

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

**St. John's Rehabilitation Hospital and Nursing Center, Inc./
CON #9619**

d/b/a St. John's Rehabilitation Hospital and Nursing Center
502 East Park Avenue
Tallahassee, Florida 32301

Authorized Representative: Paul H. Amundsen
(850) 425-2444

South Broward Hospital District/CON #9620

d/b/a Memorial Regional Hospital
3501 Johnson Street
Hollywood, Florida 33021

Authorized Representative: Jon D. Bandes
(954) 985-3452

2. Service District/Subdistrict

District 10, Broward County

B. PUBLIC HEARING

Although no public hearing was requested, the applicants did submit letters of support for their respective projects as presented below:

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) submitted 15 letters of support in its effort to add six comprehensive medical rehabilitation (CMR) beds to the 20-bed comprehensive medical rehabilitation program at its facility. Nine of the letters are from physicians who admit patients to the facility

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acknowledging the quality and compassionate care provided patients at the facility. A member of one physician's family was treated at the facility for three years. That physician indicated that she received excellent care. Another physician praised the facility with this comment: "With its combination of a rehabilitation hospital, nursing home, and assisted living facility; SJRH offers a continuum of care that is unparalleled in our geographic region." Other letters were from: a clinical neuropsychologist; a utilization review coordinator with BCBS/Health Options; the facility Chaplin, who is also a recipient of rehabilitative services at the facility; and a SNF Coordinator with Vista Healthplan. As with the physicians, these individuals expressed support for the project and confirmation of the quality, compassionate care provided at St. John's Rehabilitation Hospital and Nursing Center. Two letters of support were sent by CEOs of area hospitals, Holy Cross Hospital and North Ridge Medical Center.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital submitted 14 letters of support for its proposed six-bed addition to its comprehensive medical rehabilitation program. All 14 of the letters, 13 by physicians and one by a HMO representative, voice the need for a dedicated pediatric CMR program in Broward County since there currently are none. Some of the physician letters note that the applicant provides the only pediatric trauma center in Broward County and that the Joe DiMaggio Children's Hospital treats numerous patients with traumatic brain injury, spinal cord injury, orthopedic emergencies and neurological disorders. These patients often require rehabilitative services. Other physicians speak to the quality of care provided and the dedication by staff to assure highly specialized, compassionate care to children. All of the letters are of general support, not offering any numeric data or unique circumstances supporting the project.

C. PROJECT SUMMARY

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center, is a private, not-for-profit Florida corporation established under the sponsorship of the Archdiocese of Miami, operates a Class III, 20-bed comprehensive medical rehabilitation ``specialty hospital (CMR) and a 160-bed skilled nursing facility at 3075 N.W. 35th Avenue, Lauderdale Lakes in Broward County. The applicant seeks approval for the addition of six CMR beds to its existing 20-bed program. The six-bed addition will be accomplished through the renovation 2,261 GSF of space at a construction cost of \$14,040. The total cost of the proposed six-bed project is estimated to be \$71,107.

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According to the *Certificate of Need Predicated on Conditions* page, the applicant is proposing a minimum of three percent of its total annual patient days to Medicaid/charity care patients within the 26-bed CMR program

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital was created by legislative enactment and is governed by a seven-member Board of Commissioners and possesses taxing authority. Memorial Regional Hospital is a 684-bed Class I general acute care hospital which includes: 71 adult psychiatric beds; 11 adult substance abuse beds; 10 child/adolescent psychiatric beds; 22 Level II NICU beds; 19 Level III NICU beds, a 26-bed hospital based skilled nursing unit and 36 comprehensive medical rehabilitation beds. The applicant proposes to add six pediatric comprehensive medical rehabilitation beds (CMR) beds to the Joe DiMaggio Children's Hospital, a "hospital without walls" located within Memorial Regional Hospital. The applicant received approval under CON #9563 to add six pediatric CMR beds to the existing 36 CMR for a total of 42 CMR beds, six of which are dedicated to pediatric patients. However, this proposal, according to the application, does not seek additional beds. Rather, the applicant states: "South Broward Hospital District wishes to assure the Agency that it does not intend to develop a 12-bed unit at the Joe DiMaggio Children's Hospital, should the first application remain approved upon completion of the appeals process". Therefore, the applicant is not seeking to add six more pediatric CMR beds to the hospital. However, because the applicant has applied to add six beds in this batching cycle, if this application is approved, there would be 12 pediatric CMR beds approved at Joe DiMaggio Children's Hospital.

The proposed addition of the six-bed pediatric rehabilitation unit will be located in 3,000 square feet of renovated space on the fourth floor of Memorial Regional Hospital. The renovation cost is projected at \$561,000 and the total project cost is expected to be \$826,833. Again, according to the applicant, this is not 3,000 additional square feet of renovated space, but the same 3,000 square feet of space described in CON #9563, the initially approved CON to add six pediatric CMR beds.

According to the *Certificate of Need Predicated on Conditions* page, the applicant is proposing 15 percent of annual patient days associated with the six pediatric CMR beds, be dedicated to Medicaid patients. In addition, three percent of annual gross revenues for the six-bed unit will be provided as indigent care. There is an existing condition at the facility pursuant to CON #8048/9563 that carries a 5.57 percent Medicaid condition and a 3.43 percent charity condition on the 36 licensed and six

CON approved CMR beds. A blending of the existing, approved and proposed conditions would result in a new Medicaid condition of 6.75 percent on the 48 beds and a 3.38 percent condition on these same beds for charity patients. It is again recognized that it is not the applicant's intent to add 12 pediatric CMR beds, however, as noted above, if this application is approved, that would be the number of CMR beds the hospital could add, assuming both CONs were ultimately issued.

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), applications are comparatively reviewed to determine which applicant(s) best meets the review criteria.

Rule 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, Ed Carter, analyzed the application with consultation from the financial analyst, John Williamson, who reviewed the financial data and architect Joel Hill, who evaluated the architectural and the schematic drawings.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project(s) with the review criteria and application content requirements found in Sections 408.035, and 408.037; applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code; and Local Health Plans.

1. Fixed Need Pool

a. Does the project proposed respond to need as published by a fixed need pool? Chapter 59C-1.008 and rule 59C-1.039.

In Volume 28, Number 304, dated July 26, 2002 on page 3318 of Section XII of the Florida Administrative Weekly, a fixed need pool projection of six beds was published for comprehensive medical rehabilitation beds in District 10 for the January 2008 planning horizon.

District 10 has 283 licensed and 21 CON approved comprehensive medical rehabilitation beds. The comprehensive medical rehabilitation beds in District 10 experienced an occupancy rate of 81.91 percent during the period January 2001 through December 2001.

**CMR Occupancy Rates
District 10**

Facility	County	Licensed Beds	Occupancy % (01/01-12/01)
HealthSouth Sunrise Rehabilitation Hospital.	Broward	116	91.50%
Hollywood Medical Center	Broward	33	55.62%
Holy Cross Hospital	Broward	48	90.10%
Memorial Regional Hospital	Broward	36	85.78%
North Broward Medical Center	Broward	30	67.74%
St. John's Rehabilitation Hospital & Nursing Ctr.	Broward	20	64.27%
Average		283	81.91%

Source: Florida Hospital Bed and Service Utilization by District - July 26 2002

The 10 CON approved beds (CON #9262) for HealthSouth Sunrise Rehabilitation Hospital have been licensed (as of 11/13/02) subsequent to the July 26, 2002 publication of the *Florida Hospital Bed and Service Utilization by District* publication. The net result of this recent licensure is that there are 11 CON approved CMR beds and 293 licensed CMR beds in District 10 as of this writing. For purposes of consistent reporting however, this analysis will continue to reflect 283 licensed and 21 CON approved beds as reflected in the July 26, 2002, *Florida Hospital Bed Need Projections by District*, Volume I.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center is seeking beds within the fixed need projection of six CMR beds for District 10.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital, states that its six-bed approval (CON #9563) is currently being challenged by HealthSouth Sunrise Rehabilitation Hospital and, according to the applicant that is the reason for this application for the same six-bed program. On page 4 of the application, the applicant states: "South Broward Hospital District wishes to assure the Agency that it does not intend to develop a 12-bed unit at the Joe DiMaggio Children's Hospital, should the first application remain approved upon completion of the appeals process".

2. Local Health Plan Preferences

Is need for the project proposed supported by the applicable district plan? ss. 408.035(1)(a), Florida Statutes and Ch. 59C-1.039, Florida Administrative Code.

The District 10 October 2000 CON Allocation Factors Report does not provide preferences in the review of applications pertaining to comprehensive medical rehabilitation beds. The Broward Regional Health Planning Council does include the following general provision for hospitals in its CON preferences:

- (1) **Priority should be given to those applicants that have a history of and clear expression of intent to provide services to the indigent.**

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center, is part of the extensive Catholic Health Services (CHS) network which provides a broad continuum of health care, residential, community support and advocacy services to the elderly, the poor and the needy throughout the Archdiocese of Miami, which includes Broward County. Indigent patients who are candidates for rehabilitation services at St. John's will continue to be assessed on a case-by case basis and approval for an appropriate placement will be sought from CHS. The applicant agrees to condition the 26 CMR beds (20 existing and six proposed) for a minimum of three percent of the CMR program's total patient days to a combination of Medicaid/charity care patients. Based on its current payor mix

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in the CMR hospital, the applicant projects utilization that includes about 4.3 percent traditional Medicaid patient days and about 0.8 percent self-pay days. Based on information reported to AHCA, this applicant provided 8.1 percent Medicaid and no charity care for the FY 2000 reporting period.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is proposing 15 percent of annual patient days associated with the six pediatric CMR beds, be dedicated to Medicaid patients. In addition, three percent of annual gross revenues for the six-bed unit will be provided as indigent care. For the years 1998 through 2000 the applicant consistently complied with its condition to provide four percent of 36 CMR beds to Medicaid patients and 3.5 percent to charity. According to the applicant, currently, the South Broward Hospital District serves all patients in Broward County, including 108,000 who do not have health insurance. The South Broward District is the safety net provider in the south Broward service area and therefore carries the burden of significantly higher Medicaid and uncompensated care. In the last four years, the amount of revenue associated with the provision of uncompensated care to medically indigent patients has increased by approximately 60 30 percent, according to the applicant. Based on information reported to AHCA, this applicant provided 14.8 percent Medicaid and 6.5 percent charity care for the FY 2000 reporting period.

3. Agency Rule Criteria

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

- a. Section 59C-1.039(3) & (4), Florida Administrative Code: General Provisions and Required Staffing and Services**

General Provisions:

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

St. John's Rehabilitation Hospital and Nursing Center (CON #9619) is licensed as a Class III Specialty Hospitals and South Broward Hospital District, d/b/a Memorial Regional Hospital (CON #9620) is a Class I general acute care hospital with a designated 36-bed CMR unit.

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center is an existing 20-bed Class III Specialty Hospital governed under Chapter 395, Florida Statutes. The facility is co-located with a 160-bed skilled nursing home. The applicant seeks to add six CMR beds. According to the architectural review, the bed addition will be accomplished in part through the conversion of private rooms to semi-private use.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is a 684-bed Class I general acute care hospital with a 36-bed CMR unit. The applicant seeks to add six CMR beds to the Joe DiMaggio Children's Hospital on the fourth floor. Though physically separated from the existing 36-bed CMR unit on the seventh floor of the hospital, the applicant states that the pediatric rehabilitation unit at Joe DiMaggio Children's Hospital will not be independent of the existing rehabilitation expertise at the hospital and will operate as a satellite of the adult unit. The six-bed unit will consist of two semi-private rooms and two private rooms.

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

St. John's Rehabilitation Hospital & Nursing Center (CON #9619) as a Class III specialty hospital has fewer beds than required by this element of the Rule. Pursuant to a Joint Stipulation in DOAH Case Number 82-2638, St. John's Nursing and Rehabilitation Center was issued CON #2183 (Amended) authorizing the applicant to "Convert 20 skilled nursing home beds to comprehensive inpatient physical rehabilitation beds". The 20-bed "facility" was licensed (License #1528) under Chapter 395, Part I, Florida Statutes on November 1, 1984 as Broward County Nursing Home, Inc. d/b/a St. John's Nursing & Rehabilitation Hospital. Under this license the licensee was authorized to operate a 20-bed special rehabilitation hospital.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is a 684-bed Class I general acute care hospital with a 36-bed CMR unit, therefore this applicant is consistent with this element of the Rule.

4. **Conformance with Criteria for Approval. A CON for the establishment of new CMR inpatient services, the construction or addition of new CMR inpatient beds, or the conversion of licensed hospital acute care beds to CMR inpatient beds shall not normally be approved unless the applicant meets the applicable review criteria in Section 408.035, Florida Statutes, and the standards of need determination criteria set forth in this rule.**

See response to E.1.a. above and E.4.a. below.

5. **Medicare and Medicaid Participation. An applicant proposing to increase the number of licensed CMR inpatient beds at its facility shall participate in the Medicare and Medicaid programs.**

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center is a participating provider in the Medicare and Medicaid programs and intends to maintain this status for the proposed six new CMR beds.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is a participating provider in the Medicare and Medicaid programs and intends to maintain this status for the proposed six new CMR beds.

b. Required Staffing and Services.

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center has as its medical director Dr. Veronica Gipps, who is board-certified in physical medicine and rehabilitation, and serves as a diplomat to the American Board of Physical Medicine and Rehabilitation. Dr. Gipps has been in practice for 10 years and affiliated with St. John's Rehabilitation Hospital for seven of those years.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital has two board-certified psychiatrists on staff that will be available to patients of the proposed six-bed addition of the dedicated pediatric rehabilitation beds in the Joe DiMaggio Children's Hospital. Dr. Alan Novick is currently the rehabilitation medical director at Memorial Regional Hospital. Prior to being appointed medical director in July 2001 of all rehabilitation programs at Memorial, Dr. Novick served as medical director for Occupational Rehabilitation at the Hospital from 1994 to 2000. Dr. Esperanza Vargas-Posada is the current medical director of Pediatric Rehabilitation and Early Intervention and Development Programs at the Joe DiMaggio Children's Hospital. Dr. Vargas-

Posada is board-certified by the American Board of Physical Medicine and Rehabilitation as a physiatrist and is licensed to practice medicine in both New York and Florida. Dr. Vargas-Posadas' career spans more than 30 years and includes positions such as medical director for various pediatric rehabilitation units including West Gables Rehabilitation Hospital in Miami, the Joe DiMaggio Children's Hospital at Memorial Regional Hospital in Hollywood, and as Attending Physiatrist at Blythedale Children's Hospital and New York Medical College, both in New York according to the vitae, included in the application. The applicant states that Dr. Vargas' experience and training in the highly specialized field of pediatric rehabilitation medicine is evidence that she is a very qualified choice to be medical director of both pediatric rehabilitation and the early intervention and development programs at the Joe DiMaggio Children's Hospital.

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

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center, is an existing provider of CMR services and provides a range of services that meet or exceed the minimum requirements and intends to increase staffing to continue this level of care in the proposed new beds. Orthotic and prosthetic services will be provided through various external vendors.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is an existing provider of CMR services and provides a range of services that meet or exceed the minimum requirements and intends to increase staffing to continue this level of care in the proposed new beds. Therapists are trained in the use of orthotic and prosthetic devices and assist in patient fittings and the use of these devices. While the applicant did not specifically state, it is presumed that a contract exists with outside vendors to provide orthotic/prosthetic devices to patients in the hospital. Very few facilities are set-up to create these devices in-

house. All therapists who care for rehabilitation patients at the Hospital have training in the use of orthotic and prosthetic devices, according to the applicant.

- c. **Section 59C-1.039(5)(g), Florida Administrative Code, states that priority considerations for CMR inpatient services will be given to applicants who: (1) are a disproportionate share hospital; (2) are proposing to service Medicaid-eligible persons; and, (3) are a designated trauma center.**

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center is not a disproportionate share hospital, nor is it a designated trauma center. There are no existing CON conditions relative to CMR services at the facility. The applicant is proposing a minimum of three percent of its total annual patient days to Medicaid/charity patients.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is a designated Medicaid and Regional Perinatal Intensive Care Center Disproportionate Share Provider for State Fiscal Year 2001-2002. It is also a Level I trauma center for adults and pediatric patients. The pediatric emergency department and trauma center are provided through the Joe DiMaggio Children's Hospital at Memorial Regional Hospital and staffed 24 hours per day, seven days per week with pediatric emergency physicians and pediatric nurses who specialize in emergency medicine. There is an existing condition at the facility pursuant to CON #8048 that carries a four percent Medicaid condition and a 3.5 percent charity condition on the 36 licensed CMR beds. In this application the applicant is proposing 15 percent of annual patient days associated with the proposed six pediatric CMR beds be dedicated to Medicaid patients. In addition, three percent of annual gross revenues for the six-bed unit will be provided as indigent care. A blending of the existing and proposed conditions would result in a new Medicaid condition of 5.57 on the 42 licensed and presumed approved CMR beds and a 3.43 percent condition on these same beds for charity patients.

- d. **59C-1.039(6), Florida Administrative Code, Access Standard Comprehensive medical rehabilitation inpatient services should be available within a maximum ground travel time of two hours under average travel conditions for at least 90 percent of the district's total population.**

Inpatient CMR services in the district are available within a two hours drive time for at least 90 percent of the district's total population.

- e. **59C-1.039(7), Florida Administrative Code, Quality of Care: CMR inpatient services shall comply with agency standards for program licensure described in Section 59A-3, Florida Administrative Code. Applicants who submit an application that is consistent with the agency licensure standards are deemed to be in compliance with this provision. Applicants proposing to add beds to a licensed CMR inpatient service have received full Medicare certification as a rehabilitation hospital.**

Both applicants are existing Medicare providers of CMR services. Refer to Section 4. b. below.

- f. **59C-1.039(8), Florida Administrative Code, Services Description: An applicant for comprehensive medical rehabilitation inpatient service shall provide a detailed program description in its certificate of need application including:**

1. Age groups to be served.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center stated that discharge data revealed that 72 percent of the patients discharged in July 2001 - June 2002 reporting period were 65 and older, "leaving a significant portion (28 percent) who were younger adults." The applicant anticipates that it will continue to draw a similar blend of elderly and younger patients in the expanded CMR program, since it will continue to offer the same services plus aquatic rehabilitation, transitional ADL training, and expanded dining/socialization programs.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital currently operates a 36-bed CMR unit dedicated to adult patients. The proposed six-bed addition seeks to establish a dedicated CMR unit for pediatric patients within the Joe DiMaggio Children's Hospital at Memorial Regional Hospital. The facility currently provides highly specialized medical care to all children and adolescents ages 0 to 17. Adolescent cases are placed in Joe DiMaggio Children's Hospital or Memorial Regional Hospital on a case-by-case basis. The applicant did not provide a breakdown of admissions or discharges by age group in response to this criterion. However, on Schedule 7B, second year, for the six CMR beds only the applicant projects no Medicare, 7.1 percent self-pay, 23.6 percent Medicaid, 6.5 percent commercial insurance and 62.8 percent other managed care. While not specifically

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revealed, this could support the need for pediatric/adolescent beds requested by the applicant with 100 percent of the six beds proposed for the Joe DiMaggio Children's Hospital, presumably under 65 years of age.

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center currently offers the following medical rehabilitation programs:

- > Stroke Rehabilitation
- > Traumatic Brain Injury Program
- > Neurological Rehabilitation:
 - + Spinal cord injury
 - + Multiple sclerosis
 - + Peripheral neuropathy
 - + AIDS patients with neurological involvement
 - + Parkinson's disease
 - + Spasticity management
 - + Other neurological disorders
- > Orthopedic Rehabilitation
 - + Fast track joint rehabilitation program
 - + Total joint rehabilitation
 - + Multiple trauma
- > Amputee Rehabilitation
- > Arthritis Rehabilitation
- > Outpatient rehabilitation/follow-up services

In addition to the above programs/services, the applicant expects to provide the following programs when the existing CMR unit relocates to renovated areas in the St. Joseph's Residence this fall. The new programs will include:

- > Aquatic rehabilitation programs
- > Transitional ADL living/training programs
- > Community dining and socialization

The applicant states that it is applying for CARF accreditation.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital offers a variety of programs for its adult rehabilitation patients that will be extended and specially tailored to include the needs of pediatric patients. These programs include:

a brain injury program that is certified by the State of Florida, Department of Health, a spinal cord injury program, a variety of physical therapy programs, occupational therapy for outpatients, speech/language pathology, neuropsychology/rehabilitation psychology and an early intervention and developmental program. According to the applicant, the early intervention and developmental program is certified by the Broward County Board of County Commissioners under the Children's Services Administration Division, as an Early Intervention and Development Program provider. The applicant states that there are currently there are only two Broward County providers that offer a certified early intervention and developmental program and they are the South Broward Hospital District and the North Broward Hospital District. The Joe DiMaggio Children's Hospital early intervention and developmental program currently serves infants and toddlers age zero (0) to three (3) years who exhibit one or more risk factors for developmental delay, or slow or impaired development. The facility sees approximately 750 patients through the early intervention and developmental program each year. The proposed project will provide a six-bed dedicated pediatric CMR program within the hospital. The applicant is both JCAHO and CARF accredited.

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

Both applicants have existing CMR programs, fully staffed with trained, qualified professionals and a medical director. Each application contains a curriculum vitae of its qualified medical director. For a detail of the proposed staffing, see Schedule 6A in each application.

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

Both applicants are established hospitals with experience in the recruitment, retention and development of staff. While neither of the applicants indicated that they expected problems in recruiting registered nurses for their proposed CMR bed additions, it is common knowledge that there is a nursing shortage in the country.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center proposes to add 1.0 FTEs registered nurses for the second year if it is approved for six new CMR beds. The applicant expects to be able to add rehab staff gradually through its routine recruitment techniques and uses Catholic Health Services to fill open positions. This will entail reviewing on-file applications from qualified candidates, advertising/interviewing for open positions, participating in school job fairs, and accessing the CHS network of manpower resources. The applicant also expects there are staff members currently working in the ALF areas of St. Joseph's Residence who would be qualified to work in the CMR program when it relocates to that building, or interested in training to do so in the face of the reduction in ALF beds. The recently implemented several new initiatives designed to attract, recruit and retain qualified nursing staff in the face of the present nursing shortage. The applicant did not indicate it expected a problem recruiting qualified registered nurses to fill the new positions created by the proposed project.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital proposes to add 4.2 RNs to staff the six proposed CMR beds. As the second largest hospital in Broward County, the applicant has established recruitment techniques as part of its strong recruitment program: advertisements in major city newspapers, postings via the internet and the South Broward Hospital District website, and the use of a professional recruiter, are some of the tools used to recruit needed staff. The applicant believes that retention and development of clinical staff is just as crucial as recruitment and hiring of staff. Consequently the applicant has an aggressive program for continued development of staff. The applicant did not indicate it expected a problem recruiting qualified registered nurses to fill the new positions created by the proposed project.

5. Expected sources of patient referrals.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center already has a wide referral base which extends throughout Broward County and on into northern Miami-Dade County. The applicant cited Agency discharge data for July 2001 - June 2002, stating that about 2.3 percent of the facility's discharges were from Miami-Dade. The presence of 120 ALF units, 160 skilled nursing beds, and 108 HUD elderly housing units as well as Catholic Home

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Health Services of Broward on the applicants' campus, provides a steady stream of patients who require rehabilitation services. The applicants association with Catholic Health Services and with Catholic churches drives many referrals. In addition, the applicant has a long-lasting relationship with key area physicians and hospitals that refer patients to the facility.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital expects that its inpatient pediatric CMR unit's volume will likely be driven by emergency and trauma admissions including brain and spinal cord injuries as well as neurosurgery and orthopedic cases. The Joe DiMaggio Children's Hospital currently offers the only pediatric trauma center in South Broward County. Based on July 1, 2001 to June 30, 2002, internal demand generated 149 patients. As a system, the South Broward Hospital District d/b/a Memorial Healthcare System has two other sister hospitals from which to receive inpatient rehabilitation referrals. The applicant lists at least 12 area hospitals it has transfer agreements with and while some of these facilities may offer CMR services, none of them offer a dedicated pediatric inpatient rehabilitation unit as proposed by the applicant. Another referral source is expected to be from the numerous programs offered by the South Broward Hospital District, who enjoys a reputation as one of South Florida's leading health care systems. For a detail listing of hospitals with transfer agreements and the district's facilities and services, see page 100 of the application.

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center projects first year utilization of the 26 beds at 6,629 patient days (69.7 percent) with the second year at 7,267 patient days (76.6 percent) of care to patients. Of these projected patient days, the applicant expects both years for the 26 beds to reflect a payor mix of 73.9 percent Medicare (Medicare 71.1 percent + Medicare HMO 2.8 percent), 5.0 percent Medicaid (4.3 percent + Medicaid HMO 0.7 percent), 20.3 HMO/PPO and commercial insurance, and 0.8 percent self-pay.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital projects first year utilization of the six beds will be 1,357 patient days (61.8 percent) with the second year at 1,861 patient days (85.0 percent) of care to patients. Of these projected patient days, the applicant expects first year payor mix to be: Medicare 0.0 percent; Medicaid 23.7 percent, insurance and managed care 69.2 percent and self-pay 7.1 percent. Second year payor mix is similar with: Medicare 0.0 percent; Medicaid 23.6 percent, insurance and managed care 69.3 percent and self-pay 7.1 percent. Because this project targets pediatric patients, the applicant does not project revenue from Medicare where in the entire hospital, Medicare is projected to account for 23.7 percent of overall revenue.

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a **St. John's Rehabilitation Hospital & Nursing Center** is part of the extensive Catholic Health Services (CHS) network which provides a broad continuum of health care, residential, community support and advocacy services to the elderly, the poor and the needy throughout the Archdiocese of Miami, which includes Broward County. Indigent patients who are candidates for rehabilitation services at St. John's will continue to be assessed on a case-by-case basis and approval for an appropriate placement will be sought from CHS. The applicant agrees to be condition upon approval of the proposed six CMR beds for a minimum of three percent of the CMR program's total patient days to a combination of Medicaid and/or indigent patients for the entire 26-bed CMR service. Based on information from the financial analyst section of AHCA for the fiscal year 2000, this applicant provided 8.1 percent Medicaid and no charity care for the FY 2000 reporting period.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is proposing three percent of annual gross revenues for the six-bed unit will be provided as indigent care. For the years 1998 through 2001 the applicant consistently complied with its condition to provide four percent of 36 CMR beds to Medicaid patients and 3.5 percent to charity. Currently, the South Broward Hospital District serves all patients in Broward County, including 108,000 who do not have health insurance. The South Broward District is the safety net provider in the south Broward service area and therefore carries the burden of significantly higher

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Medicaid and uncompensated care. In fiscal year 2002 (ended April 30), the South Broward Hospital District provided approximately \$220 million in uncompensated care to the medically indigent population of Broward County, which included charity care and uncollected accounts. Memorial Regional Hospital accounted for approximately 60 percent or \$135 million of that total. Based on information from the financial analyst section of AHCA for the fiscal year 2000, this applicant provided 14.8 percent Medicaid and 6.5 percent charity care for the FY 2000 reporting period

- g. 59C-1.039(9), Florida Administrative Code, Applications from Licensed Providers of CMR Inpatient Services. A facility providing licensed CMR inpatient services seeking certificate of need approval for additional CMR inpatient beds shall provide the following information in its certificate of need application in addition to the information required by subsection f (Services Description):**

Both of the applicants seek additional CMR beds. However, South Broward Hospital District states that it does not seek beds in addition to those previously approved under CON #9563. St. John's Rehabilitation Hospital and Nursing Center is responding to the fixed need pool.

- 1. Number of CMR medical rehabilitation inpatient services admissions and patient days for the 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed bed need pool.**

CMR Patient Days and Occupancy Rates January 1, 2001 through December 31, 2001 Co-Batched Applicants

Facility	Patient Days/ Admissions	Licensed Beds	Occupancy %
St. John's Rehabilitation Hospital	4,692/396	20	64.27%
Memorial Regional Hospital	11,272/932	36	85.78%
Average		56	78.10%

Source: Florida Hospital Bed and Service Utilization by District - 07/26/02 and CON applications 9619 & 9620

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center states that during the calendar year 2001, St. John's Rehabilitation Hospital reported 396 CMR admissions, which accounted for 4,692 patient days. For the 12-month period ending September 30, 2002, the applicant states that utilization of CMR beds increased to 69.62 percent.

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South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital states that the number of admissions and patient days experienced by the applicant during the 12-month period ending December 31, 2001, which is the applicable period referenced by this rule, were 932 admissions and 11,272 patient days.

2. **Number of CMR inpatient services patient days by payor type, including Medicare, Medicaid, private insurance, self-pay and charity care patient days, for the 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed bed need pool.**

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center did not report for the appropriate reporting period but presented more current data in response to this criterion:

**St. John's Patient Days by Payor;
October 1, 2001 - September 30, 2002**

Payor	Patient Days	% of Total
Medicare (traditional)	3,611	71.1%
Medicare HMO	142	2.8%
Medicaid (traditional)	220	4.3%
Medicaid HMO	38	0.7%
Other Managed Care	683	13.5%
Commercial Insurance	348	6.8%
Self-Pay	40	0.8%
Total	5,082	100.0%

Source: Application #9619

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital:

**SBHD CMR Patient Days by Payor;
January 1, 2001 - December 31, 2001**

Payor	Patient Days	% of Total
Medicare	4,573	40.03%
Medicaid	948	8.30%
Private Insurance	4,123	36.09%
Self Pay	849	7.43%
Charity Care	469	4.11%
Other	462	4.04%
Total	11,424	100.00%

Source: Application #9620

The applicant states that the above data was calculated from the hospital's internal discharge data and differs slightly in comparison to patient days published by the Broward Regional Health Planning Council, Inc.

3. Gross revenues by payer source for the 12-month period ending six months prior to the beginning date of the quarter of the publication of the fixed bed need pool.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center reported for the fiscal year ended September 30, 2001, which it states is the most recent period for which this information has been completed:

**St. John's Gross Revenues by Payor;
October 1, 2000 - September 30, 2001**

Payor	Gross Revenue	% of Total
Medicare	\$3,146,684	73.5%
Medicaid	\$ 150,894	3.5%
HMO	\$ 832,223	19.5%
Commercial Insurance	\$ 107,921	2.5
Private Pay	\$ 43,125	1.0%
Total	\$4,280,847	100.0%

Source: Application #9619

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital:

**SBHD Joe DiMaggio Children's Hospital
Total Gross Revenue by Payor;
January 1, 2001 - December 31, 2001**

Payor	Gross Revenue	% of Total
Medicare	\$ 0	0.0%
Medicaid	\$ 34,227,200	28.7%
Private Insurance	\$ 77,347,135	64.9%
Self Pay	\$ 4,708,017	4.0%
Charity Care	\$ 508,092	0.4%
Other	\$ 2,350,314	2.0%
Total	\$119,140,758	100.0%

Source: Application #9620

4. Current staffing.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center currently operates a 20-bed CMR Hospital and a 160-bed skilled nursing facility at the same site. The total staff of the 20-bed CMR Hospital is 37.4 FTEs. The applicant is proposing to add six CMR beds and expects to increase the staff by 3.0 FTEs in the second year of operations with a total staff of 40.40 FTEs for the 26 beds. The applicant noted that the majority of the rehab hospital support services are provided by the nursing center, therefore no FTEs are reported in these areas.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital currently operates 36 CMR beds within a 684-bed acute care hospital. The applicant provided total facility staffing on Schedule 6A which represents 3,288 FTEs. The proposed six pediatric CMR bed addition is to be separately located in the Joe DiMaggio Children's Hospital area, away from the existing 36-bed adult CMR unit, in Memorial Regional Hospital. Staffing for the six new CMR beds will add 16.6 FTEs in the first year of operations and no additional pediatric CMR staff in year two. Staffing for the existing adult 36-bed CMR was not provided.

5. Current specialty inpatient rehabilitation services, if any (e.g. spinal cord injury; brain injury).

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center currently offers the following medical rehabilitation programs:

- > Stroke Rehabilitation
- > Traumatic Brain Injury Program
- > Neurological Rehabilitation:
 - + Spinal cord injury
 - + Multiple sclerosis
 - + Peripheral neuropathy
 - + AIDS patients with neurological involvement
 - + Parkinson's disease
 - + Spasticity management
 - + Other neurological disorders
- > Orthopedic Rehabilitation
 - + Fast track joint rehabilitation program
 - + Total joint rehabilitation
 - + Multiple trauma
- > Amputee Rehabilitation
- > Arthritis Rehabilitation
- > Outpatient rehabilitation/follow-up services

The applicant states that after the existing CMR program relocates to renovated areas in the St. Joseph's Residence on the St. John's campus (Fall 2003) the following additional programs will be available:

- + Aquatic rehabilitation programs
- + Transitional ADL living/training programs.
- + Community dining and socialization

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital currently offers a variety of programs for its adult rehabilitation patients that will be extended and specially tailored to include the needs of pediatric patients. These programs include: a brain injury program that is certified by the State of Florida, Department of Health, a spinal cord injury program, a variety of physical therapy programs, occupational therapy for outpatients, speech/language pathology, neuropsychology/rehabilitation psychology and an early intervention and developmental program. According to the applicant, the early intervention and developmental program is certified by the Broward County Board of County Commissioners under the Children's Services Administration Division, as an early intervention and development program provider. The applicant states that there are currently only two Broward County providers that offer a certified early intervention and developmental program and they are the South Broward Hospital District and the North Broward Hospital District. The Joe DiMaggio Children's Hospital early intervention and developmental program currently serves infants and toddlers age zero (0) to three (3) years who exhibit one or more risk factors for developmental delay, or slow or impaired development. The facility sees approximately 750 patients through the early intervention and developmental program each year.

h. 59C-1.039(10), Florida Administrative Code, Utilization Reports

Both of the co-batched applicants currently provide utilization data required by AHCA reporting requirements and pledged to continue to do so in the future.

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.

As of July 2002, District 10, consisting of Broward County, had a total of 283 licensed comprehensive medical rehabilitation (CMR) beds and 21 certificate of need approved beds. The licensed CMR beds experienced an average occupancy rate of 80.42 percent for the reporting period July 2000 through June 2001. Existing bed/utilization within the district include:

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District 10 Comprehensive Medical Rehabilitation Beds/Occupancy		
Facility	# Beds	Occup.
Health South Sunrise Rehab Hospital - a Specialty Hosp	116	91.50%
Hollywood Medical Center - a General Hospital	33*	55.62%
Holy Cross Hospital - a General Hospital	48	90.10%
Memorial Regional Hospital - a General Hospital	36	85.78%
North Broward Medical Center - a General Hospital	30**	67.74%
St. John's Rehabilitation Hospital - a Specialty Hospital	20	64.27%
Total	283	81.91%

Source: AHCA, Florida Hospital Bed Need Projections by District, 07/26/02
 AHCA Florida Hospital Bed and Service Utilization by District, 07/26/02
 *Addition of five CMR beds approved under CON #9562P
 **Addition of six CMR beds approved under CON 9563

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center was founded in 1980 by the Archdiocese of Miami as a non-profit, faith-based nursing home, and according to the applicant remains an important element in the extensive post-acute care continuum administered by the Archdiocese of Miami through its Catholic Health Services organization. A need for intensive inpatient rehabilitation services on the St. John's campus was identified in the early 1980s and CON approval was granted in 1984 pursuant to a Joint Stipulation agreement in resolution of DOAH Case Number 82-2638 (CON #2183) to establish 20 CMR beds at St. John's. Today the campus includes the following programs and services:

- 20 inpatient rehabilitation (CMR) bed hospital
- Outpatient rehabilitation services
- 160 skilled nursing beds
- Catholic Home Health Services of Broward
- 120 ALF beds (St. Joseph's Residence)
- HUD housing facility (St. Joseph Towers)

The applicant states the hospital has experienced a dramatic growth in occupancy over the past two years, averaging almost 70 percent during the most recent 12-month period ended September 30, 2002 - a significant increase, even from the 63 percent average occupancy just 12 months earlier. This growth is attributable to several factors, including expansion of the variety of programs offered and of the managed care contracts in which St. John's participates. The availability of a continuum of care on the St. John's campus creates a natural "flow" of patients, with the assisted living facility (ALF) and (HUD) residential units on the same campus as well as the nursing center, providing a steady stream of patients requiring CMR services. The applicant's connection with Catholic Health Services and with the Catholic population through the churches drives many of its referrals. The

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applicant contends that approval of its project will do the most to improve both the distribution of and geographic access to CMR beds in Broward County by expanding the district's smallest program, and putting beds needed by the district at a facility which is readily accessible to the largest number of county residents. St. John's Rehabilitation Hospital is located within 10 miles of over 65 percent of the Broward County population and near major arterial roads providing easy access to the facility, according to the applicant. The applicant does not propose or anticipate any significant changes to the referral patterns already established in this service area.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital proposed to add six dedicated inpatient pediatric CMR beds to the Joe DiMaggio Children's Hospital section of the facility under CON #9563 and was approved. The applicant states that it is not applying to add six more beds, but is submitting a second application for the same six beds proposed under CON #9563. The Joe DiMaggio Children's Hospital offers the only designated pediatric trauma center in Broward County. The applicant states that internal demand for inpatient pediatric services is likely to be sufficient to support the proposed six-bed addition. Trauma, brain injury, spinal cord injury, neuromuscular disease, neurosurgery, amputations and orthopedics are expected to account for the vast majority of admissions to the pediatric rehabilitation unit.

The South Broward Hospital District has traditionally provided care for financially underserved populations and is the safety net provider in the area. In fiscal year 2002 (ended April 30), the South Broward Hospital District provided approximately \$220 million in uncompensated care which included charity and uncollected accounts in addition to over \$140 million in Medicaid care. Memorial Regional Hospital accounted for approximately 60 percent or \$135 million of the total uncompensated care in the District and 76 percent (\$103 million) of the South Broward Hospital District Medicaid care. The Joe DiMaggio Children's Hospital portion of Memorial Regional Hospital's charity, uncompensated and Medicaid care amounted to approximately 40 million dollars.

The applicant currently operates one of the highest utilized CARF-accredited inpatient adult rehabilitation units in Broward County. In 2001, the 36-bed inpatient adult rehab unit operated at 85.8 percent occupancy. In addition to CARF accreditation, Memorial Regional Hospital has achieved acute brain and spinal cord injury program certification from the State of Florida, Department of Health. The applicant plans to seek to expand this certification to include brain and spinal cord injury rehabilitation programs, as well.

The applicant concludes that the availability of a dedicated pediatric unit will enhance the continuum of inpatient services and will allow Memorial Regional Hospital/Joe DiMaggio Children's Hospital to group children with similar care needs in an optimal setting that has been designed to meet their unique needs. Although the Agency does not publish need for pediatric CMR services and the extent of utilization of existing health care facilities and health services in the applicant's service area for this population is not known, the applicant has indicated that its internal records show that designating these beds as pediatric CMR beds and placing them in an existing children's trauma center will improve access to this population and strengthen the continuum of care offered pediatric trauma patients in Broward County. Again, as stated above, CON #9563 was previously approved to establish this pediatric CMR unit and the applicant has stated that it is only interested in establishing a six-bed unit, rather than a 12-bed unit

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center is JCAHO accredited and states that it has applied for CARF accreditation. The applicant described its performance improvement plan in detail and demonstrated its ability to provide quality care. Agency licensure records indicate that in the past 36 months St. John's Rehabilitation Hospital has had no confirmed complaint investigations.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is both JCAHO and CARF accredited and, according to the applicant, has won numerous consumer based awards including *Best Run Hospital* from Florida Medical Business in 2002 and *Best Pediatric Hospital in Broward* from South Florida Parenting, 1996-2001. The applicant states that as the Joe DiMaggio Children's Hospital, it will seek additional CARF accreditation for this pediatric CMR unit. The applicant has demonstrated its ability to provide quality care. Agency licensure records indicate that Memorial Regional has had 12 confirmed complaint investigations, four of which were without deficiencies in the past 36 months. Two of the confirmed investigations involved emergency access violations and six involved patient care.

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

The proposed projects do not involve special health care services that are not reasonably or economically accessible in adjacent districts.

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

Neither of the co-batched applicants proposed projects will be located in statutorily defined teaching hospitals and neither of the projects primary purpose is research. Both applicants indicate that their respective projects will support the clinical needs of health professionals in the proposed service area. Each has affiliations with various area schools.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center, states that it has training affiliations with several area schools including Atlantic Vocational School, McFadden Vocational and Sheridan Vocational Schools, the University of Central Florida, Florida International University, Nova Southeastern, the University of Miami, Florida A & M University, Keiser College, Palm Beach Community College, Barry University and others.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital provided a listing, which included numerous teaching institutions with which it states the hospital regularly maintains teaching affiliations. These include 19 schools in its physical therapy program, including Boston University and the University of Dublin at Trinity College, seven in its occupational therapy program, five in its speech/language pathology therapy program and four in its therapeutic recreation program.

- e. **What resources, including health manpower, management personnel, and funds for capital and operating expenditures, are available for project accomplishment and operation? ss. 408.035(6), Florida Statutes.**

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center. The audited financial statements for the periods ending September 30, 2001 and 2000 were analyzed for the purpose of evaluating the applicant's ability to provide the capital and operational funding necessary to implement the project. The following is a list of accounts and ratios used in the analysis:

	09/31/2001	09/31/2000
Current Assets	\$ 6,153,866	\$ 6,252,132
Cash and Current Investment	\$ 3,890,161	\$ 3,737,024
Assets Restricted for Capital Projects	\$ 52,311	\$ 48,254
Total Assets	\$ 10,381,751	\$ 10,300,061
Current Liabilities	\$ 2,267,841	\$ 2,609,951
Total Liabilities	\$ 9,662,099	\$ 9,989,588
Total Equity	\$ 719,652	\$ 310,476
Net Operating Revenues	\$ 15,612,884	\$ 14,064,591
Interest Expense	\$ 465,279	\$ 554,887
Net Profit - Operations	\$ 103,071	\$ (404,211)
Net Income	\$ 409,179	\$ (152,331)
Cash Flow from Operations	\$ 865,126	\$ 717,743
Working Capital	\$ 3,886,025	\$ 3,642,181
Current Ratio (CA/CL)	2.7	2.4
Cash Flow to Current Liabilities (CFO/CL)	0.4	0.3
Long-Term Debt to Equity (TL-CL/TE)	10.3	23.8
Times Interest Earned (NPO+Int/Int)	1.2	0.3
Equity to Total Assets (TE/TA)	6.9%	3.0%
Operating Margin (NPO/NOR)	0.7%	-2.9%
Total Margin (NI/NOR)	2.6%	-1.1%
Return on Assets (NI/TA)	1.0%	-3.9%
Operating Cash Flow to Assets (CFO/TA)	8.3%	7.0%

Short-term position:

The applicant's current ratio of 2.7 indicates current assets are more than two times that of short-term liabilities, a good position. The working capital (current assets less current liabilities) of \$3.9 million is good for the size of the entity. The ratio of cash flow to current liabilities of 0.4 is below average. Overall, the applicant has an acceptable short-term position.

Long-term position:

The long-term debt to net assets ratio of 10.3 indicates long-term debt is more than 10 times greater than net assets. This is below average, and a weak position. The ratio of cash flow to assets of 8.3 percent is good. The most recent year had a gain of \$409,179, which resulted in a margin ratio of 2.6 percent. Net assets total \$719 thousand. The ratio of net assets to total assets is 6.9 percent. This is a very low level. Overall, the applicant has a weak but acceptable long-term position.

Capital requirements:

Schedule 2 indicates the applicant has \$5.3 million in capital projects. The schedule did not include maturities of long-term debt, which total \$82.1 thousand through 2003, bringing the total funded need to \$5.4 million.

Available capital:

The applicant expects to fund all projects from cash flows. The audited financial statements for the period ended September 30, 2001 showed \$865 thousand in cash flows or \$2.6 million through year one of the project and \$52.3 thousand in assets restricted for capital improvements. The applicant states that all capital projects are funded from operations, bond issues, letter of credit or through its parent, Catholic Health Services. Schedule 2 noted that the applicant expects to fund the total capital budget as follows: \$1 million from cash flows, \$4.0 million from amounts assured but not in hand and \$300,000 currently being sought. No details were provided about the source of these funds.

Conclusion:

The applicant can meet its capital funding needs for this project. Capital for all other projects is unproven but likely to be available.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital. The audited financial Statements for the periods ending April 30, 2002 and 2001 were analyzed for the purpose of evaluating the applicant's ability to provide the capital and operational funding necessary to implement the project. The following is a list of accounts and ratios used in the analysis:

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	<u>04/30/2002</u>	<u>04/30/2001</u>
Current Assets	\$ 317,849,000	\$ 227,998,000
Cash and Current Investment	\$ 249,843,000	\$ 167,406,000
Assets Restricted for Capital Projects	\$ 76,453,000	\$ 74,564,000
Total Assets	\$ 873,621,000	\$ 682,360,000
Current Liabilities	\$ 104,490,000	\$ 97,064,000
Total Liabilities	\$ 502,925,000	\$ 369,414,000
Net Assets	\$ 370,696,000	\$ 312,946,000
Net Operating Revenues	\$ 719,882,000	\$ 626,225,000
Interest Expense	\$ 11,477,000	\$ 11,271,000
Income from Operations	\$ 4,765,000	\$ (4,319,000)
Excess of revenue over expenses	\$ 55,697,000	\$ 49,063,000
Cash Flow from Operations	\$ 50,992,000	\$ 66,253,000
Working Capital	\$ 213,359,000	\$ 130,934,000
Current Ratio (CA/CL)	3.0	2.3
Cash Flow to Current Liabilities (CFO/CL)	0.5	0.7
Long-Term Debt to Equity (TL-CL/TE)	1.1	0.9
Times Interest Earned (NPO+Int/Int)	1.4	0.6
Equity to Total Assets (NA/TA)	42.4%	45.9%
Operating Margin (ER/NOR)	0.7%	-0.7%
Total Margin (NI/NOR)	7.7%	7.8%
Return on Assets (ER/TA)	6.4%	7.2%
Operating Cash Flow to Assets (CFO/TA)	5.8%	9.7%

Short-term position:

The applicant's current ratio of 3.0 indicates current assets are three times that of short-term liabilities, an above average position. The working capital (current assets less current liabilities) of \$213.4 million indicates positive short-term liquidity. The applicant has a good short-term position.

Long-term position:

The long-term debt to equity ratio of 1.1 is between the 50th and the 80th percentile statewide. Long-term debt of \$398.4 million is significant but not excessive in relationship to the overall size of the applicant. Excess of revenue and net non-operating gains over expenses totaled \$50.9 million in 2002 or 7.7 percent. Net assets total \$370.7 million. The applicant has a good long-term position.

Capital requirements:

Schedule 2 indicates capital projects total \$344.6 million. Maturities on long-term debt through 2004 total \$14.7 million. The total capital requirement is estimated at \$359.4 million.

Available capital:

The district has set aside \$76.5 million in Board designated assets for capital improvements. Another \$174.6 million is available in short-term investments. Cash flows from operations totaled \$50.1 million in FY 2002.

Conclusion:

Funding is available for this project and is likely to be available for the entire capital budget.

f. What is the immediate and long-term financial feasibility of the proposal? ss. 408.035(8), Florida Statutes.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center. 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.

Comparative data were derived from hospitals in peer groups that reported data in 2000; the applicant will be compared to the hospitals in group 18. Per Diem rates are projected to increase by an average of 3.3 percent per year. Inflation adjustments were based on the most current Florida Hospital Input Price Index.

Gross revenues, net revenues, and costs were obtained from Schedules 7 and 8 in the financial portion of the application. These were compared to the control group as a calculated amount per adjusted patient day. The adjustment is made to factor out the outpatient revenues in the per patient day computation.

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Net revenue per adjusted patient day (NRAPD) of \$794 in year one and \$816 in year two is above the control group highest values of \$772 in year one and \$795 in year two. The highest level is generally viewed as the practical upper limit on economies of operation. With net revenues per adjusted patient day exceeding this level the hospital is expected to consume greater health care resources than the control group in proportion to the services provided. (See Comparative Table). The 2000 actual NRAPD of \$589 for this hospital was slightly above the median for the group of \$562.

The applicant states that estimated Medicare reimbursement is based on anticipated PPS reimbursement for the current mix of cases, which they have determined will result in greater revenue than under cost-based TEFRA. The applicant did not submit data that would allow us to test the reasonableness of their assumptions in estimating revenues.

Projected cost per adjusted patient day of \$701 in year one and \$712 in year two is above the group highest values of \$684 in year one and \$704 in year two. This is not considered cost efficient when compared to the control group. (See Comparative Table). The 2000 actual CAPD for this hospital was \$605, which was at the median value in the group of \$605.

The year two operating profit for the hospital of \$801,444 computes to an operating margin per adjusted patient day of \$104, between the median and highest value in the group of -\$16 and \$122. The operating margin is 12.8 percent, which is above the 80th percentile for Florida hospitals. The 2000 actual margin per adjusted patient for this hospital was -\$16. The projected margin does not appear to be reasonable when compared to actual historical operations.

While the applicant's ability to implement the project is not in question, awarding beds to this applicant represents a financially inefficient use of all hospital beds.

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Comparative Table

CON # 9619	2005	YEAR 2	INFLATION ADJUSTED		
St. John's Rehabilitation Hospital	YEAR 2	ACTIVITY	VALUES		
2000 DATA Peer Group 18	ACTIVITY	PER DAY	Highest	Median	Lowest
ROUTINE SERVICES	3,467,522	452	619	309	180
INPATIENT AMBULATORY	0	0	4	0	0
INPATIENT ANCILLARY SERVICES	4,021,866	524	1,178	555	358
OUTPATIENT SERVICES	244,981	32	407	123	12
OTHER OPERATING REVENUE	173,589	23	27	3	0
TOTAL REVENUE	7,907,958	1,031	2,205	998	722
DEDUCTIONS FROM REVENUE	1,644,528	214	*	*	*
NET REVENUES	6,263,430	816	795	476	318
EXPENSES					
ROUTINE	1,225,240	160	200	84	50
ANCILLARY	1,430,579	186	206	121	72
AMBULATORY	0				
OVERHEAD	2,806,167	366	339	281	202
OTHER	0	0			
TOTAL EXPENSES	5,461,986	712	704	494	324
OPERATING INCOME	801,444	104	122	-16	-114
		12.8%			
PATIENT DAYS	7,266		NOT INFLATION ADJUSTED		
ADJUSTED PATIENT DAYS	7,672				
TOTAL BED DAYS AVAILABLE	9,490				
ADJ. FACTOR	0.9471				
TOTAL NUMBER OF BEDS	26				
PERCENT OCCUPANCY	76.6%		99.4%	87.8%	30.3%
PAYER TYPE	PATIENT DAYS	% TOTAL			
MEDICARE	5,167	71.1%	86.7%	77.8%	42.7%
COMMERCIAL	494	6.8%			
MEDICAID	312	4.3%	13.9%	4.4%	0.7%
PRIVATE	58	0.8%			
HMO/PPO	1,235	17.0%	30.5%	10.7%	0.0%
OTHER	0	0.0%			
TOTAL	7,266	100.0%			

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital. 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.

Comparative data were derived from hospitals in peer groups that reported data in 2000; the applicant will be compared to the hospitals in group 5. Per Diem rates are projected to increase by an average of 3.1 percent per year. Inflation adjustments were based on the most current Florida Hospital Input Price Index.

Gross revenues, net revenues, and costs were obtained from Schedules 7 and 8 in the financial portion of the application. These were compared to the control group as a calculated amount per adjusted patient day. The adjustment is made to factor out the outpatient revenues in the per patient day computation.

Net revenue per adjusted patient day (NRAPD) of \$1,376 in year one and \$1,401 in year two is between the control group lowest and median values of \$950 and \$1,422 in year one and \$979 and \$1,465 in year two.

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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 2001 actual NRAPD for Memorial Regional Hospital was \$1,151.

Projected cost per adjusted patient day of \$1,373 in year one and \$1,404 in year two is between the group lowest and median values of \$1,074 and \$1,447 in year one and \$1,107 and \$1,491 in year two. The projections are considered cost-efficient when compared to the control group. (See Comparative Table). The 2001 actual CAPD for this hospital was \$1,199.

The year two operating profit for the hospital of -\$662,233 computes to an operating margin per adjusted patient day of -\$2 which is between the lowest and median values in the group of \$-374 and \$9. The operating margin is -0.2 percent. The hospital reported an operating margin of -4.2 percent and a total margin of 4.6 percent in 2001. This six-bed project is estimated to add \$128,000 in operating profit in year 2 of the project. Financial feasibility is probable.

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Comparative Table

CON # 9620					
South Broward Hospital District					
	2005	YEAR 2	INFLATION ADJUSTED		
2000 Data Group 5	YEAR 2 ACTIVITY		VALUES		
	ACTIVITY	PER DAY	Highest	Median	Lowest
ROUTINE SERVICES	851,968,553	2,871	1,131	640	317
INPATIENT AMBULATORY	0	0	149	51	19
INPATIENT ANCILLARY SERVICES	0	0	4,290	2,380	1,537
OUTPATIENT SERVICES	395,575,524	1,333	2,290	1,582	776
OTHER OPERATING REVENUE	17,816,396	60	76	12	1
TOTAL REVENUE	1,265,360,473	4,264	6,657	4,621	3,246
DEDUCTIONS FROM REVENUE	849,441,706	2,862	*	*	*
NET REVENUES	415,918,767	1,401	1,884	1,465	979
EXPENSES					
ROUTINE	101,694,000	343	339	248	187
ANCILLARY	144,823,000	488	692	508	364
AMBULATORY	29,778,000				
OVERHEAD	130,759,000	441	753	664	463
OTHER	9,527,000	32			
TOTAL EXPENSES	416,581,000	1,404	1,665	1,491	1,107
OPERATING INCOME	-662,233	-2	246	9	-374
		-0.2%			
PATIENT DAYS	199,824		NOT INFLATION ADJUSTED		
ADJUSTED PATIENT DAYS	296,783				
TOTAL BED DAYS AVAILABLE	251,850				
ADJ. FACTOR	0.6733				
TOTAL NUMBER OF BEDS	690				
PERCENT OCCUPANCY	79.3%	90.6%	53.6%		23.0%
PAYER TYPE					
	PATIENT	% TOTAL			
	DAYS				
MEDICARE	46,949	23.5%	68.2%	41.6%	19.4%
COMMERCIAL	7,653	3.8%			
MEDICAID	21,740	10.9%	22.8%	6.0%	0.7%
PRIVATE	21,589	10.8%			
HMO/PPO	92,757	46.4%	64.6%	36.0%	13.7%
OTHER	9,136	4.6%			
TOTAL	199,824	100.0%			

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

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center. The applicant projects 75.4 of percent of revenues to come from fixed rate payers and 17.0 percent from managed care. The managed care level is between the control group median and highest level of activity of 10.7 percent and 30.5 percent. The actual level reported for 2000 was 20.2 percent. The projected level, if realized, is not likely to increase competition to promote quality assurance and cost-effectiveness.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital. The applicant projects 46.4 of percent of revenues to come from managed care. The managed care level is between the control group median and highest level of activity of 36.0 percent and 64.6 percent. Actual reported level in 2001 was 46.8 percent. The projected level, if realized, is not likely to increase competition to promote quality assurance and cost-effectiveness.

- h. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? s. 408.035(10), Florida Statutes; Ch. 59A-3 or 59A-4, Florida Administrative Code.**

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center. This application is essentially an extension of a 20-bed replacement rehabilitation hospital on the same site as the existing facility that is currently under review by the AHCA Office of Plans and Construction (OPC) under Project H-0477-B. The basic issues of that project were addressed to some extent in the architectural review of CON #9561, submitted in the last batching cycle and not initially approved, and in subsequent meetings with the parties involved and the OPC. The project involves relocating 20 existing rehabilitation hospital beds to an existing assisted living facility (ALF) building and the project has received a preliminary review by OPC. The submission was disapproved by all disciplines with 60 comments. However, in reviewing these comments, it does not appear that any of the problems cited cannot be resolved by more study and possibly more funding.

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This CON application proposes to gain the requested six-beds by conversion of four private rooms to semi-private and the conversion of an office and part of the transitional activities of daily living (ADL) apartment to be private patient rooms. The drawings include site plans, floor plans and large-scale plans of typical patient rooms. The list of applicable building codes on the drawings is currently correct.

All six of the proposed patient rooms are adequately sized and well arranged. All have dedicated accessible toilet/shower rooms. Some other patient rooms in Project H-0477-B have wheelchair-accessible showers.

Obviously the requested addition of six more beds to the program is dependent on the 20-bed replacement rehabilitation hospital on the same site being approved. Aside from that contingency, the current application does not have any significant architectural issues.

The design professionals have healthcare experience and are well aware of the building code issues based on their experience with the project under review by AHCA. Proposed costs and the schedule appear reasonable for a project of this limited scope.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital. The requested six-beds will be located in renovated space on the fourth floor of the west wing at the Joe DiMaggio Children's Hospital at Memorial Hospital in Hollywood. As noted above, this proposal is not submitted to add 12 pediatric CMR beds to the hospital. Rather, the applicant is reapplying to add the six beds initially approved under CON #9563.

The 3,000 square foot area is currently used for pediatric observation beds and the new construction will provide two semi-private patient rooms and two private rooms. All of these meet the required square footages. Each room will have a wheelchair-accessible toilet/shower room. In addition, there will be a new therapy area, a central nurse station with its required ancillary spaces and a therapy/play room for the younger children.

This new unit shares some of the ancillary spaces such as nourishment, medicine preparation and soiled utility spaces with a separate adjacent pediatric observation unit.

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The drawings include site plans, floor plans and large-scale plans of the entire new unit. The list of applicable building codes on the drawings is mostly correct. The design professionals have healthcare experience and are well aware of the building code issues. Proposed costs and the schedule appear reasonable for a project of this scope.

- 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.**

Refer to Local Health Council Preferences above for a comparison of each applicant's history of care to the medically indigent to the district.

**Charity Care and Medicaid
Comparison of Co-Batched Applicants to the District**

Applicant	Proposed Condition	*FY 2000 Medicaid	*FY 2000 Charity Care
St. John's Rehabilitation (9619)	3% Medicaid/charity on 26-beds CMR unit (26 existing + 6 new)	8.1%	0%
Memorial Regional (9563)	15% Medicaid on 6-beds + 3% charity. A blending of existing and approved conditions would result in a new Medicaid condition of 6.75% on 48 CMR beds and 3.38% charity on these same 48 beds	14.8%	6.5%
District 10		10.9%	4.3%

Source: AHCA Financial Data, FY 2000; CON applications 9619 & 9620

***Data for entire hospitals, not just CMR services**

Fiscal year 2000 data above for both applicants and the district include all beds: acute, hospital-based skilled nursing, CMR, etc. The chart shows that Memorial Regional is not only a high provider of care to the medically indigent population when compared to the district, but offers the highest commitment to that population in this CON application. Of the two co-batched applicants, Memorial Regional is the only Medicaid disproportionate share provider. St. John's Rehabilitation Hospital provides only CMR services.

**Co-Batched Applicant Medicaid Patient Day Percentage
Reflected in Year Two Pro Formas**

Applicant	# Beds	Schedule 7A Medicaid/Medicaid HMO % of Patient Days
St. John's Rehabilitation (9619)	26	5%
Memorial Regional (9620)	6	23.6%

Source: CON applications 9619 & 9620

As shown in the chart above, pro formas submitted by each applicant support its individual commitment.

Both applicants have a history of service to Medicaid and charity patients and demonstrate a commitment to continue providing this service.

F. SUMMARY

In Volume 28, Number 304, dated July 26, 2002 on page 3318 of Section XII of the Florida Administrative Weekly, a CMR fixed need pool projection of six beds was published for District 10 for the January 2008 planning horizon.

St. John's Rehabilitation Hospital & Nursing Center, Inc. (CON #9619) d/b/a St. John's Rehabilitation Hospital & Nursing Center, (f/k/a Broward County Nursing Home, Inc.), seeks approval for the addition of six CMR beds to its existing 20-bed program.

The 11-bed addition will be accomplished through the renovation 2,261 GSF of space at a construction cost of \$14,040. The total cost of the proposed six-bed project is estimated to be \$71,107.

After weighing and balancing all applicable review criteria, the following relevant factors are discussed in relation to this proposal:

Need

The applicant is responding to the fixed need pool publication.

Quality of Care

St. John's is a quality of care provider. It is currently JCAHO accredited and states that is currently seeking CARF accreditation.

Medicaid/Charity Care

The applicant is proposing a minimum of three percent of its total annual patient days to Medicaid/charity care patients within the 26-bed CMR program.

Financial

The applicant can meet its capital funding needs for this project, however capital for all other projects is unproven but likely to be available. The project is not likely to increase competition to promote quality assurance or cost-effectiveness.

Architectural

This application is essentially an extension of Project H-0477-B that is currently under review by the AHCA Office of Plans and Construction (OPC). The project involves relocating 20 existing Rehabilitation Hospital Beds to an existing ALF building and the project has received a Preliminary Review by OPC. The submission was disapproved by all disciplines with 60 comments. However, in reviewing these comments, it does not appear that any of the problems cited cannot be resolved by more study and possibly more funding. This requested addition of six more beds to the program is dependent on Project H-0477-B being approved. Aside from that contingency, the current application does not have any significant architectural issues.

South Broward Hospital District (CON #9620) d/b/a Memorial Regional Hospital is a 684-bed Class I general acute care hospital which includes: 71 adult psychiatric beds; 11 adult substance abuse beds; 10 child/adolescent psychiatric beds; 22 Level II NICU beds; 19 Level III NICU beds, a 26-bed hospital-based skilled nursing unit and 36 comprehensive medical rehabilitation beds. South Broward Hospital District proposed and was approved under CON #9563 to establish a six-bed pediatric CMR unit as part of its Joe DiMaggio Children's Hospital within Memorial Regional Hospital and states that it is not applying to establish an additional six beds but is rather resubmitting its proposal reviewed under CON #9563.

After weighing and balancing all applicable review criteria, the following relevant factors are discussed in relation to this proposal:

Need

The applicant is not responding to the fixed need pool publication. The applicant states that it is resubmitting CON #9563 and is not applying to add six more beds.

Quality of Care

Memorial Regional Hospital is a quality of care provider. It is currently JCAHO and CARF accreditation.

Medicaid/Charity Care

The applicant is proposing a minimum of 6.75 percent of its total annual patient days to Medicaid patients and 3.38 percent to charity care patients. Of the two applicants, South Broward Hospital District's proposed condition is the highest history. The applicant is also the only Medicaid Disproportionate Share provider applying for these CMR beds.

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It has a strong history of providing care to the medically indigent and has the highest percentage of the two applicants. However, the applicant indicates that it is essentially not applying for fixed need pool beds published in Volume 28, Number 304; on July 26, 2002 rather it is reapplying for beds previously awarded and challenged by an existing District 10 CMR provider. The previous approval is currently pending an administrative hearing.

Financial

The applicant can fund the project and financial feasibility is probable. The project is not likely to increase competition to promote quality assurance or cost-effectiveness.

Architectural

Patient rooms are adequately sized and well arranged. There is good visual control. All costs and the construction schedules appear reasonable.

G. RECOMMENDATION

Approve CON #9619 to add six comprehensive medical rehabilitation beds to St. John's Rehabilitation Hospital & Nursing Center. The project involves 2,261 GSF of renovation and construction costs of \$14,040. The total cost is \$71,107.

CONDITION: A minimum of three percent of its total annual patient days in the 26-bed CMR hospital shall be provided to Medicaid/charity care patients.

Deny CON #9620.

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