 includes five counties, four of which are located on the east coast, and one inland. Bethesda Memorial is located in southern Palm Beach, the southernmost county within the district. Lawnwood Regional Medical Center, the most recently approved provider in the district, is located over 70 miles and two counties north of Bethesda Memorial Hospital. As the newest provider in the district, Lawnwood Regional's volume is most at risk for impact by approval of other providers. The applicant contends that because of the distance between the two facilities, Bethesda draws patients from very different service areas and there is no overlap in the service area of the two hospitals.

- Bethesda's acute care service area includes sections of South Palm Beach County. Bethesda does not typically draw patients from northern Palm Beach County, St. Lucie, Martin, Glades or Okeechobee Counties.
- Lawnwood Regional Medical Center's initial open heart surgery patient origin includes St. Lucie and Okeechobee, and to a lesser degree, Indian River and Martin Counties. Lawnwood Regional does not typically draw from Palm Beach County.

1998/1999 Bethesda Memorial Hospital's Patient Origin (All DRG's) CY 1999			
Zip Code	City	Admissions	% of Total
33435	Boynton Bch.	3,429	19.0%
33436	Boynton Bch.	1,946	10.8%
33437	Boynton Bch.	1,830	10.1%
33444	Delray Bch.	1,643	9.1%
33426	Boynton Bch.	1,274	7.0%
33445	Delray Beach	1,152	6.4%
33462	Lake Worth	1,024	5.7%
33483	Delray Beach	727	4.0%
33460	Lake Worth	625	3.5%
33463	Lake Worth	607	3.4%
33484	Delray Beach	586	3.2%
33461	Lake Worth	441	2.4%
33467	Lake Worth	399	2.2%
33446	Delray Beach	282	1.6%
Subtotal		15,965	88.4%
Other		2,114	11.6%
Total		18,079	100.0%

Source: CON 9512 pg 30

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The applicant does indicate however, that Bethesda's program is expected to primarily impact two providers, Delray Beach Medical and JFK Medical Center, with Delray Beach sustaining the biggest impact of the two. According to the applicant, 75 percent of Bethesda's year one projected volume of 165 procedures was assumed to come from OHS volume that otherwise would be associated with Delray Beach Medical Center. The applicant did not give projected volumes for years two and three. Likewise 25 percent of Bethesda's year one adjusted projected OHS volume of 165 procedures was assumed to come from OHS volume that would otherwise be associated with JFK. However, the proposed project will not bring either program below the 350-volume threshold.

Boca Raton Community Hospital, Inc. (CON #9513) expects to attract 297 open heart surgery admissions in its first year of operations, and 428 in its second before consideration of incremental Medicaid and charity volume is made. As discussed in the summary, the applicant proposes to establish an uninsured patient outreach program in connection with this project.

Because this outreach is intended to identify and attract patients not currently served by any provider in the service area, the applicant states that the incremental utilization associated with this outreach program is not included.

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The applicant states that Delray Medical Center and North Ridge Medical Center are the two providers that will share the most impact from the approval of this project. The applicant has projected a decline of 218 open heart procedures and 408 angioplasty procedures at Delray Medical as a result of the opening of the proposed Boca Raton Community Hospital project. However, the applicant still projects Delray to perform 591 open heart procedures, well above the 350 threshold. The same analysis was performed for North Ridge. North Ridge is projected to perform 866 open heart surgery procedures in year one and 829 in year two. Therefore, the impact on the two existing providers will not threaten their ability to operate relatively high-volume programs.

2. Local Health Plan

Is need for the project proposed supported by the applicable district plan? ss. 408.035(1), 408.037(1), Florida Statutes.

The District 9, Treasure Coast Health Council 2000 - 2001 CON Allocation Factors Report does not provide preferences for open-heart surgery programs.

3. Agency Rule Criteria

Does the project respond to preferences stated in agency rules? Ch. 59C-1.031-044, Florida Administrative Code.

In addition to meeting the applicable review criteria in Section 408.035, Florida Statutes, all applicants are expected to meet the standards and need determination criteria for the establishment of an open heart surgery program as specifically set forth in Chapter 59C-1.033, Florida Administrative Code.

The applicant's consistency with these criteria is described below.

a. ***Service Availability (59C-1.033, (3))***

Applicants for adult open heart surgery programs must have the capability to provide a full range of open heart surgery operations and document the manner in which they will meet the following minimum requirements:

- 1. Repair or replacement of heart valves;***
- 2. Repair of congenital heart defects;***
- 3. Cardiac revascularization;***
- 4. Repair or reconstruction of intrathoracic vessels; and***
- 5. Treatment of cardiac trauma.***

Each applicant states that its proposed program will meet the above requirements.

b. ***Each adult open-heart surgery program must document its ability to implement and apply circulatory assist devices such as intra-aortic balloon assist and prolonged cardiopulmonary partial bypass.***

Indian River Memorial Hospital, Inc. (CON #9510) indicates that the hospital will have the necessary equipment and through affiliated physicians, the necessary training to implement and apply circulatory assist devices such as intra-aortic balloon assist and prolonged cardiopulmonary partial bypass. The applicant indicates that Florida Hospital, the preceptor for the IRMH program, currently performs all these procedures and will provide protocols, staff training and peer review services to establish these capabilities.

Martin Memorial Medical Center, Inc. (CON #9511) owns two intra-aortic balloon pumps that it uses in cases of severe ventricular failure. The applicant indicates the operating room RNs for open heart surgery will be trained in the operation of these pumps. During the first few months of 2001, there were several life threatening cardiac cases treated in our emergency room and cardiac catheterization laboratory who were transported to open heart providers. The applicant indicates that all would have benefited tremendously if angioplasty and open heart capabilities were available at its facility.

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Bethesda Memorial Hospital (CON # 9512) states that its operating rooms will be equipped to support a full range of open heart procedures. Additionally, the hospital will provide the equipment and support to perform coronary angioplasty.

Boca Raton Community Hospital, Inc. (CON #9513) indicates that it will provide the above referenced services through appropriately credentialed and experienced surgical, nursing and support teams. The perfusion and other professional staff associated with the project will have all necessary equipment, training, and experience to implement and apply circulatory assist devices such as intra-aortic balloon assist and prolonged cardiopulmonary partial bypass. The hospital states that it currently owns three intra-aortic balloon pumps.

All applicants documented that they have the ability to comply with this requirement.

c. *A health care facility with an adult or pediatric open heart surgery program shall provide the following services:*

- 1. *Cardiology, hematology, nephrology, pulmonary medicine, and treatment of infectious diseases;***
- 2. *Pathology, including anatomical, clinical, blood bank, and coagulation laboratory services;***
- 3. *Anesthesiology, including respiratory therapy;***
- 4. *Radiology, including diagnostic nuclear medicine;***
- 5. *Neurology;***
- 6. *Inpatient cardiac catheterization;***
- 7. *Non-invasive cardiographics, including electrocardiography, exercise stress testing, and echocardiography;***
- 8. *Intensive care; and***
- 9. *Emergency care available 24 hours per day for cardiac emergencies.***

Indian River Memorial Hospital, Inc. (CON #9510) indicates that it provides a complete range of high quality state of the art medical services including all of the above. The applicant's response was brief.

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Martin Memorial Medical Center, Inc. (CON #9511) documented its provision of the above services on pages 107-110 of its application. The applicant states that it enjoys excellent representation and quality on its active attending medical staff. There are approximately 300 physicians on the attending staff, representing 35 medical specialties and subspecialties. Approximately 96 percent of physicians on the medical staff are board-certified or board-eligible.

Bethesda Healthcare System, Inc. (CON #9512) indicates that it currently provides these services. A detailed discussion of the hospital's provision of these services was provided on pages 7-13 of the application.

Boca Raton Community Hospital, Inc. (CON #9513) indicates that it provides all the services listed above. Copies of resumes for key ancillary staff members are attached in Appendix L. Appendix M contains a roster of the hospital's medical staff in the divisions of cardiology, invasive cardiology and anesthesiology.

d. Chapter 59C-1.033(4), F.A.C. - Service Accessibility.

Adult open heart surgery shall be available within a maximum time of two hours under average travel conditions for at least 90 percent of the district's population.

Open heart surgery is currently accessible within a maximum automobile travel time of two hours under average travel conditions for at least 90 percent of the district's population.

- e. Adult or pediatric open heart surgery programs shall be available for elective open heart operations eight hours per day, five days a week. Each open heart surgery program shall possess the capability for rapid mobilization of the surgical and medical support teams for emergency cases 24 hours per day, seven days a week.***

All applicants indicated that they will be available for adult open heart operations eight hours per day, five days per week. Each applicant indicated it will possess the capability for rapid mobilization of the surgical and medical support teams for emergency cases 24 hours per day, seven days a week.

- f. Adult open-heart surgery shall be available for emergency open-heart surgery operations within a maximum waiting period of two hours.***

All applicants indicated they will be available for emergency open heart surgery operations within a maximum waiting period of two hours.

- g. Adult or pediatric open heart surgery shall be available to all persons in need. A patient's eligibility for open heart surgery shall be independent of his or her ability to pay. The applicant must document the manner in which it will meet this requirement.***

All applicants indicated they will be available to all persons in need. Please see i. below.

- h. Service Quality (59C-1.033)(5)***

- (1) Any institution proposing to provide adult or pediatric open heart surgery must meet the Joint Commission on Accreditation of Healthcare Organizations accreditation standards for special care units or standards for accreditation by the American Osteopathic Association.***

All applicants indicated that the Joint Commission on Accreditation of Healthcare Organizations will accredit their programs.

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Indian River Memorial Hospital, Inc. (CON #9510) is accredited by the JCAHO for the period of 2000 – 2003. In Appendix 9 of the application, the applicant lists its other accreditations.

Martin Memorial Hospital (CON #9511) is accredited by the JCAHO with Commendation. A copy of its survey is included in the application in attachment 9. The applicant indicates the open heart surgery program will be part of Martin Memorial's quality assessment and improvement process.

Bethesda Healthcare System, Inc. (CON #9512) is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). A copy of the Accreditation is included in Attachment M. Bethesda's proposed open heart program will utilize clinical pathways and quality indicators, such as mortality, morbidity and complications for trending service quality.

Boca Raton Community Hospital (CON #9513) is accredited by the JCAHO for the period 2000-2003. A copy of the hospital's most recent accreditation letter appears in Appendix N. The applicant states that it will ensure that the proposed program will meet or exceed JCAHO standards for open heart surgery programs, and will adopt those standards into its own operating policies and procedures.

- (2) ***Any applicant proposing to establish an adult or pediatric open heart surgery program must document that adequate numbers of properly trained personnel will be available to perform in the following capacities during open heart surgery:***
- 1. A cardiovascular surgeon, board-certified by the American Board of Thoracic Surgery, or board eligible;***
 - 2. A physician to assist the operating surgeon;***
 - 3. A board certified or board-eligible anesthesiologist trained in open heart surgery;***
 - 4. A registered nurse or certified operating room technician trained to serve in open heart surgery operations and perform circulating duties; and***

5. *A perfusionist to perform extracorporeal perfusion, or a physician or a specially trained nurse, technician, or physician assistant under the supervision of the operating surgeon to operate the heart-lung machine.*

Indian River Memorial Hospital, Inc. (CON #9510) states that with the assistance of Florida Hospital, IRMH will recruit at least two board-certified cardiovascular surgeons if the program is approved. The applicant also states that all team members, including anesthesiologists, registered nurses/technicians, and perfusionists will be employed or under contract to meet this requirement.

Martin Memorial Medical Center, Inc. (CON #9511) indicates it is presently discussing an agreement with Shands Hospital whereby it would provide Martin Memorial with an open heart surgical team. This group would also provide the operating room assistant. The hospital presently has a full service anesthesiology department and maintains a contract with an anesthesiology group for its services. This group would be responsible for hiring anesthesiologists with open heart experience. Support staff, including registered nurses or certified operating room technicians will be recruited. The applicant included its agreement in Attachment 15 with Total Blood Management, a perfusionist company, outlining its services and associate costs. Perfusionist services will be provided for elective cases and perfusionist coverage be provided 24 hours a day, seven days a week in the event of an emergency.

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Bethesda Healthcare Systems, Inc. (CON #9512), as previously stated, indicates Dr. Geoffrey M. Lynn, a board-certified surgeon who operates at Delray Medical Center will be Medical Director. Dr. Lynn is a member of a four-physician practice and his resume was provided in the applicant's supporting material. One of the other members of Dr. Lynn's group will be designated to regularly serve as an assistant. The hospital will provide a board-certified/board-eligible anesthesiologist. The applicant indicates that registered nursing and certified operating room technicians will be provided by the hospital and will be trained at Orlando Regional Medical Center. Perfusionist services will be provided under contract.

Boca Raton Community Hospital, Inc. (CON #9513) indicates that Drs. Jeffrey Bott and Frank Catinella will be the two surgeons who will staff the project. Resumes of these physicians were included in the application's supporting materials. Both physicians currently operate at North Ridge Medical Center. Registered nurses and operating room technicians will be recruited and trained as necessary to support the open heart surgery program.

The applicant indicates that it has a successful staff recruitment program in place, and offers generous pay and benefits which ensures high employee satisfaction and low turnover. The applicant proposes that perfusion services will be provided by hospital personnel, who will be fully qualified by appropriate accrediting agencies and who will have significant experience in open heart surgery and related procedures. The hospital also will staff at least two board-certified anesthesiologists trained in open heart surgery to provide anesthesiological services in connection with the project.

- (3) *Following an open heart surgery operation, patients shall be cared for in an intensive care unit that provides 24-hour nursing coverage with at least one registered nurse for every two patients during the first hours of post-operative care for both adult and pediatric cases. There shall be at least two cardiac surgeons on the staff of a hospital with an adult open heart surgery program, at least one of whom is board-certified and the other at least board-eligible. One of these surgeons must be on call at all times. A clinical cardiologist must be available for consultation to the surgical team and responsible for the medical management of patients as well as the selection of suitable candidates for surgery along with the cardiovascular surgical team. Backup personnel in cardiology, anesthesiology, pathology, thoracic surgery and radiology shall be on call in case of an emergency. Twenty-four hour per day coverage must be arranged for the operation of the cardiopulmonary bypass pump. All members of the team caring for cardiovascular surgical patients must be proficient in cardiopulmonary resuscitation.*

Indian River Memorial Hospital, Inc. (CON #9510) indicates post surgery patients will be placed in its eight-bed cardiovascular recovery unit. Two cardiac surgeons will be on staff, one is board-certified and one is board-eligible. One of these surgeons will be on call at all times. A clinical cardiologist will be available for consultation to the surgical team and responsible for the medical management of patients as well as the selection of suitable candidates for surgery. Backup personnel in cardiology, anesthesiology, pathology, thoracic surgery and radiology will be on call in case of an emergency. All members of the team caring for cardiovascular surgical patients will be proficient in cardiopulmonary resuscitation. There will be 24-hour per day coverage for the operation of the cardiovascular bypass pump.

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Martin Memorial Medical Center, Inc. (CON #9511)

indicates that it plans to expand its existing surgical ICU and will use four beds in this space to care for the post operative cardiovascular patient. The SICU will be staffed and equipped 24 hours a day to handle the post-operative cardiovascular patient. Staffing will vary from one nurse per patient for the immediate post-operative recovery period to one nurse for every three patients once the patient is moved to a progressive care unit. The nurse to patient ratio will change from one to one in the first 24 hours to one nurse for every two patients ratio for the remainder of the patients ICU stay. The applicant will provide an in-house backup surgical team and will maintain two nurse teams. Martin has 15 cardiologists on its medical staff. Three of the 15 practice medical cardiology exclusively and 12 practice primarily invasive diagnostic cardiology. The back-up team will be available in-house or in the general vicinity during hours of scheduled surgery. The hospital will maintain two nurse teams. In the event of an emergency the nurse team, which is not scheduled for open heart duty will be on-call. All members of the team caring for cardiovascular surgical patients will be proficient in cardiopulmonary resuscitation.

Bethesda Healthcare Systems, Inc. (CON #9512)

indicates post surgery patients will be placed in its eight-bed cardiovascular intensive care unit. The applicant commits that upon approval it will maintain at least one board-certified surgeon on staff at all times. The applicant indicates that with 30 cardiologists on staff, there will be sufficient staff to provide all necessary consultative services. Backup personnel in cardiology, anesthesiology, pathology, thoracic surgery and radiology will be on call in case of an emergency. Twenty-four hour coverage per day will be arranged for the operation of the cardiovascular bypass pump. All members of the team caring for cardiovascular surgical patients will be proficient in cardiopulmonary resuscitation.

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Boca Raton Community Hospital, Inc. (CON #9513) indicates that its proposed unit will have 12 ICU beds. Two board-certified cardiac surgeons will be on staff. A clinical cardiologist will be available for consultation to the surgical team and medical management of patients either in person or on an on-call basis. Clinical cardiology staff will also be available and active in selecting patients for surgery. Backup personnel in cardiology, anesthesiology, pathology, thoracic surgery and radiology shall be on call in case of an emergency. All members of the team caring for cardiovascular surgical patients will be proficient in cardiopulmonary resuscitation. Twenty hour per day coverage will be arranged for the operation of the cardiovascular bypass pump.

- i. ***Patient Charges 59C-1.033(6). Charges for open heart surgery operations in a hospital shall be comparable with the charges established by similar institutions in the service area, when patient mix, reimbursement methods, cost accounting methods, labor market differences and other extenuating factors are taken into account.***

The following chart indicates each applicant's open heart projections per patient day for year two of operation.

Comparative Table for Open Heart District 9 August 2001 Hospital Cycle				
CON #	Project Cost	Open Heart Avg Chg/Day	Total Hospital Operating Cost/Day	Open Heart Incremental Cost/Day
9510	\$5,423,500	\$ 8,274	\$1,331	\$2,781
9511	\$9,685,916	\$ 7,569	\$1,419	\$2,307
9512	\$5,964,815	\$10,779	\$1,190	\$3,245
9513	\$7,221,011	\$ 8,539	\$1,297	\$2,670

Based on a financial analysis of each applicant's current operations in existing beds and programs, all were considered to be cost efficient when compared to their relevant control group. Bethesda proposes the highest gross revenues and the highest profit margin.

4. **Statutory Review Criteria**
- a. **Is need for the project evidenced by the availability, quality of care, efficiency, accessibility and extent of utilization of existing health care facilities and health services in the applicant's service area? ss. 408.035(2); 408.035(7), Florida Statutes.**

Each of the co-batched applicants discuss transfer issues and indicates that accessibility and quality of care will be improved in the district with the addition of an adult open heart surgery program at its hospital.

Indian River Memorial Hospital, Inc. (CON #9510) indicates that there is no adult open heart surgery program in Indian River County and its project would improve availability and access to care in the northern portion of the district. For the period ending June 30, 2000, 88 percent of county residents requiring open heart surgery traveled outside the district, most to Holmes Regional Hospital in Melbourne or to Florida Hospital in Orlando. The applicant indicates that because of the lack of an open heart surgery program it was also prohibited from treating patients presenting at its emergency room with myocardial infarction or other serious cardiology problems with immediate PCI procedures intervention.

It is interesting to note that the applicant plans to utilize Florida Hospital - Orlando for the management of its program. Florida Hospital - Orlando is the largest provider of open heart surgery to Indian River County residents.

Martin Memorial Medical Center, Inc. (CON #9511): As mentioned above, the applicant has been approved for an open heart surgery program in April of 2001. The applicant contends that having to transfer patients requiring angioplasty creates a significant access problem for residents of Martin County and may compromise care. Martin indicates that its location is more central to the district than any other hospital and restates its case that 48 percent of the northern county residents are driving outside the district for open heart surgery services. The applicant also restates its contention that its project would not

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impact Lawnwood, which is only 19 miles away and indicates that its program would increase quality, efficiency, appropriateness and adequacy. As stated above, Martin Memorial referred 642 patients for cardiac interventional services. Approximately 84 percent of these referrals went to Palm Beach County programs.

Bethesda Healthcare System, Inc. (CON #9512) indicates that Bethesda Memorial intends to utilize Orlando Regional Medical Center for technical support in establishing its program and cites ORMC's high quality.

The applicant indicates that appropriateness and adequacy of open heart surgery in the district is insufficient to meet the Palm Beach County need. As stated above, the applicant provides evidence of unmet need in the district and most specifically in Palm Beach County when assessing the OHS out-migration rate. The applicant states that Palm Beach County experiences an out-migration rate of almost 30 percent, or more than three times the OHS out-migration of neighboring Broward County. Unmet need becomes of even greater concern when viewed by payor, the applicant states. As noted previously, all Palm Beach OHS providers are for-profit facilities. The applicant contends the Palm Beach OHS providers historically have not provided significant access to the medically indigent for OHS services. Refer to discussion above under E. 1.

Boca Raton Community Hospital, Inc. (CON #9513) indicates that its project would enhance accessibility by placing an adult open heart surgery program on the campus of a hospital that presently has a wide array of cardiology resources and services. Additionally, the applicant states that the proposed program will also significantly improve access and availability of open heart surgery and angioplasty services to the medically indigent populations in the hospital's proposed service area, although in 1999 Boca only provided 1.0 percent of its patient days to Medicaid patients and 0.5 percent of its gross revenue to charity. The applicant also discusses the quality implications of attempting to deal with cardiac emergencies through transfer to other facilities and indicates that it will provide a quality program.

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District 9 Open Heart Utilization April 2000 - March 2001 Report Period						
Facility	County	Apr.00- Jun. 00	Jul 00- Sept. 00	Oct 00- Dec. 00	Jan. 01- Mar. 01	Total
Palm Beach Gardens Medical Center	Palm Beach	264	178	205	270	917
JFK Medical Center	Palm Beach	149	158	164	190	661
Delray Medical Center	Palm Beach	189	156	173	233	751
Lawnwood Reg. Med. Ctr.	St. Lucie	91	92	88	125	396
	Totals	693	584	630	818	2,725

Source: Florida Need Projections for Adult Inpatient Cardiac Catheterization and Open Heart Surgery Programs and Pediatric Cardiac Catheterization and Open Heart Surgery Programs, January 2004 Planning Horizon, July 27, 2001.

As noted earlier, there are two CON approved adult open heart surgery program in District 9. None of the co-batched applicants have demonstrated need for the additional approval of an adult open heart surgery program in the district. Need for the an additional program is not evidenced by the availability, quality of care, efficiency, accessibility and extent of utilization of existing health care facilities and health services in the service area.

- b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality of care? ss. 408.035(3); 408.035(12), Florida Statutes.**

The applicant's ability to meet quality of care requirements specific to open heart surgery programs contained in Chapter 59C-1.033 F.A.C. were discussed in Item 3. A review of the Agency's licensure records reveals none of the applicants have confirmed emergency access complaints. A discussion of each applicant's response to this section follows.

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Indian River Memorial Hospital, Inc. (CON #9510) indicates its facility has been in existence since 1932 and has complied with all state and federal licensing requirements and participation standards. The applicant includes accreditation documentation in Attachment 12. These include JCAHO accreditation, HFCA CLIA Laboratory certificate of accreditation, American College of Radiology Mammographic Imaging Services accreditation, Steotactic Breast Biopsy Imaging Services accreditation, and Radiation Oncology Services accreditation, and the American College of Surgeons Commission on Cancer Approval Program. The applicant also describes its assessment and pre-admission screening program, patient care plan, and appropriateness review and utilization review. The facility's Performance Improvement Plan was included in the application and the applicant also described the objectives and quality assessment steps.

Martin Memorial Hospital, Inc. (CON #9511) has been cited as one of the top 100 performing hospitals in an annual study of all hospitals by HCIA, a Baltimore based health care information company and William H. Mercer, a New York based human resources management consulting firm. The hospital also is accredited with accommodation by JCAHO. The hospital's parent organization, Martin Memorial Health System, is one of only 60 across the nation to receive JCAHO accreditation as a network of services.

Bethesda Healthcare System, Inc. (CON #9512) states it has an established history of providing high quality care since 1959. Bethesda Memorial is accredited by the JCAHO and a copy of its performance improvement plan is included in Attachment O. The applicant also includes a copy of its cardiac catheterization lab performance improvement plan in Attachment P. The applicant also cites its letter of agreement with Orlando Regional Medical Center for assistance in establishing its open heart surgery program, which was included in Attachment C. Attachment Q provides examples of how Bethesda strives to assure high quality of care. Attachment Q provides examples of training classes and testing related to the intensive care units.

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Boca Raton Community Hospital, Inc. (CON #9513) is accredited by the JCAHO and a copy of its performance improvement plan is included in Appendix N. The hospital has also been cited as one of the top 100 performing hospitals in an annual study of all hospitals by HCIA, a Baltimore-based healthcare information company and William H. Mercer, a New York-based human resources management consulting firm. The applicant also has an established performance improvement program in Appendix Q, which will be applied to the proposed open heart surgery program. Additionally the hospital has in place a 2000 Utilization Review Plan that describes in detail pre-admission review, admission review, continued stay review, discharge planning and other topics related to utilization review. A copy of this document was included in the application as Appendix R.

- c. Is the applicant proposing special health care services for its service area proposed that are not reasonably or economically accessible in adjacent service areas? ss. 408.035(4), Florida Statutes.**

None of the proposed projects address the need for special equipment or services that are not reasonably or economically accessible in adjacent districts.

- d. Is this project to be located in a teaching hospital? Will the program affect the clinical needs of health professional training programs in the service area? ss. 408.035(5), Florida Statutes.**

None of the applicants' facilities are teaching hospitals nor are the projects' primary purpose research or physician education. However, all applicants contend that their program will be an avenue to address the clinical needs for health professional training programs in open heart surgery.

- e. **What resources, including health manpower, management personnel and funds for capital and operating expenditures, are available for the project accomplishment and operation? ss. 408.037(6), Florida Statutes.**

Indian River Memorial Hospital, Inc. (CON #9510): Indian River's current ratio of 4.2 indicates current assets are over four times that of short-term liabilities, a very strong position. The working capital (current assets less current liabilities) of \$47 million is significant in relation to the entity's size. The ratio of cash flow to current liabilities of 0.7 is just above the average Florida hospital. The applicant has a strong short-term position.

The long-term debt to equity of 0.5 is about average. The cash flows to assets of 5.7 percent are also about average for Florida hospitals. The most recent year had an operating loss of \$-5.9 million, which resulted in a margin of -5.0 percent. Other income consists mainly of investment income, which when added to the operating loss results is a net profit of \$2.7 million or 2.3 percent. The previous year had a net profit of \$5.7 million. The total equity of \$119 million with the equity to assets of 61.1 percent is very strong. Because of the significant equity and cash flows the applicant has a good long-term position.

Schedule 2 indicates total capital projects of \$54.2 million. When we add \$6.3 million maturities of bonds payable through 2005 the total funding needed is \$60.5 million. Funding for these projects will come cash in hand.

The audited balance sheet shows \$41 million cash on hand, \$64 million in assets restricted but available for capital projects, and \$11 million annual cash flows. Counting cash flows at this same amount through 2005 would yield \$55 million which when added to the \$41 million cash on hand and the \$64 million restricted assets would be \$160 million available to fund these projects.

Based on the cash, restricted assets, and cash flows of the applicant funding for this and all other capital projects will be available as needed.

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Martin Memorial Medical Center, Inc. (CON #9511): The applicant's current ratio of 2.5 is good for Florida Hospitals. The working capital (current assets less current liabilities) of \$37.9 million is also good. The ratio of cash flow to current liabilities of 0.4 is about average. The applicant has a satisfactory short-term position.

The long-term debt to equity of 1.6 indicates the applicant's long-term debt is high when compared to its equity. The cash flows to assets of 5.4 percent, the operating margin of 2.6 percent, and the total margin of 4.6 percent all indicate a mediocre long-term position. The total equity of \$60 million with the equity to assets of 33.0 percent is adequate. Overall the applicant has a satisfactory long-term financial position.

Schedule 2 indicates capital projects of \$48.4 million, which includes \$7.5 million maturities of long-term debt.

The schedule indicated these projects will be funded by \$12.8 million cash in hand, \$26.4 million from cash flows, and \$9.2 million (this project) will be funded by tax-exempt revenue bonds. The applicant's most recent audited financial statements disclosed \$24.4 million cash on hand, \$10.3 million in board designated funds, and \$9.9 million in cash flows. Extending this same cash flow to 2005 would produce \$49.5 million which when added to the current cash on hand and board designated funds makes \$84.2 million potentially available to fund these projects.

A letter from B.C. Ziegler and Company indicates they are prepared to serve as underwriter for tax-exempt bonds for the proposed project.

Funding should be available as needed for this and all other capital projects.

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Bethesda Healthcare System, Inc. (CON #9512): Short-term position: Bethesda's current ratio of 2.5 indicates current assets are two and one half times that of short-term liabilities, a good position. The working capital (current assets less current liabilities) of \$34 million is adequate in relation to the entity's size. The ratio of cash flow to current liabilities of 0.3 is below the average Florida hospital. The applicant has an adequate short-term position.

The long-term debt to equity of 0.2 means this debt is only 20 percent of equity, a good position. The cash flows to assets of 3.1 percent are weak compared to other Florida hospitals. The most recent year had an operating profit of \$1.0 million, which resulted in a margin of 0.6 percent. The total equity of \$162 million with the equity to assets of 74 percent is very strong. Because of the very good equity with no significant concerns from the other ratios this entity is considered to have a good long-term position.

Schedule 2 indicates the applicant has capital projects of \$79.4 million, however, the schedule did not include maturities of long-term debt. Through 2004 this debt is \$35.7 million, which would increase the funds needed to \$115.1 million.

Funding for these projects will come from cash in hand of \$32.0 million, operating cash flows of \$17.3 million and \$30 million from funds assured. The audited balance sheet shows \$11.6 million cash on hand, \$6.9 million annual cash flows, and \$89 million in long-term investments. These investments are U.S. Government bonds, U.S. Corporate bonds, and Marketable equity securities. No source was given for the \$30 million stated as assured.

Based on the financial position and operations of the applicant it is felt that funding for this project and all other capital projects will be available as needed.

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Boca Raton Community Hospital, Inc. (CON #9513): Boca Raton's current ratio of 2.0 indicates current assets are two times that of short-term liabilities, a fair position. The working capital (current assets less current liabilities) of \$35 million is significant in relation to the entity's size. The ratio of cash flow to current liabilities of 0.6 is satisfactory. The applicant has an adequate short-term position.

The long-term debt to equity of 0.2 is good. The cash flows to assets of 6.0 percent is adequate. The most recent year had an operating loss of \$-10 million, which resulted in a margin of -5.5 percent. The previous year had a cash flow to assets of -5.4 percent, an operating loss of \$-32 million with a margin of -19.7 percent. The total equity of \$185 million with the equity to assets of 77.0 percent is very strong. This strong equity is the results of good earnings over several years and has some minimizing effect over the operating loss in the current year. The applicant has a good long-term position.

Schedule 2 indicates capital projects of \$91.6 million. This amount does not include maturities of long-term debt. Maturities of long-term debt through 2006 are \$10.8 million and when added to the Schedule 2 amount results in \$102.4 million needed.

Schedule 2 indicates funding for these projects will come from cash on hand of \$71.6 million and \$20 million from the E. M. Lynn Foundation. The audited balance sheet shows \$16 million cash on hand and \$19.7 million in cash flows. A letter from the E. M. Lynn Foundation indicates funds will be available for the open heart unit. Assumptions to Schedule 2 state the affiliate BRCH Foundation, Inc. was formed to raise funds to support the applicant and has over \$144 million in cash and equivalents. The audited financial statements of BRCH Foundation, Inc. support this amount of cash and investments.

Based on the financial position of the applicant, the BRCH Foundation, Inc., and the funding from E. M. Lynn Foundation it appears that funding for all capital projects will be available as needed.

i. What is the immediate and long-term financial feasibility of the proposal? ss. 408.037(8), Florida Statutes.

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 skill and management 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, either go beyond what the market will tolerate, or may decrease to levels where activities are no longer sustainable.

Indian River Memorial Hospital, Inc. (CON #9510):

Comparative data were derived from hospitals in peer groups that reported data in 1999; the applicant will be compared to the hospitals in group 4. Per diem rates are projected to increase by an average of 3.6 percent per year. Inflation adjustments were based on the most current Florida Hospital Input Price Index.

Net revenue per adjusted patient day (NRAPD) of \$1,327 in year one and \$1,377 in year two is between the control group lowest and median values of \$1,150 and \$1,411 in year one and \$1,182 and \$1,449 in year two. The lowest value is generally viewed as the practical lower limit on economies of operation. With net revenues per adjusted patient day falling between the lowest and median the facility is expected to consume health care resources in proportion to the services provided. (See Comparative Table). The 1999 actual NRAPD for this hospital was \$ 1,121, which was similar to the group median in that year.

CON Action Numbers: 9510, 9511, 9512 & 9513

Projected cost per adjusted patient day of \$1,293 in year one and \$1,331 in year two is slightly below the group median values of \$1,370 in year one and \$1,408 in year two. (See Comparative Table). Compared to the control group these costs are efficient. The 1999 actual data reported Indian River's costs per adjusted patient day of \$1,170, which was between the group's median and highest values. The projected costs are reasonable when compared to the group.

The year two operating profit for the hospital of \$5.1 million computes to an operating margin per adjusted patient day of \$46 which falls below the peer group median of \$63 but above the lowest of \$-338. The hospital had a loss of \$-49 per patient day in 1999. The project is expected to account for \$3.3 million addition to the operating surplus in year two.

The applicant's previous operations have resulted in losses as shown on the 1999 and 2000 audited financial statements. After adding non-operating revenues from investments the net results were profitable. After adding the projected non-operating revenues the year two estimates show a net profit of \$12.2 million. The projections appear to be optimistic when compared to the historical operations of the hospital but even at a lower profit level projection, the addition of non-operating investment income makes the entity financially viable.

CON Action Numbers: 9510, 9511, 9512 & 9513

COMPARATIVE TABLE

CON # 9510						
Indian River 1999 DATA Peer Group 4	2005	YEAR 2	<u>INFLATION ADJ. VALUES</u>			
	YEAR 2	ACTIVITY	Highest	Median	Lowest	
	ACTIVITY	PER DAY				
ROUTINE SERVICES	0	0	1,060	552	139	
INPATIENT AMBULATORY	0	0	145	52	12	
INPATIENT ANCILLARY SERVICES	0	0	4,054	2,242	502	
OUTPATIENT SERVICES	0	0	2,316	1,408	594	
OTHER OPERATING REVENUE	0	0	144	10	1	
TOTAL REVENUE	0	0	6,914	4,316	2,719	
DEDUCTIONS FROM REVENUE	0	0	*	*	*	
NET REVENUES	153,154,500	1,377	1,860	1,449	1,182	
EXPENSES						
ROUTINE	29,123,400	262	402	210	55	
ANCILLARY	48,240,300	434	611	469	180	
AMBULATORY	7,132,400					
OVERHEAD	36,372,400	327	960	637	223	
OTHER	27,141,300	244				
TOTAL EXPENSES	148,009,800	1,331	1,770	1,408	1,093	
OPERATING INCOME	5,144,700	46	312	63	-338	
		3.4%				
PATIENT DAYS	75,194		NOT INFLATION ADJUSTED			
ADJUSTED PATIENT DAYS	111,201					
TOTAL BED DAYS AVAILABLE	122,275					
ADJ. FACTOR	0.6762					
TOTAL NUMBER OF BEDS	335					
PERCENT OCCUPANCY	61.5%		80.5%	49.5%	13.0%	
<u>PAYER TYPE</u>	PATIENT	% TOTAL				
	DAYS					
MEDICARE	not provided		78.5%	56.1%	25.8%	
COMMERCIAL	not provided					
MEDICAID	not provided		17.1%	5.6%	0.7%	
PRIVATE	not provided					
HMO/PPO	not provided		61.5%	28.2%	5.1%	
OTHER	not provided					
TOTAL	not provided					

Martin Memorial Medical Center, Inc. (CON #9511):

Comparative data were derived from hospitals in peer groups that reported data in 1999; the applicant will be compared to the hospitals in group 4. Per diem rates are projected to increase by an average of 3.5 percent per year. Inflation adjustments were based on the most current Florida Hospital Input Price Index.

CON Action Numbers: 9510, 9511, 9512 & 9513

Net revenue per adjusted patient day (NRAPD) of \$1,412 in year one and \$1,444 in year two are just over the control group median values of \$1,357 in year one and \$1,393 in year two. With net revenues per adjusted patient day falling similar to the median, the hospital is expected to consume health care resources in proportion to the services provided. (See Comparative Table). The 1999 actual NRAPD for this hospital was \$909, which fell just above the group lowest of \$903 in that year.

Projected cost per adjusted patient day of \$1,390 in year one and \$1,419 in year two is just above the group median values of \$1,324 in year one and \$1,360 in year two. (See Comparative Table). Compared to the control group these costs are efficient. The 1999 actual data reported Martin Memorial's costs per adjusted patient day of \$846, which was the group's lowest. Although the projected cost is significantly higher than the 1999 actual for the entity they are reasonable when compared to the group.

The year two operating profit for the hospital of \$3.3 million computes to an operating margin per adjusted patient day of \$25 which falls below the peer group median of \$63. The project is expected to account for \$1.5 million of the operating surplus in year two. The computed operating margin ratio is 1.7 percent. The hospital's audited operating margin ratio in 2000 was 2.6 percent. This application appears to be financially feasible.

CON Action Numbers: 9510, 9511, 9512 & 9513

CON # 9511						
Martin Memorial 1999 DATA Peer Group 4	2005	YEAR 2	<u>INFLATION ADJ. VALUES</u>			
	YEAR 2 ACTIVITY	ACTIVITY PER DAY	Highest	Median	Lowest	
ROUTINE SERVICES	354,811,486	2,680	1,019	539	308	
INPATIENT AMBULATORY	0	0	140	52	11	
INPATIENT ANCILLARY SERVICES	0	0	3,899	2,156	1,221	
OUTPATIENT SERVICES	201,398,000	1,521	2,228	1,354	772	
OTHER OPERATING REVENUE	8,064,000	61	138	10	1	
TOTAL REVENUE	564,273,486	4,262	6,649	4,150	2,615	
DEDUCTIONS FROM REVENUE	373,037,636	2,817	*	*	*	
NET REVENUES	191,235,850	1,444	1,789	1,393	1,136	
EXPENSES						
ROUTINE	56,449,415	426	386	204	145	
ANCILLARY	51,652,323	390	588	462	335	
AMBULATORY	7,830,366					
OVERHEAD	72,000,678	544	923	619	409	
OTHER	0	0				
TOTAL EXPENSES	187,932,782	1,419	1,702	1,360	1,051	
OPERATING INCOME	3,303,068	25	312	63	-338	
		1.7%				
PATIENT DAYS	89,531		NOT INFLATION ADJUSTED			
ADJUSTED PATIENT DAYS	132,403					
TOTAL BED DAYS AVAILABLE	122,640					
ADJ. FACTOR	0.6762					
TOTAL NUMBER OF BEDS	336					
PERCENT OCCUPANCY	73.0%		80.5%	51.1%	13.0%	
<u>PAYER TYPE</u>	<u>PATIENT DAYS</u>	<u>% TOTAL</u>				
MEDICARE	50,266	56.1%	78.5%	56.5%	25.8%	
COMMERCIAL	7,507	8.4%				
MEDICAID	4,498	5.0%	17.1%	5.6%	0.7%	
PRIVATE	6,131	6.8%				
HMO/PPO	20,397	22.8%	61.5%	27.2%	5.1%	
OTHER	732	0.8%				
TOTAL	89,531	100.0%				

CON Action Numbers: 9510, 9511, 9512 & 9513

Bethesda Healthcare System, Inc. (CON #9512):

Comparative data were derived from hospitals in peer groups that reported data in 1999; the applicant will be compared to the hospitals in group 5. Per diem rates are projected to increase by an average of 3.6 percent per year. Inflation adjustments were based on the most current Florida Hospital Input Price Index.

Net revenue per adjusted patient day (NRAPD) of \$1,271 in year one and \$1,235 in year two are similar to the control group median values of \$1,192 in year one and \$1,224 in year two. With net revenues per adjusted patient day falling similar to the median, the hospital is expected to consume health care resources in proportion to the services provided. (See Comparative Table). The 1999 actual NRAPD for this hospital was \$ 1,064, which was close to the group median in that year.

Projected cost per adjusted patient day of \$1,230 in year one and \$1,190 in year two is similar to the group median values of \$1,192 in year one and \$1,225 in year two. (See Comparative Table). Compared to the control group these costs are efficient. The 1999 actual data reported Bethesda's costs per adjusted patient day of \$1,017 which was a little below the group median.

The year two operating profit for the hospital of \$6.8 million computes to an operating margin per adjusted patient day of \$45 which falls between the peer group median of \$5 and highest of \$287. The project is expected to account for \$0.8 million of the operating surplus in year two. The computed operating margin ratio is 3.6 percent. The hospital's operating margin ratio in 2000 was 4.4 percent. This application appears to be financially feasible.

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CON # 9512					
Bethesda	2006	YEAR 2	<u>INFLATION ADJ.</u>		
	YEAR 2	ACTIVITY	<u>VALUES</u>		
	ACTIVITY	PER DAY	Highest	Median	Lowest
ROUTINE SERVICES	40,675,917	267	738	521	274
INPATIENT AMBULATORY	0	0	83	40	18
INPATIENT ANCILLARY SERVICES	398,149,232	2,617	3,585	1,770	948
OUTPATIENT SERVICES	250,433,616	1,646	1,892	1,252	240
OTHER OPERATING REVENUE	3,622,867	24	147	14	1
TOTAL REVENUE	692,881,632	4,555	5,741	3,627	1,495
DEDUCTIONS FROM REVENUE	505,086,690	3,320	*	*	*
NET REVENUES	187,794,942	1,235	1,625	1,224	774
EXPENSES					
ROUTINE	31,851,000	209	270	215	139
ANCILLARY	82,315,000	541	583	396	220
AMBULATORY	4,633,000				
OVERHEAD	62,168,000	409	637	545	351
OTHER	0	0			
TOTAL EXPENSES	180,967,000	1,190	1,351	1,225	752
OPERATING INCOME	6,827,942	45	287	5	-199
		3.6%			
PATIENT DAYS	102,860		NOT INFLATION ADJUSTED		
ADJUSTED PATIENT DAYS	152,115				
TOTAL BED DAYS AVAILABLE	122,275				
ADJ. FACTOR	0.6762				
TOTAL NUMBER OF BEDS	335				
PERCENT OCCUPANCY	84.1%		88.0%	51.0%	22.0%
<u>PAYER TYPE</u>		PATIENT DAYS % TOTAL			
MEDICARE	0	#DIV/0!	76.0%	44.0%	22.0%
COMMERCIAL	0	#DIV/0!			
MEDICAID	0	#DIV/0!	22.0%	7.0%	1.0%
PRIVATE	0	#DIV/0!			
HMO/PPO	0	#DIV/0!	60.0%	37.0%	5.0%
OTHER	0	#DIV/0!			
TOTAL	0	#DIV/0!			

CON Action Numbers: 9510, 9511, 9512 & 9513

Boca Raton Community Hospital, Inc. (CON #9513):

Comparative data were derived from hospitals in peer groups that reported data in 1999; the applicant will be compared to the hospitals in group 5. Per diem rates are projected to increase by an average of 3.6 percent per year. Inflation adjustments were based on the most current Florida Hospital Input Price Index.

Net revenue per adjusted patient day (NRAPD) of \$1,257 in year one and \$1,307 in year two is similar to the control group median values of \$1,242 in year one and \$1,276 in year two. With net revenues per adjusted patient day falling close to the median the facility is expected to consume health care resources in proportion to the services provided. (See Comparative Table). The 1999 actual NRAPD for this hospital was \$1,080, which was just above the group median in that year of \$1,050. Projected net revenues are reasonable.

Projected cost per adjusted patient day of \$1,260 in year one and \$1,297 in year two is just above the group median of \$1,243 in year one and \$1,277 in year two. This application is considered cost efficient when compared to the control group. (See Comparative Table). The 1999 actual CAPD for this hospital was \$1,034, which was just below the group median of \$1,046.

The year two operating profit for the hospital of \$1.6 million computes to an operating margin per adjusted patient day of \$10 which is between the peer group median and highest of \$5 and \$287. The project is expected to account for virtually all of the operating surplus in year two. The operating margin computes to 0.8 percent, which is low. The 1999 financial data submitted to the agency shows the hospital with an operating margin per adjusted patient day of \$46 which is considerably higher than the projections but still between the median and highest in the group. This margin is attainable in light of the control group, all Florida hospitals and the applicant's own historical performance. These projections indicate this application is financially feasible.

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COMPARATIVE TABLE

CON # 9513					
Boca Raton Community Hospital					
1999 DATA Peer Group 5					
	2005	YEAR 2	<u>INFLATION ADJ. VALUES</u>		
	ACTIVITY	ACTIVITY PER DAY	Highest	Median	Lowest
ROUTINE SERVICES	50,091,930	329	769	543	286
INPATIENT AMBULATORY	0	0	86	41	19
INPATIENT ANCILLARY SERVICES	274,951,496	1,808	3,738	1,845	988
OUTPATIENT SERVICES	183,971,563	1,209	1,972	1,305	250
OTHER OPERATING REVENUE	1,818,822	12	154	13	1
TOTAL REVENUE	510,833,811	3,358	5,986	3,752	1,559
DEDUCTIONS FROM REVENUE	311,987,707	2,051	*	*	*
NET REVENUES	198,846,104	1,307	1,694	1,276	807
EXPENSES					
ROUTINE	27,753,070	182	281	224	144
ANCILLARY	91,340,603	600	608	413	229
AMBULATORY	0				
OVERHEAD	78,196,018	514	664	568	366
OTHER	0	0			
TOTAL EXPENSES	197,289,691	1,297	1,408	1,277	785
OPERATING INCOME	1,556,413	10 0.8%	287	5	-199
PATIENT DAYS	102,860		NOT INFLATION ADJUSTED		
ADJUSTED PATIENT DAYS	152,115				
TOTAL BED DAYS AVAILABLE	143,810				
ADJ. FACTOR	0.6762				
TOTAL NUMBER OF BEDS	394				
PERCENT OCCUPANCY	71.5%		88.0%	51.0%	22.0%
<u>PAYER TYPE</u>					
	PATIENT DAYS	% TOTAL			
MEDICARE	66,076	64.2%	76.0%	44.0%	22.0%
COMMERCIAL	2,061	2.0%			
MEDICAID	1,049	1.0%	22.0%	7.0%	1.0%
PRIVATE	1,272	1.2%			
HMO/PPO	31,292	30.4%	60.0%	37.0%	5.0%
OTHER	1,110	1.1%			
TOTAL	102,860	100.0%			

- g. Will the proposed project foster competition to promote quality assurance and cost-effectiveness? ss. 408.035(9) Florida Statutes.**

Indian River Memorial Hospital, Inc. (CON #9510): Schedule 7 presented patient days by payers for the project only and not for the total hospital. The financial reviewer was unable to determine the amount of managed care that is projected for the hospital. Managed care for the hospital was 12.8 percent for 1999, a level significantly below the median for the control group, which would indicate minimal competitive impact assuming this level continues.

The proposed open heart project was compared to all other hospitals in the state with approved open heart programs. Schedule 7, total gross revenue for open heart surgery only is projected to be \$42,530,300 for year two. With 5,140 patient days anticipated the gross revenue (gross charges) per patient day computes to \$8,274. This is between the lowest and median in the state of \$6,441 and \$9,217, which indicates the services are reasonably priced in comparison and should have some positive impact on competition to promote quality assurance and cost-effectiveness.

Martin Memorial Medical Center, Inc. (CON #9511): The applicant projects managed care to represent 22.7 percent of its patient days. This is just below the control group median level of 28.2 percent and is significantly below the hospital's own 1999 managed care level of 47.4 percent of patient days. If the Agency were to assume this projected level of managed care is reasonable, it will have no significant positive impact on competition, to promote quality assurance and cost-effectiveness.

The proposed open heart project was compared to all other programs in the state with approved open heart programs. Schedule 7, total gross revenue for this project only is projected to be \$25,038,481 for year two. With 3,308 patient days anticipated the gross revenue (gross charges) per patient day computes to \$7,569. This is between the lowest and median in the state of \$6,441 and \$9,217 respectively, which indicates the services are reasonably priced in comparison and should have a positive impact on competition to promote quality assurance and cost-effectiveness.

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Bethesda Healthcare System, Inc. (CON #9512): Schedule 7 presented patient days by payers for the open heart and angioplasty programs only and not for the total hospital. The financial reviewer was unable to determine the amount of managed care that is projected for the hospital. Managed care for the hospital was 31.5 percent for 1999, a level below the median of 37 percent for the control group. Managed care is estimated at 35.6 percent for the open heart program only. A basic level of competitive impact is indicated assuming these levels continue.

The proposed open heart project was compared to all other hospitals in the state with approved open heart programs. Schedule 7, total gross revenue for open heart surgery only is projected to be \$23,972,366 for year two. With 2,224 patient days anticipated the gross revenue (gross charges) per patient day computes to \$10,779. This is between the median and highest in the state of \$9,469 and \$14,893, which indicates, the services are reasonably priced in comparison to other providers and should have minimal positive impact on competition to promote quality assurance and cost-effectiveness.

Boca Raton Community Hospital, Inc. (CON #9513) projects managed care to represent 30.6 percent of its patient days. This is between the control group lowest and median levels of 5.0 percent and 37.0 percent and is above the hospital's own 1999 managed care level of 25.7 percent of patient days. The applicant's level of managed care will have minimal positive impact on competition, to promote quality assurance and cost-effectiveness.

The proposed open heart project was compared to all other hospitals in the state with approved open heart programs. Schedule 7, total gross revenue for open heart surgery only is projected to be \$31,916,965 for year two. With 3,738 patient days anticipated the gross revenue (gross charges) per patient day computes to \$8,539. This is between the lowest and median in the state of \$6,616 and \$9,469, which indicates the services are reasonably priced in comparison and should have a positive impact on competition to promote quality assurance and cost-effectiveness.

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Comparative Table for Open Heart District 9 August 2001 Hospital Cycle				
CON #	Project Cost	Open Heart Avg Chg/Day	Total Hospital Operating Cost/Day	Open Heart Incremental Cost/Day
9510	\$5,423,500	\$ 8,274	\$1,331	\$2,781
9511	\$9,685,916	\$ 7,569	\$1,419	\$2,307
9512	\$5,964,815	\$10,779	\$1,190	\$3,245
9513	\$7,221,011	\$ 8,539	\$1,297	\$2,670

h. Are the proposed costs and methods of construction reasonable? ss. 408.035(10), Florida Statutes.

Indian River Memorial Hospital, Inc. (CON #9510): The proposal is to establish a new adult open heart surgery program at Indian River Memorial Hospital. The existing facility is fully sprinklered and of non-combustible construction. There will be no new construction and no change in licensed beds in this project.

The renovation will take place on the second floor and involves relocation of existing sterile and equipment storage areas to create two operating rooms and an eight-bed cardiovascular recovery area for the new program. The 9,040 square feet involved in the project will split between the open heart suite and the adjacent cardiovascular recovery area. Other support spaces are existing, mostly on the second floor.

The design professional contracts are projected to be signed by April, 2002 and the projected completion date of the project is November, 2003. Schedule 10 indicates that sufficient time has been allowed for construction.

The applicant submitted plans of the second floor showing both the existing conditions and proposed renovation. Most of the existing space is storage areas, with few dividing walls, which will need to be removed. The new operating rooms and recovery area are fairly typical for spaces with these functions. All required ancillary spaces seem to have been provided and there are no evident code issues with the planning. There will be quite a few changes in the existing plumbing since each recovery bed will have its own toilet. Janitor's closets for both the sterile and non-sterile areas are provided.

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The projected cost for the renovation, is quite reasonable for this type of highly specialized surgical and support space. No plans were provided to indicate where the existing storage functions will be relocated. Because of the evident care taken in preparation of the new layout, it can be reasonably assumed that no architectural problems will be created in the relocation.

Martin Memorial Medical Center, Inc. (CON #9511) consists of the addition of operating rooms and ancillary spaces and an intensive care unit and its ancillary spaces to the first floor of the existing building. Each function will include renovation of adjacent existing space to function with the new additions. Also included is the provision to create a six-bed cardiovascular step-down unit utilizing existing licensed beds. There will be no increase in the current licensed bed count.

The design professional contracts are projected to be signed in February, 2002 and the projected completion date of the project is November, 2003. This information from Schedule 10 indicates that sufficient time has been allowed for construction. The projected cost for the renovation, appears to be reasonable for this type of highly specialized surgical and support space.

The application included a site plan and first floor plans, both existing and proposed. There is no information relative to the flood plain or hurricane storm surge levels in the package. The site plan shows that the facility is adjacent to the St. Lucie River, so this information would be important to have in order to determine that the additions are not below the new Florida Building Code criteria for construction.

Schedule 9 states in the project description that the OR addition will be "above the dietary expansion previously constructed...". This, and the fact that there are adjacent stairs going down shows that this part of the new addition is above ground level. The ICU addition is shown on the same first floor plan, but it is not clear what the relationship of the proposed ICU finished floor has to existing grade.

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There is an architectural problem in the proposed new OR addition shown on Sheet A2. The lounge (presumably for staff) cannot be located within the sterile area. There is a storage space adjacent to the lounge that looks like it is planned to be a future OR. If this is the case, there will need to be an additional scrub sink added. This space will need rated walls and doors as long as it is for storage, but the architect is probably aware of this. In the ICU, the chairs shown at the sub nurses' stations may not protrude into the eight foot corridor. All required ancillary spaces seem to have been provided and there are no evident code issues with the planning with the possible exception of the floor elevation issue.

Bethesda Healthcare System, Inc. (CON #9512) consists of the renovation required to develop a comprehensive heart unit (CHU) in existing space on the third floor. This will include two open heart surgery suites and what appears to be the existing cardiac cath laboratory and what appears to be an existing eight-bed cardiovascular intensive care and step down unit. There will be no increase in the current licensed bed count.

The application included a site plan and a third floor plan as well as large scale plans of a typical patient room. The typical room looks well designed, but it cannot be determined from either the written or graphic information submitted which spaces are to be renovated and which remain as existing. This makes it difficult to determine whether the costs and timeframe are reasonable. With a construction budget of 1.5 million dollars, it would appear that there will be some fairly significant renovation involved in the project.

The design professional contracts are projected to be signed in January, 2002 and the projected completion date of the project is April, 2004. This information from Schedule 10 suggests that sufficient time has been allowed for construction.

Boca Raton Community Hospital, Inc. (CON #9513) consists of a new 74,000+ square foot two-story addition, which will house a comprehensive heart unit. The new addition will be fully sprinklered and of non-combustible construction. It will include two operating suites as well as two cardiac catheterization suites with their respective recovery areas and support spaces. In addition to some

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other functions, there are 12 currently licensed beds in the proposal. It is stated that there will be no increase in the current licensed bed count. Presumably these beds are being relocated from the existing building, but there is no mention of what will become of the existing space. Changes in function of these spaces will be an AHCA Plans and Construction issue when and if the project begins.

Schedule 10 lists the patient bed spaces at 220 square feet. This is acceptable. However, the Schedule shows N/A for costs per bed. Space for these 12 beds is actually part of the project, even though they are currently licensed.

The application included a site plan and plans of each of the two new floors and the roof. A large scale plan of a typical ICU patient room is also included and meets the requirements for this type space.

The proposal includes a list of applicable prime codes. This will have to be updated with the adoption of the new Florida Building Code.

Overall the project is basic and straightforward and the arrangement and room configuration will mesh with the with the layout of the existing hospital quite well. The room layouts are efficient and functional with good spatial relationships to all service functions. Although there is no renovation indicated on Schedule 9, there will need to be some minor work carried out where the new addition abuts the existing building. The connection to the existing structure will necessitate some phasing of the project, which is also not indicated.

Overall the addition appears to be well thought-out. There are comprehensive lists of spaces and square footages for all function that will be part of the project and there are plans of both floors. Schedule 10 indicates that the architect/engineer contracts are expected to be signed by December, 2001. The schematic plans submitted were done by an architectural firm that has previous healthcare experience and it is evident that the applicant has worked out a detailed program of spaces and needs with the designer.

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The design professional contracts are projected to be signed in December, 2001 and the projected completion date of the project is February, 2004. This information from Schedule 10 suggests that sufficient time may not have been allowed for construction. There is also a caveat regarding adjustment in completion dates depending on some possible litigation. Using the dates in Schedule 10, only 26 months is allowed from A/E contract signing to completion of construction. Unless some fast-tracking of the construction is used, this may not be quite enough time for design, review and construction.

Project costs appear to be reasonable for a new facility.

- i. **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(11), Florida Statutes.**

District 9 Hospitals Medicaid and Charity Care Fiscal Year 1999		
Facility	*Medicaid% of total patient days	Charity % of total patient days
Bethesda Memorial Hospital	11.5%	3.5%
Boca Raton Community Hospital	1.0%	0.5%
Columbia Hospital Palm Beaches	20.2%	0.6%
Port St. Lucie Medical Center	6.2%	1.7%
Columbia Raulerson Hospital	5.0%	2.5%
Columbia Palms West Hospital	11.5%	0.0%
Delray Community Hospital	2.5%	0.8%
Everglades Memorial Hospital	46.8%	2.1%
Glades General Hospital	27.3%	3.8%
Good Samaritan Hospital	6.6%	1.4%
Indian River Memorial Hospital	5.4%	3.3%
JFK Medical Center	5.0%	0.4%
Jupiter Hospital	0.8%	0.6%
Lawnwood Regional Medical Center	17.1%	3.5%
Martin Memorial Medical Center	3.2%	2.2%
Palm Beach Gardens Medical Center	1.8%	0.0%
Sebastian Hospital	1.9%	1.2%
St. Mary's Hospital	21.9%	6.4%
Wellington Regional Medical Center	6.8%	0.2%
West Boca Medical Center	4.6%	0.0%
District 9 Facility Average	6.8%	2.2%

Source: AHCA Financial Data Report for FY 1999.

*Medicaid represented here reflects conventional Medical days, not Medicaid HMO days

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Bethesda Memorial Hospital is the only applicant designated as a disproportionate share Medicaid providers for the state fiscal year 2000-2001, per the State Medicaid Office. The following chart indicates the applicant's fiscal year 1999 provision of Medicaid and charity care percentages compared with the district average.

Comparison of Fiscal Year 1999 Financial Data

Facility	Percentage Medicaid Patient Days	Percentage Gross Charity Care Days
Bethesda Memorial Hospital	11.5%	3.5%
Boca Raton Community Hospital	1.0%	0.5%
Indian River Memorial Hospital	5.4%	3.3%
Martin Memorial Medical Center	3.2%	2.2%
District 9 Facility Average	10.1%	1.6%

Source: AHCA 1999 Hospital Financial Data.

As the table above shows, Bethesda Memorial Hospital is the only applicant that exceeds the district Medicaid average. Three of the hospitals, Bethesda Memorial, Indian River Memorial Hospital and Martin Memorial, exceed the district charity care average. Each applicant's project specifies conditions to Medicaid and charity care patients.

Indian River Memorial Hospital, Inc. (CON #9510) is a public tax-supported hospital owned by the Indian River Hospital District and operated under lease by the applicant, a non-profit corporation. The hospital district annually appropriates funds to IRMH to finance health care services to the uninsured. According to the applicant, the district pays IRMH at the medical rate for services to eligible residents up to a budgeting limit. IRMH proposes to provide four percent Medicaid or charity/self pay patients and that at least two percent shall be for charity/self pay patients for the total number of cases for DRGs 104-109 PTCA/stent procedures.

Indian River Memorial Hospital (IRMH) proposes to provide two percent of its procedures in DRGs 104-109 PTCA/stent to Medicaid recipients and two percent to charity care. Schedule 7a indicates that 2.05 percent of the open heart program's total patient days will be provided to Medicaid patients and 0.5 percent to charity.

CON Action Numbers: 9510, 9511, 9512 & 9513

Martin Memorial Medical Center, Inc. (CON #9511) proposes as condition to provide 1.0 percent of the proposed project's total cases for charity care and 2.0 percent for Medicaid, including Medicaid HMO.

Bethesda Healthcare System, Inc. (CON #9512) commits that 3.0 percent of the total open heart cases performed will be associated with Medicaid patients, and 3.0 percent of the total open heart cases performed will be associated with indigent patients. Bethesda provides the highest percentage of Medicaid discharges on a hospital-wide basis of all the Palm Beach OHS providers and applicants. Schedule 7a and on the conditions predicated upon award page shows the applicant projects 3.0 percent of the project's year two patient days will be provided to Medicaid patient days.

Boca Raton Community Hospital, Inc. (CON #9513) proposes to condition CON approval to five percent of the open heart surgery program's year two patients being provided to charity care and Medicaid combined and the condition is stated to be for year two only. However, the applicant indicates it will operate an outreach program for uninsured patients for as long as it operates the open heart surgery program. Year two shows the applicant projects one percent of the project's total patient days will be provided to Medicaid patients. Charity care is stated in the assumptions to Schedule 7A to be approximately five percent of year two gross revenue.

F. SUMMARY

As published in Volume 27, Number 30 dated July 27, 2001 of the Florida Administrative Weekly, there is fixed need pool for zero additional adult open heart surgery program in District 9 for the January 2004 planning horizon.

In May of 2001, the Agency approved CON #9455 (Martin Memorial Medical Center, Inc.) and CON #9452 (Boca Raton Community Hospital) for adult open heart surgery programs in District 9. The approvals have been challenged by the applicants denied in the batch and by the existing providers in District 9 and are pending a final order.

CON Action Numbers: 9510, 9511, 9512 & 9513

As of July 27, 2001 there were four operational and two CON approved adult open heart surgery (OHS) programs in District 9. All of the four programs performed more than 350 operations during the most recent reporting period of April 2000 – March 2001.

Each applicant also asserts that there is considerable out-migration for adult open heart surgery services in District 9. Though data presented by applicants varies slightly, AHCA data supports this claim, showing approximately 30 percent of the procedures for District 9 residents in DRGs 104-109 were performed by providers outside of District 9, primarily in Districts 7 and 10.

Bethesda is the only co-batched applicant classified as a Medicaid Disproportionate Share Provider for State Fiscal Year 2001-2002. All co-batched applicants agreed to condition award the CON upon serving a portion of the medically needy. Boca Raton Community has agreed to establish an outreach program for the uninsured in the district.

Based on utilization in each hospital's established cardiac catheterization program, Martin Memorial has shown that it is likely to offer the second highest volume program with Boca Community offering the highest volume program.

None of the co-batched applicants demonstrated need for an additional program beyond the two previously approved by the Agency.

The following additional relevant factors are noted for each applicant:

Indian River Memorial Hospital, Inc. (CON #9510) is a non-profit, general acute care hospital with a total of 335 licensed beds located in Vero Beach, Indian River County, Florida. The hospital's adult inpatient and outpatient cardiac catheterization program volume was 1,018 for the period October 1999 through September 2000.

Quality of Care

- The applicant is JCAHO accredited and is a participant in good standing in the Medicare and Medicaid programs.

CON Action Numbers: 9510, 9511, 9512 & 9513

Financials/Costs

- The applicant's projections appear to be optimistic when compared to the historical operations of the hospital but even at a lower profit level projection, the addition of non-operating investment income makes the entity financially viable.

Medicaid/ Indigent Care

- The applicant offers to condition the CON to two percent of the cases in DRGs 104-108 and 112 being Medicaid and two percent of these DRGs being charity patients.

Architectural

- The project consists of 9,040 GSF of renovation and no new construction at a total construction cost of \$1,676,700.
- The projected cost for the renovation, is quite reasonable for this type of highly specialized surgical and support space. No plans were provided to indicate where the existing storage functions will be relocated. Because of the evident care taken in preparation of the new layout, it can be reasonably assumed that no architectural problems will be created in the relocation.
- The proposed project does not pose any architectural concerns and complies with Chapter 59A-3, Florida Administrative Code and all applicable codes.

Martin Memorial Medical Center, Inc. (CON #9511) is a non-profit corporation, which operates a 236-bed acute care facility in Stuart, Martin County, Florida. The applicant also operates Martin Memorial Hospital – South, a 100-bed acute care facility, which is also located in Stuart. The hospital's adult inpatient and outpatient cardiac catheterization program volume was the second highest of the co-batched applicants at 1,779 for the period April 2000 through March 2001.

Quality of Care

- The applicant is JCAHO accredited and is a participant in good standing in the Medicare and Medicaid programs.

CON Action Numbers: 9510, 9511, 9512 & 9513

Financials/Costs

- The applicant has adequate resources to implement this program.
- The program appears to be financially feasible.
- The proposed charges are similar to charges of existing programs. The hospital is expected to consume health care resources in proportion to services provided.
- The construction cost of \$289 per GSF is above “Means” median average for new construction, but can be justified due to new construction requirements.

Medicaid/Indigent Care

- Martin Memorial Medical Center, Inc. proposes to condition CON approval to charity care comprising 1.0 percent of the project’s gross revenues total and Medicaid/Medicaid HMO accounting for two percent of the admissions to the program.

Architectural

- The proposed project consists of 8,635 GSF of new construction at a total construction cost of \$2,180,338.
- There is an architectural problem in the proposed new OR addition shown on Sheet A2. The lounge (presumably for staff) cannot be located within the sterile area. There is a storage space adjacent to the lounge that looks like it is planned to be a future OR. If this is the case, there will need to be an additional scrub sink added. This space will need rated walls and doors as long as it is for storage, but the Architect is probably aware of this. In the ICU, the chairs shown at the sub nurses’ stations may not protrude into the eight-foot corridor. All required ancillary spaces seem to have been provided and there are no evident Code issues with the planning with the possible exception of the floor elevation issue.

CON Action Numbers: 9510, 9511, 9512 & 9513

Bethesda Healthcare System, Inc. (CON #9512) is a non-profit corporation, which operates Bethesda Memorial Hospital, a 362-bed facility located in Boynton Beach, Florida. The hospital's adult inpatient and outpatient cardiac catheterization program volume was 510 for the period April 2000 through March 2001.

Quality of Care

- The applicant is JCAHO accredited and is a participant in good standing in the Medicare and Medicaid programs.

Financials/Costs

- The applicant has adequate resources to implement this program.
- Based on the financial position and operations of the applicant it is not apparent that funding for all other capital projects will be available as needed.
- The construction cost of \$249per GSF is slightly above the "Means" median average for new construction and is reasonable for this component.

- **Medicaid/Indigent Care**

Schedule 7a shows the applicant projects 3.1 percent of the project's year two patient days will be provided to Medicaid patients.

- **Architectural**

The application included a site plan and a third floor plan as well as large scale plans of a typical patient room. The typical room looks well designed, but it cannot be determined from either the written or graphic information submitted which spaces are to be renovated and which remain as existing. This makes it difficult to determine whether the costs and timeframe are reasonable. With a construction budget of 1.5 million dollars, it would appear that there will be some fairly significant renovation involved in the project.

CON Action Numbers: 9510, 9511, 9512 & 9513

Boca Raton Community Hospital, Inc. (CON #9513) operates a 394-bed not-for-profit acute care hospital located in Boca Raton, Palm Beach County, Florida. Boca Raton Community Hospital's adult inpatient and outpatient cardiac catheterization program volume was the highest of the co-batched applicants at 1,862 for the period April 2000 through March 2001.

Quality of Care

- The applicant is JCAHO accredited and is a participant in good standing in the Medicare and Medicaid programs.

Financials/Costs

- Based on the financial position and operations of the applicant it is not apparent that funding for all other capital projects will be available as needed.

Medicaid/Indigent Care

- Boca Raton Community Hospital, Inc. proposes to condition CON approval on its provision of five percent of its year two combined Medicaid and charity open heart cases being uninsured patients.

Architectural

- Overall the addition appears to be well thought-out. There are comprehensive lists of spaces and square footages for all function that will be part of the project and there are plans of both floors. Schedule 10 indicates that the Architect/Engineer contracts are expected to be signed by December, 2001. The schematic plans submitted were done by an architectural firm that has previous healthcare experience and it is evident that the applicant has worked out a detailed program of spaces and needs with the designer.

G. RECOMMENDATION

Deny CON #'s 9510, 9511, 9512, and 9513.

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: _____

Karen Rivera
**Health Services and Facilities Consultant Supervisor
Certificate of Need**

Jeffrey N. Gregg
Chief, Bureau of Health Facility Regulation