

STATE AGENCY ACTION REPORT

CON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Ten Broeck Jacksonville, LLC, /CON #9651
d/b/a Ten Broeck Hospital
6300 Beach Boulevard
Jacksonville, Florida 32216

Authorized Representative: Kevin Barkman, Executive V.P. & Secretary
Ten Broeck Jacksonville, LLC
603 Main Street
Windermere, Florida 34786
(407) 876-2200

2. Service District/County

District 4, Duval County

B. PUBLIC HEARING

No public hearing was requested or held regarding the proposed project. Fourteen letters of support were submitted as part of the application and another three were sent directly to the Agency. Also sent to the Agency were two letters of opposition to the project; one from the President and CEO of Baptist Health, Mr. A. Hugh Green, FACHE and the other letter was from James R. Burkhart, Interim Chief Operating Officer of Shands Jacksonville. Both of these letters expressed concern about the low utilization within the District, the effect additional beds would have on their facilities and a lack of evidence to suggest an increase in demand for adult psychiatric services, even with population increases. Mr. Green further suggested that any reduction to the adult service's census and revenues would not only be harmful to the adult service at Baptist Medical Center, but could easily prohibit Baptist from continuing to provide any mental health services to the community it serves.

Among the 17 letters of support are two from psychiatrists, one from U.S. Senator Bill Nelson and one from Florida House of Representatives, Mike Hogan, one from Warren L. Chandler, Senior Vice President and CIO of St. Vincent's Health System and one from Jim Stivers, District 4 Supervisor, Alcohol, Drug Abuse & Mental Health, Florida Department of Children & Families. Mr. Stivers says that Ten Broeck Hospital has proven to be a valuable community partner in serving the psychiatric needs of citizens. He further states that due to the expansion of its service catchment area, Northeast Florida State Hospital has had to reduce the number of state hospital beds available to the District 4 area. "This has placed an additional demand on our existing community system to serve our adult psychiatric clients in community settings" according to Mr. Stivers. The remaining letters were from mental health associated organizations supporting not only the need for the proposed project but the quality of care rendered by the applicant's facility.

C. PROJECT SUMMARY

Ten Broeck Jacksonville, LLC, d/b/a Ten Broeck Hospital proposes to establish a new freestanding 44-bed adult psychiatric satellite hospital, to be known as Wekiva Springs, approximately three miles distant. The proposed satellite facility is to be a refurbished Charter Behavioral Health Corporation facility operated for child and adolescent psychiatric patients. The applicant acquired the building and intends to renovate it to accommodate 44 new adult psychiatric beds, which are expected to shift some of the existing inpatient and outpatient services from Ten Broeck Hospital to the Wekiva Springs satellite facility. The project involves renovation of 42,378 GSF of existing space at a total project cost of \$1,510,242. The construction/renovation portion of the cost is \$1,024,240. The applicant proposes to provide a minimum of one percent of total annual patient days to charity care in the new satellite hospital.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes. These criteria form the basis for the goals of the review process. The goals represent desirable outcomes to be attained by successful applicants who demonstrate an overall compliance with the criteria. Analysis of an applicant's capability to undertake the proposed project successfully is conducted by assessing the responses provided in the application, and independent information gathered by the reviewer.

Applications are analyzed to identify strengths and weaknesses in each proposal. If more than one application is submitted for the same type of project in the same district (subdistrict), applications are comparatively reviewed to determine which applicant best meet the review criteria.

Section 59C-1.010(2) (b), Florida Administrative Code, allows no application amendment information subsequent to the application being deemed complete. The burden of proof to entitlement of a certificate rests with the applicant. As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the Certification of the Applicant.

As part of the fact-finding, the consultant, Ed Carter, analyzed the application in its entirety with consultation from the Financial Analyst, John Williamson, who evaluated the financial data, and the Architect, Joel Hill, who evaluated the architectural and the schematic drawings as part of the application.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project(s) 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.); Local Health Plans.

1. Fixed Need Pool

a. Does the project proposed respond to need as published by a fixed need pool? Ch. 59C-1.008 and 59C-1.040, Florida Administrative Code.

In Volume 29, Number 4, dated January 24, 2003, of the Florida Administrative Weekly, a fixed need pool of zero beds was published for adult psychiatric beds in District 4 for the July 2008 planning horizon. The agency shall not normally approve applications for new or additional adult psychiatric beds in a service area as specified in Ch. 59C-1.040, Florida Administrative Code, unless the average occupancy rate at the applicant's facility is equal to or exceeds 85 percent occupancy for the 12-month period ending six months prior to the beginning of the quarter of the publication of the fixed bed need pool.

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District 4 has 308 licensed adult psychiatric beds and minus 47 approved adult psychiatric beds as of January 24, 2003. The adult psychiatric beds in the district experienced an occupancy rate of 51.12 percent during the period July 2001 through June 2002. Ten Broeck Hospital's adult psychiatric beds averaged 114.66 percent utilization during the same 12-month reporting period.

There are eight hospitals in District 4 licensed for adult psychiatric beds. Ten Broeck Hospital is the only freestanding specialty psychiatric hospital in District 4, all the others are acute care facilities with licensed adult psychiatric beds. The following table identifies the bed complement and utilization of each of these eight hospitals.

**Adult Psychiatric Beds In District Four
Number of Beds and Utilization
July 2001 - June 2002**

Name of Facility	# Beds	% Occ.
Baptist Medical Center	39	38.01%
Flagler Hospital	21	39.38%
Florida Hospital DeLand	6	75.02%
Halifax Medical Center	92	38.11%
Orange Park Medical Center	24	74.57%
St. Vincent's Medical Center	34	18.86%
Shands Jacksonville Medical Center	56	59.58%
Ten Broeck Hospital	36	114.66%
Total Beds & Average Utilization	308	51.12%

Source: AHCA Publications, 01/24/2003: Florida Hospital Bed Need Projections by District; Florida Hospital Bed and Service Utilization by District

Two Certificates of Need have been approved that will impact the total number (308) of adult psychiatric beds in the district. CON #9527 was approved on January 10, 2002 to convert 34 adult psychiatric beds to 34 acute beds at St. Vincent's Medical Center thus bringing the number of adult psychiatric beds to zero at this facility. The other affected facility is Shands Jacksonville Medical Center where 13 adult psychiatric beds were approved via CON #9577 on October 5, 2002 to be converted to 13 HBSNU beds. This reduces the licensed adult psychiatric bed capacity to 43 at Shands Jacksonville Medical Center. Overall within the district, the number of licensed adult psychiatric beds will be reduced to 261 upon implementation of these two certificates of need. Based on the projected need for additional adult psychiatric beds for the July 2008 planning horizon, there will be a surplus of seven beds after these CONs come on-line and the facility licenses are updated to reflect the approved changes.

b. Other Special Circumstances

For the appropriate period as specified by rule, July 2001 - June 2002, Ten Broeck Hospital's adult psychiatric beds averaged 114.66 percent occupancy. A review of more recent data collected from the Health Planning Council of Northeast Florida, Inc. but not yet published by the Agency, advances utilization experience two more quarters through December 2002. A review of this data finds a decrease in utilization to 97.10 percent for the 12-month period, January through December 2002, however utilization of the 36 adult psychiatric beds remains significantly above the 75 percent threshold in Rule [59C-1.040(4)(c) 5., Florida Administrative Code] and the 80 percent threshold for an exemption [59C-1.005(2) & (6)(e), Florida Administrative Code].

Section 408.036(3)(n), Florida Statutes exempts from CON review the addition of mental health beds at hospitals experiencing over an 80 percent occupancy rate for any 12-month period. Had the applicant chosen to do so, it could have added up to 10 additional adult psychiatric beds in June of 2002, however facility constraints make adding beds at the present location an "undesirable option", according to the applicant. Even though the applicant considers adding beds at the existing facility undesirable, it is an option available to attain additional adult psychiatric beds to relieve the current utilization issue. The current property is now zoned for PBS2, which allows for 35 percent maximum use of the property. The applicant can seek to change zoning to PBS3, which allows for 60 percent maximum use of the property. Another option is to seek an "administrative deviation" which is an easier process and all of the other properties around the applicant are more intensely zoned than the applicant's property. For this reason obtaining a deviation is not likely to be a problem.

c. Other Factors to be Considered in the Review of Certificate of Need Applications for Hospital Adult Inpatient General Psychiatric Services

The applicant contends that while the fixed need pool result indicates that no additional capacity is warranted within the district, the applicant's proposal for 44 new adult inpatient psychiatric beds is unique in that the Agency has previously approved the delicensure of 47 beds in the district. According to the applicant, the net effect of its proposal is to "reclaim" and "redistribute" beds previously in the health care delivery system. It is this viewpoint according to the applicant that establishes a unique set of factors that create the conditions for the "special" or "not normal" circumstances that warrant consideration, regardless of the zero need published. However, beds that have been

approved for delicensure were underutilized and the projects approved to convert these beds to other usage were so approved because the conversion represented a better use of existing beds. Despite the applicant's contentions, demonstration of need for 44 new beds must be provided. The applicant's hospital-specific need, as demonstrated by high occupancy at its existing facility, is a better indicator of need for additional beds.

Population Growth - District 4

To demonstrate the potential for increased patient capacity during the five year planning horizon (01/2002 - 07/2008) for adult psychiatric beds, the applicant projected population growth in three categories; adults (18 years and older), 65+ and 75+. See the following table.

**District 4 Population Growth
January 2002 to July 2008 (Planning Horizon)**

County	18+ 1/2002	18+ 7/2008	% Growth	65+ 1/2002	65+ 7/2008	% Growth	75+ 1/2002	75+ 7/2008	% Growth
Baker	16,603	18,420	10.94%	2,166	2,640	21.88%	828	1,080	30.43%
Clay	104,797	122,668	17.05%	14,647	19,300	31.77%	6,335	8,349	31.79%
Duval	592,460	642,553	8.46%	84,035	92,660	10.26%	39,897	44,063	10.44%
Flagler	45,479	57,676	26.82%	16,037	21,285	32.72%	6,836	9,880	44.53%
Nassau	45,506	52,860	16.16%	7,755	9,568	23.38%	3,002	4,027	34.14%
St. Johns	102,705	126,331	23.00%	21,392	27,732	29.64%	9,859	13,101	32.88%
Volusia	366,326	406,843	11.06%	99,828	108,591	8.78%	49,526	54,150	9.34%
Dist. Tot	1,273,876	1,427,351	12.05%	245,860	281,776	14.61%	116,283	134,650	15.80%
State	12,809,877	14,359,473	12.10%	2,893,925	3,258,799	12.61%	1,417,035	1,605,522	13.30%

Source: AHCA Publication, *Population Estimates, October 2002*

The adult District 4 population is projected to grow by 153,475 persons or 12.05 percent between January 2002 and July 2008 planning period. This is slightly less than overall growth percentage (12.10 percent) for this age group, state wide. The next two categories discussed by the applicant are the 65+ and 75+ age populations. These are expected to grow by 14.61 percent and 15.80 percent respectively. Both of these age categories in District 4 are projected to grow faster than the same age group statewide. The applicant experienced approximately 41 percent of its patient days from services to Medicare beneficiaries in 2002, therefore it anticipates a growth in utilization because of this potential increase among the Medicare age population in District 4.

Duval County, the primary service area of the applicant, is projected to account for 32.64 percent (50,093) of the total population increase (153,475) during the five-year planning period. A portion of this population increase is also seen as potential patient days by the applicant. The applicant states that the projected growth of the adult population as a whole and the ever-increasing growth of the elderly population, contribute to the justification of need for this project.

Community Health Survey

A statewide community health survey was conducted in District 4 by the Health Planning Council of Northeast Florida, Inc. in collaboration with "sister-affiliates" throughout the State of Florida. The survey was completed in October 2002 to become part of the Council's regional plan by April. The 10-question survey was given to officials in government, nursing homes, county health departments, and social service agencies, among others. The respondents of the survey ranked mental health and counseling as the top health care service that respondents from Region 4 and the state deemed the most difficult to obtain, both in the region and the state. The applicant states that its proposed project will help alleviate access problems in District 4 by increasing adult psychiatric inpatient beds for a provider whose sole mission is psychiatric care.

Utilization Forecast

To forecast utilization of the proposed 44 beds, the applicant considered the utilization trend experienced at Ten Broeck Hospital since its acquisition from Behavioral Health Care Corporation in 1999. The following table shows hospital patient day growth since July 1999.

**Ten Broeck Hospital Jacksonville
Historical Utilization
July 1999 through 2002**

Utilization Time Frame	# of Beds	Bed Days	Pt. Days	% Occ.
July 2001 through June 2002	36	13,140	15,066	114.66%
July 2000 through June 2001	36	13,140	13,382	101.84%
July 1999 through June 2000	36	13,176	9,808	74.44%

Source: AHCA publication, *Florida Hospital Bed Need Projections by District*, selected time periods
NOTE: February 2000 had 29 days, therefore beds days increased by 36 during this time period.

The applicant calculated an average annual growth rate of 23.94 percent in patient days since the July 1999 through June 2002 time period. The following table intends to show the projected utilization for both the main and satellite hospitals for the first two years of operation of the satellite hospital.

**Projected Utilization for Adult Inpatient Psychiatric Beds
First & Second Years
Ten Broeck Hospital & Ten Broeck Satellite Hospital**

	Bed Days	Pt. Days	% Occ.
First Year			
36 Adult Beds - Main Hospital	13,140	9,855	75.00%
44-Bed Satellite Hospital	16,060	10,334	64.35%
Second Year			
36 Adult Beds - Main Hospital	13,140	9,855	75.00%
44-Bed Satellite Hospital	16,060	12,808	79.75%

Source: CON Application #9651

The applicant determined the patient days in the following manner:

Main Hospital: Adult patient days were reduced at the main hospital to reflect the desired adult psychiatric inpatient bed utilization per rule (Rule 59C-1.040(4)(f) 5., Florida Administrative Code) - 75 percent of bed days. For projection purposes, those days, 9,855, are held constant for the first two years.

Satellite Hospital: The adult patient days for the new satellite hospital were arrived at by taking the patient days in excess of the desired 75 percent occupancy from the previous table, July 2001 through June 2002 time frame (15,066-9,855=5,211 patient days). For the first year, these 5,211 patient days are increased by the average annual growth rate (23.94), to which 75 percent of the patient days generated by the closed St. Vincent's 34-bed psychiatric unit and 75 percent of the patient days from 13 of the 56 beds at Shands Jacksonville Medical Center are added.

However, average utilization in the district were there no beds at St. Vincent's and 13 fewer beds at Shands, would have been 59.51 percent for the 12-months ending June 2002¹. As previously noted, the occupancy standard for adult psychiatric services is 75 percent. Should this new satellite hospital be approved, patients that would have been treated in St. Vincent's adult psychiatric unit may be admitted to one of the applicant's facilities, but it not reasonable for the applicant to include 75 percent of the patient days from beds that will be delicensed at Shands in its need analysis.

¹ Total adult psychiatric beds days D4, 7/01-6/02 = 121,747
 Minus 4,745 bed days at Shands (13x365)
 Minus 12,410 beds days at St. Vincent's (34x365)
 Adjusted bed days D4, 7/01-6/02 = 104,592
 Total adult psychiatric patient days D4, 7/01-6/02 = 62,239
 Adjusted utilization D4, 7/01-6/02 = 59.51%

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The applicant contends that the new satellite hospital will fill a gap left by the delicensure of 71 adult inpatient psychiatric beds in Duval County since January 2002, which it believes will be particularly acute by the time this project is implemented. Although occupancy at Ten Broeck while declining in this most recent quarter, is very high, as previously discussed, there does not appear to be a gap, nor will there be a gap in the future when beds are delicensed. With the exception of Ten Broeck's 36 beds and Orange Park Medical Center's 24 beds, the remaining District 4 adult psychiatric beds are underutilized.

Mr. Hugh Greene, President and CEO of Southern Baptist Hospital of Florida, Inc. offers some insightful points of opposition to the applicant's proposal for a new 44-bed specialty hospital. Citing historical utilization of adult psychiatric beds, Mr. Greene explains how this history affects future demand for beds. The following table was provided by Mr. Greene to demonstrate his point.

**District 4 Adult Psychiatric Utilization
1995 - 2002**

Year	Discharges	Inpatient Days	ALOS
1995	7,073	60,885	8.6
1996	7,341	53,714	7.3
1997	7,759	50,926	6.6
1998	7,750	49,449	6.4
1999	8,131	47,877	5.9
2000	8,573	48,518	5.7
2001	10,019	57,903	5.8
2002	9,702	55,761	5.7

Source: Opposition letter from A. Hugh Greene, FACHE, citing data from the Health Planning Council of Northeast Florida Patient Statistics for Calendar Year reports.

As shown in the above table, the number of discharges increased through 2001 but patient days decreased, reflecting a reduction in average length of stay (ALOS) of 33.7 percent from 8.6 in 1995 to 5.7 in 2002. The decline in adult psychiatric days in District 4 occurred despite a population increase in District 4 of 21.99 percent, from 1,324,626 in 1990 to 1,615,928 in 2000, indicating a decrease in the utilization rate, or demand, for adult psychiatric services. According to Mr. Greene, this reduction in demand is the result of tighter controls on the utilization of inpatient psychiatric services by payers and the shift of mental health treatment to the outpatient setting, such as partial hospitalization programs. Given that cost-pressures to control health care utilization are not expected to subside and the movement to the less-expensive outpatient setting is expected to continue, Mr. Greene finds it difficult to envision a significant increase in the demand for adult psychiatric beds and therefore believes the proposed project will have an adverse impact on existing providers.

Mr. Greene acknowledges that utilization of the applicant's adult psychiatric beds indicates the need for additional beds at the facility, however he suggests alternatives to the proposed new freestanding specialty hospital may be more prudent at this time. Mr. Greene suggests a more appropriate alternative might be to convert the Hospital's 15 child/adolescent substance abuse beds to use as adult psychiatric beds. Managed care organizations rarely approve inpatient stays for child substance abuse and few children under 17 are so addicted that a substance abuse bed is needed, according to Mr. Greene. The following table is provided to demonstrate that child/adolescent substance abuse beds are "an artifact from an earlier time".

**District 4 Child Substance Abuse Utilization
1995 - 2002**

Year	Patient Days	ADC
1995	723	1.98
1996	252	0.69
1997	310	0.85
1998	240	0.67
1999	26	-
2000	65	-
2001	0	-
2002	15	-

Source: Opposition letter from A. Hugh Greene, FACHE, citing data from the Health Planning Council of Northeast Florida Patient Statistics for Calendar Year reports.

Mr. Greene contends that any child who did have a substance abuse diagnosis that required an inpatient stay would almost certainly have another psychiatric diagnosis and would have access to the child psychiatric beds within the district, including Baptist, Ten Broeck and Halifax.

During the July 2001 - June 2002 reporting period, Ten Broeck Hospital reported 10 patient days or 0.18 percent utilization of its 15-bed child/adolescent substance abuse beds. The subsequent reporting period January - December 2002, not yet published by the Agency, records utilization of the 15 child/adolescent substance abuse beds at 0.27 percent (15 patient days).

It is clear from the application and supporting documentation that utilization of the 36 adult psychiatric beds at Ten Broeck Hospital is high and relief is indicated. As noted earlier, the applicant is eligible to add beds through a CON exemption, however the applicant contends that beds cannot be added to the hospital. Therefore, it has proposed to establish a new satellite facility.

Although it is clear that additional beds are needed there are other options available to the applicant short of establishing a new satellite hospital. The applicant has not demonstrated sufficient need to justify a new freestanding 44-bed adult psychiatric hospital.

2. Local Health Plan Preferences

Is need for the project supported by the applicable district plan? ss. 408.035(1) and 408.037(1), Florida Statutes, and Ch. 59C-1.030(2)(c), Florida Administrative Code.

The Health Planning Council of Northeast Florida, Inc., adopted the following District 4 CON Allocation Factors Report Preferences in October 2000 relative to inpatient psychiatric services:

1. Preference shall be given to applicants who propose to convert licensed unused beds.

The applicant does not propose to convert licensed unused beds as part of this project.

2. Preference shall be given to applicants who document in their CON proposal that they have written agreements with a broad spectrum of area community mental health centers, nearby assisted living facilities, and/or other appropriate mental health resources, in order to help ensure continuity of care.

The applicant states that it has a formal written agreement with the Agency for Health Care Administration to provide adolescent psychiatric services under the *Statewide Inpatient Psychiatric Program (SIPP)*. However, since this program targets adolescents it will not be available at the new satellite facility that will treat only adult psychiatric patients.

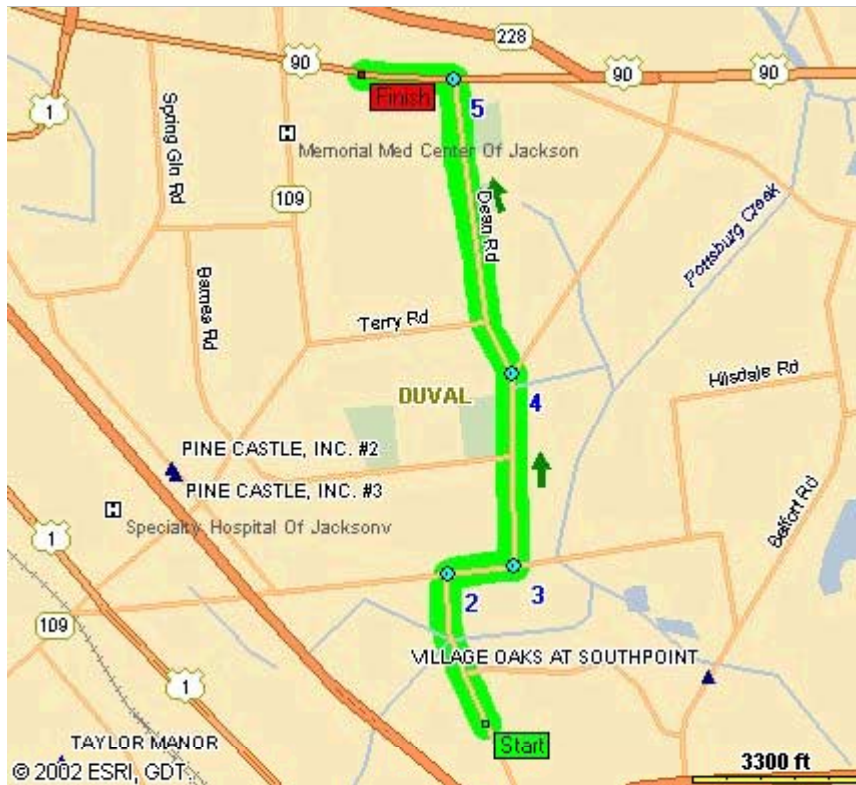
The applicant provided a list of 34, District 4, Department of Children & Families, Alcohol, Drug Abuse, and Mental Health Providers. Even though the applicant states that it "endeavors to develop and maintain these relationships to ensure continuity of care for those suffering with psychiatric or substance abuse disorders", it is not clear how many of these organizations the applicant actually has

written agreements with. The applicant did provide copies of written agreements between Ten Broeck Hospital and Youth Crisis Center, Inc. and between Ten Broeck Hospital and Northeast Florida Safety Council, Inc. No agreements were included with assisted living facilities.

Ten Broeck Hospital participates in numerous health fairs, health screenings, and public education events throughout the community.

- 3. Preference shall be given to applicants who propose to serve an area of concentrated population (at least 50,000 residents within a 10-mile radius) that has no beds of similar type or where the overall occupancy rate for existing beds of similar type is at least 80 percent.**

Both Ten Broeck Hospital and the new proposed satellite hospital are located in an area of Duval County that is densely populated.



Start at 3947 Salisbury Rd, the proposed new facility and finish at 6300 Beach Blvd, the existing Ten Broeck Hospital. The driving distance: 3.0 miles and the driving time is 4 minutes.

The existing facility is within ten miles of two other providers of adult psychiatric inpatient services, both operating significantly below 80 percent occupancy for adult psychiatric beds.

- 4. Preference shall be given to applicants who formally commit to provide Medicaid and/or of charity care and specify the amount of Medicaid and/or charity care to be provided in their CON application.**

The applicant does not propose to provide Medicaid in the new satellite facility. For the 2002 calendar year, Ten Broeck Hospital provided 1.47 percent of its patient days to serve those unable to pay for services. The applicant commits to a minimum of one percent charity care of total annual patient days at the proposed new 44-bed satellite hospital.

- 5. Preference shall be given to applicants who indicate in their CON application a willingness to accept Baker Act and involuntary placement at a negotiated rate.**

Even though the existing facility is a private Baker Act receiving facility, the applicant does not intend to have the proposed 44-bed specialty satellite hospital designated as a Baker Act receiving facility.

- 6. Preference shall be given to applicants who propose to convert psychiatric beds to substance abuse beds or vice versa and who can demonstrate that the existing beds are not being utilized and the proposed service has a greater than 80 percent occupancy during the last two years.**

The applicant does not propose to convert either psychiatric beds or substance abuse beds as part of this project.

Ten Broeck Hospital operates 15 child/adolescent substance abuse beds that are effectively not in use according to data reported to the Agency. For the July 2001 - June 2002 reporting period, these beds were occupied at 0.18 percent. The following reporting period, January - December 2002, these beds were utilized at 0.27 percent.

3. Agency Rule Preferences

Please indicate how each applicable preference for the type of service proposed is met. Ch. 59C-1.040, Florida Administrative Code.

In addition to meeting the applicable review criteria in Section 408.035, Florida Statutes, applicants are expected to meet the standards and need determination criteria for the establishment of new or additional adult psychiatric services contained in Chapter 59C-1.040, Florida Administrative Code. The special circumstances and/or other considerations for approval was previously discussed in Section E.1 and will not be repeated here.

a. **Preferences for non-competitive applicants for hospital inpatient general psychiatric services. Ch. 59C-1.040(4)(i)(j), Florida Administrative Code.**

In weighing and balancing statutory and rule review criteria, the following factors shall also be considered in the review of a single non-competitive proposal:

- (1) ***Provide Medicaid and charity care days as a percentage of their total patient days equal to or greater than the average percentage of Medicaid and charity care patient days of total patient days provided by other hospitals in the district, as determined for the most recent calendar year prior to the year of the application for which data are available from the Health Care Board.***

Ten Broeck Hospital is not eligible to participate in the Medicaid program because it is classified as a specialty hospital. It does provide treatment however, to Medicaid adolescent recipients through its SIPP contract with AHCA. The applicant also notes that through its role as a Baker Act receiving facility, it does admit Medicaid recipients, stabilize them and ensure they receive needed care. These services are provided as charity. The applicant provides the following table to show the hospital's current provisions of care, which includes charity.

Provision of Care Provided by Payor Source
2000 - 2002

	2000	2001	2002
Medicare Patient Days	7,166	9,198	9,469
Percent of Total Patient Days	40.05%	47.96%	41.25%
Managed Care Patient Days	9,966	8,903	8,270
Percent of Total Patient Days	55.69%	46.42%	36.03%
Commercial Patient Days	144	277	134
Percent of Total Patient Days	0.80%	1.44%	0.58%
Charity Patient Days	195	397	337
Percent of Total Patient Days	1.09%	2.07%	1.47%
All Other Patient Days	423	403	4,743
Percent of Total Patient Days	2.36%	2.10%	20.66%
Total Days	17,894	19,178	22,953

Source: CON Application #9651; data per hospital's internal accounting system

The applicant proposes to provide a minimum of one percent of total annual patient days to charity care in the new 44-bed satellite hospital. In addition to charity care, the payor mix at the new satellite facility will include Medicare and Managed Care.

- (2) ***Propose to serve the most seriously mentally ill patients (e.g. suicidal patients; patients with acute schizophrenia; patients with severe depression) to the extent that these patients can benefit from a hospital-based organized inpatient treatment program.***

The applicant intends to serve the most serious mentally ill patients at the new 44-bed satellite facility including suicidal patients, patients with acute schizophrenia, and patients with severe depression.

- (3) ***Propose to serve Medicaid-eligible persons.***

See response to (1) above.

- (4) ***Propose to serve individuals without regard to their ability to pay.***

The applicant states that it currently provides services to low-income and charity persons. A commitment is made to provide charity care at the new satellite facility.

(5) *Agree to be a designated public or private receiving facility.*

The applicant is currently a designated private receiving facility, however due to the close proximity of the main hospital to the satellite hospital, the applicant does not plan to seek Baker Act designation for the satellite hospital.

(6) *Provide a continuum of psychiatric services for children and adolescents, including services following discharge.*

The applicant intends to provide services only to adult psychiatric inpatients at the new satellite facility.

b. Unit Size Ch. 59C-1.040 (3)(e) Florida Administrative Code. A specialty hospital providing hospital inpatient general psychiatric services shall have a minimum total capacity of 40 beds.

The applicant proposes 44 adult inpatient psychiatric beds for the new satellite hospital, exceeding the minimum size of 40 beds established by rule.

c. Access Standard Ch. 59C-1.040 (6), Florida Administrative Code. Hospital inpatient general psychiatric services should be available within a maximum ground travel time of 45 minutes under average travel conditions for at least 90 percent of the district's total population.

The travel time standard is met as it applies to District 4.

d. Quality of Care Ch. 59C-1.040 (7), Florida Administrative Code.

(1) *Compliance with Agency Standards.* Hospital inpatient general psychiatric services for children and adolescents shall comply with the agency standards for program licensure described in Chapter 59A-3, Florida Administrative Code. Intensive residential treatment programs for children and adolescents with beds licensed as specialty hospital beds shall comply with the agency standards for program licensure described in Chapter 59A-3, Florida Administrative Code. Applicants who include a statement in their certificate of need application that they will meet applicable agency licensure standards are deemed to be in compliance with this provision.

The applicant is an experienced provider of inpatient and outpatient psychiatric services and intends to comply with Agency standards for program licensure. The existing facility is JCAHO accredited and the satellite facility will seek this level of care for its patients. See response to E. 4. b below for a discussion of quality of care standards.

- (2) *Continuity.* Providers of hospital inpatient general psychiatric services shall also provide outpatient services, either directly or through written agreements with community outpatient mental health programs, such as local psychiatrists, local psychologists, community mental health programs, or other local mental health outpatient programs.**

The applicant ensures that continuity of care is available when patients are discharged from the inpatient setting. There are 15 psychiatrists on active staff at Ten Broeck Hospital; eight consulting staff; eight courtesy staff; and 12 allied health staff members, which include specialties such as psychology, pharmacy, and advanced nurse practitioners.

The applicant offers a wide variety of outpatient services such as: partial hospitalization programs; outpatient psychotherapy; outpatient family therapy; and self-help groups.

- (3) *Screening Program.* All facilities providing hospital inpatient general psychiatric services shall have a screening program to assess the most appropriate treatment for the patient. Patients with a dual diagnosis of a psychiatric disorder and substance abuse, shall be evaluated to determine the types of treatment needed, the appropriate treatment setting, and, if necessary, the appropriate sequence of treatment for the psychiatric and substance abuse disorders.**

The applicant has screening programs to assess the most appropriate treatment for each patient, including patients with a dual diagnosis of a psychiatric disorder and substance abuse. Ten Broeck Hospital employs an Interdisciplinary Treatment Team to provide assessment/treatment/planning and implementation and reassessment of patient outcomes and response to the program. Based on admission criteria and bed availability, the final decision for admission is made by the attending physician.

- e. **Services Description Ch. 59C-1.040(8), Florida Administrative Code. An applicant for hospital inpatient general psychiatric services shall provide a detailed program description in its CON application including:**

(a) *age groups to be served;*

The Ten Broeck Hospital satellite will serve adults aged 18 and over.

(b) *specialty programs to be provided;*

The applicant offers a variety of inpatient psychiatric services including: adult partial hospitalization program - psychiatric; adult intensive outpatient program - psychiatric; adult partial hospitalization program - addiction; adult intensive outpatient program - addiction; and an emergency service unit.

(c) *proposed staffing including qualifications of the clinical director and specialty program staffing;*

Schedule 6 shows that the applicant projects 70.40 FTEs the first year and 9.20 additional staff in the second year of operations. The curricula vitae of the medical director, Atul M. Shah, M.D., director of nurses, and key staff were included in the application.

(d) *patient groups by primary diagnosis ICD 9 code that will be excluded from treatment;*

The applicant identified excluded diagnoses as 299-infantile autism, 315-hyperkinetic syndrome of childhood, and organic and dementia diagnoses which indicate that such clinical interventions would not produce results. The applicant states that the following criteria apply:

1. Persons who are mentally retarded without corresponding affective disturbance or thought disorder, or OBS;
2. Persons who require custodial care rather than active psychiatric treatment;
3. Involuntary admission involving charges for Capital offenses (i.e. murder), and felony cases; or
4. Patients whose organicity will, in the judgment of the psychiatrist, not progress with a course of inpatient psychiatric care.

(e) *therapeutic approaches to be used;*

The applicant offers a full range of services in an intensive treatment milieu. The admission screening will determine the initial plan of care and the goals for the patient. Individualize and group therapy will be provided with the overall goal of returning the patient to the community in a state that allows functional and responsible action.

(f) *expected sources of patient referrals;*

The new satellite hospital is expected to draw on referrals currently experienced by the main hospital. The applicant provided a generic list of referral sources to the hospital during 2002.

(g) *expected average length of stay for discharges by age group;*

The applicant states that a comprehensive program with many aspects, average lengths of stay will vary by diagnoses, however it projects 6.5 days as its average length of stay. This exceeds the District 4 adult psychiatric utilization average length of stay for the past five years, based on LHC data contained in Mr. Greene's letter of opposition to this project.

(h) *projected number of patient days by payer type, including Medicare, Medicaid, Baker Act, private insurance, self pay and charity care patient days for the first two years of operation after completion of the project;*

Refer to Section E.4.i. below.

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

The charity care policy of Ten Broeck Hospital will be used at the new satellite hospital where a minimum of one percent of total annual patient days of the 44 beds will be provided to charity patients.

- f. **Quarterly Reports Ch. 59C-1.040 (10), Florida Administrative Code. Facilities providing licensed hospital inpatient general psychiatric services, including facilities with intensive residential treatment program beds for children and adolescents licensed as specialty hospital beds, shall report to the agency or its designee, within 45 days after the end of each calendar quarter, the number of hospital inpatient general psychiatric services admissions and patient days by age and primary diagnosis ICD 9 code.**

The applicant intends to continue to report psychiatric utilization and discharge data to the Agency for Health Care Administration. At the present time the hospital reports to the Health Planning Council of Northeast Florida, Inc. as well as to the Agency.

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) and 408.035(7), Florida Statutes, and Ch. 59C-1.030 and 59C-1.040, Florida Administrative Code.**

As previously indicated in this analysis, there is existing capacity available in District 4 for adult inpatient psychiatric services. The applicant, with only 36 adult psychiatric beds is experiencing high utilization, however as previously discussed, although hospital-specific need for additional beds has been demonstrated, need for a new 44-bed specialty adult psychiatric hospital has not been demonstrated.

**Adult Psychiatric Beds In District Four
Number of Beds and Utilization
July 2001 - June 2002**

Name of Facility	# Beds	% Occ.
Baptist Medical Center	39	38.01%
Flagler Hospital	21	39.38%
Florida Hospital DeLand	6	75.02%
Halifax Medical Center	92	38.11%
Orange Park Medical Center	24	74.57%
St. Vincent's Medical Center	34	18.86%
Shands Jacksonville Medical Center	56	59.58%
Ten Broeck Hospital	36	114.66%
Total Beds & Average Utilization	308	51.12%

Source: AHCA Publications, 01/24/2003: Florida Hospital Bed Need Projections by District; Florida Hospital Bed and Service Utilization by District

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The applicant also espouses the benefits of using an existing building that once was a psychiatric hospital, by updating it to conform to current codes. However, the staff architect in his report on this project states that the list of applicable codes on the drawings is only partially accurate. The building will be required to meet the standards for new construction even though it is an existing structure.

The applicant indicates that the possibility of adding beds to its existing facility is an undesirable option. As previously discussed, while undesirable, it does appear to be an option. The conversion of existing child substance abuse beds would add 15 adult psychiatric beds to the existing facility. It is not known what type of costs would be involved with that project, but utilization would be brought down to a safer range if beds were converted or added to the existing facility.

The financial analysis concludes that if forecasts are realized, the project will have a positive impact effect on competition to promote quality assurance and cost-effectiveness.

Although utilization at the existing facility is high, need for a new 44-bed hospital has not been demonstrated. The project is also not evidenced by the availability of quality of care, efficiency accessibility or extent of utilization 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 care? ss. 408.035(3), Florida Statutes.

The applicant is JCAHO accredited and also has been designated a private receiving facility by the Department of Children and Family Services. Copies of the JCAHO accreditation and private receiving facility Certificate of Designation are included in the application.

According to AHCA data, the applicant had eight confirmed complaints since April of 2000. Four of the confirmed complaints were related to patient care, two concerned lack of supervision, one was a medication error and one was a billing issue. The lack of supervision complaints allege that in June of 2002 a current employee stated that the facility included more beds than allowed as well as other issues of 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 project does 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.**

The proposed project is not to be located in a research or teaching hospital nor will the primary purpose of the project involve research or physician education.

The applicant does however participate in internship programs involving the University of North Florida, Florida State University, Webster University, Nova University, and Jacksonville University.

- 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.**

The audited financial statements of Ten Broeck Jacksonville, LLC for the periods ending December 31, 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.

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	<u>12/31/2001</u>	<u>12/31/2000</u>
Current Assets	\$ 1,576,240	\$ 1,635,062
Cash and Current Investment	\$ 149,089	\$ 22,279
Assets Restricted for Capital Projects	\$ -	\$ -
Total Assets	\$ 4,776,055	\$ 5,007,570
Current Liabilities	\$ 1,487,904	\$ 2,842,792
Total Liabilities	\$ 5,870,364	\$ 5,958,482
Net Assets	\$ (1,094,309)	\$ (950,912)
Total Revenues	\$ 8,968,727	\$ 8,695,190
Interest Expense	\$ 275,351	\$ 421,862
Excess of Revenues over Expenses	\$ (143,397)	\$ (508,883)
Cash Flow from Operations	\$ 474,896	\$ (68,239)
Working Capital	\$ 88,336	\$ (1,207,730)
Current Ratio (CA/CL)	1.1	0.6
Cash Flow to Current Liabilities (CFO/CL)	0.3	0.0
Long-Term Debt to Net Assets (TL-CL/NA)	-4.0	-3.3
Times Interest Earned (NPO+Int/Int)	0.5	-0.2
Net Assets to Total Assets (TE/TA)	-22.9%	-19.0%
Total Margin (ER/TR)	-1.6%	-5.9%
Return on Assets (ER/TA)	-3.0%	-10.2%
Operating Cash Flow to Assets (CFO/TA)	9.9%	-1.4%

Short-term position:

The applicant's current ratio of 1.1 is below the median of Florida hospitals. The ratio of cash flow to current liabilities of 0.3 is also below the median level of Florida hospitals. Overall, the applicant has a weak short-term position.

Long-term position:

The ratio of long-term debt to net assets of -4.0 is the result of substantial negative equity in relation to the size of its assets. The ratio of operating cash flows to assets of 9.9 percent is the one bright spot in an otherwise weak financial performance. The most recent year had a loss from operations of \$143,397, resulting in a margin ratio of -1.6 percent, which is below the average level. Total net assets are \$4.8 million. The ratio of net assets to total assets is -22.9 percent. The notes to the financial statements disclose that management believes that actions taken as part of a management plan "will provide for the hospital to continue as a going concern." While financial performance improved in 2001 over the prior period, overall, the applicant has a weak long-term position.

Capital requirements:

Schedule 2 indicates the applicant has capital projects totaling \$1.8 million.

Available capital:

The applicant stated that funding for the project would come from the proceeds of a loan in the amount of \$1,510,242 and \$314,941 from cash flows. A letter of interest from SunTrust Bank was provided, but no loan commitment was offered.

Conclusion:

If cash flows have continued at the 2001 level it would be possible to fund the \$313,941 indicated as coming from cash flows. However, without a commitment from a lender and the parent, funding for this project is open to question.

f. What is the immediate and long-term financial feasibility of the proposal? ss. 408.035(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.

Comparative data were derived from hospitals in peer groups that reported data in 2001; the applicant will be compared to the hospitals in peer group 15. Per Diem rates are projected to increase by an average of 3.6 percent per year. Inflation adjustments were based on the 3rd Quarter New CMS Hospital Market Basket Index.

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Projected net revenue per adjusted patient day (NRAPD) of \$442 in year one and \$453 in year two is between the control group median and highest values of \$397 and \$650 in year one and \$410 and \$671 in year two. The highest level is generally viewed as the practical upper limit on economies of operation. With net revenues falling between the median and highest level, the facility is expected to consume health care resources in proportion to the services provided. (See Comparative Table). Actual NRAPD reported by Ten Broeck Jacksonville for 2001 was \$376, between the lowest and median values reported of \$80 and \$389.

Projected cost per adjusted patient day of \$445 in year one and \$417 in year two is between the group lowest and median values of \$176 and \$503 in year one and \$182 and \$519 in year two. Compared to the control group these costs are efficient. (See Comparative Table). Actual cost per adjusted patient day reported for 2001 was \$382, between the lowest and median values reported of \$337 and \$473.

The year two operating profit for the hospital of \$541,953 computes to an operating margin per adjusted patient day of \$36 which is at the control group highest level of \$36. The computed operating margin ratio is 8.0 percent. The hospital reported operating losses for the years 1999 through 2001.

Occupancy level is estimated during the second year at 79.8 percent, above the highest level reported in the group for 2001 of 72 percent and significantly above the applicants reported level for that year of 53.1 percent. The projected level is so much greater than reported levels it casts doubt on the reasonableness of the financial projections as a whole.

The financial feasibility of the project is in question.

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Comparative Table

CON # 9651 Ten Broeck Jacksonville, LLC 2001 DATA Peer Group 15	2006	YEAR 2	VALUES ADJUSTED		
	ACTIVITY	ACTIVITY	FOR INFLATION		
		PER DAY	Highest	Median	Lowest
ROUTINE SERVICES	10,467,141	701	1,876	701	272
INPATIENT AMBULATORY	0	0	0	0	0
INPATIENT ANCILLARY SERVICES	0	0	194	59	0
OUTPATIENT SERVICES	1,742,139	117	330	11	0
OTHER OPERATING REVENUE	0	0	7	1	0
TOTAL REVENUE	12,209,280	817	1,962	825	469
DEDUCTIONS FROM REVENUE	5,441,902	364	*	*	*
NET REVENUES	6,767,378	453	671	410	96
EXPENSES					
ROUTINE	1,992,385	133	458	187	36
ANCILLARY	815,670	55	122	22	0
AMBULATORY	320,542				
OVERHEAD	2,582,915	173	775	268	138
OTHER	513,913	34			
TOTAL EXPENSES	6,225,425	417	1,091	519	182
OPERATING INCOME	541,953	36	36	-139	-571
		8.0%			
PATIENT DAYS	12,808		VALUES NOT ADJUSTED		
ADJUSTED PATIENT DAYS	14,940		FOR INFLATION		
TOTAL BED DAYS AVAILABLE	16,060				
ADJ. FACTOR	0.8573				
TOTAL NUMBER OF BEDS	44				
PERCENT OCCUPANCY	79.8%		72.0%	50.3%	19.1%
PAYER TYPE		PATIENT			
		DAYS			
		% TOTAL			
MEDICARE	6,340	49.5%	76.9%	50.5%	0.0%
COMMERCIAL	0	0.0%			
MEDICAID	0	0.0%	1.4%	0.0%	0.0%
PRIVATE	128	1.0%			
HMO/PPO	6,340	49.5%	57.2%	17.9%	0.0%
OTHER	0	0.0%			
TOTAL	12,808	100.0%			

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

The applicant forecasts managed care levels at 49.5 percent, between the median and highest level of the control group of 17.9 and 57.2 percent. This level, if realized, will have a positive impact on competition to promote quality assurance and cost-effectiveness. The actual level of managed care reported by this hospital for 2001 was 36.7 percent.

h. Are the proposed costs and methods of construction reasonable? ss. 408.035(10), Florida Statutes; Ch. 59A-3 or 59A-4, Florida Administrative Code.

The applicant seeks to establish a satellite psychiatric hospital of Ten Broeck in a building at another location. There are some licensure issues, but they are not pertinent to this architectural review. The remote building was once licensed as a specialty psychiatric hospital, and since the existing hospital is quite crowded, it is thought that it would be more cost-effective to renovate the remote building than to upgrade the Ten Broeck Facility.

The new one-story facility will be called Wekiva Springs and is on a 9.47-acre site in Jacksonville. Thirty-six of the new patient rooms will be private and eight will be semi-private. There are three wings with a common shared living area. As might be expected for a facility that was once licensed for this purpose, the floor plan is functional with a few exceptions.

There are several required spaces that do not appear to be in the existing building. There is no noisy social space and only one seclusion room to serve 44 patients. Two seclusion rooms are required as well as the noisy space. The facility does not have a pharmacy, which is also required. Since this review is not intended as an in-depth code review, the applicant and his design professional will benefit from reviewing the building codes that will be adopted before this project is submitted to AHCA.

The application states that there will be a “few modifications to the existing physical plant.” The narrative goes on to state that “The facility meets current requirements for construction classification, compartmentalization, separation of hazardous areas, travel distances and is fully sprinklered”. The issue is not that the building meets current code requirements, but if it will meet the codes that will be in force when the project is reviewed. The list of applicable codes on the drawings is only partially accurate.

The applicant seems to be somewhat aware of the requirements for disaster preparedness, but there is no information as to the flood plain elevation or the hurricane surge inundation information. This will have to be submitted the AHCA when the plans are reviewed if the application is granted and could possibly be a significant site issue. The building will be required to meet the standards for new construction even though it is an existing structure.

If it is projected that the patients in Wekiva Springs would be protected in place in case of a disaster, the applicant needs to address the code provisions that will be met if this is the case. It is not clear from the application that the applicant is aware of the "AIA Guidelines" that are proposed to be adopted.

All the new patient rooms have toilet rooms with self-contained showers. It is not quite clear if 10 percent of the patient rooms are accessible. At least four are, but the total needs to be verified. From the large-scale plans of two patient rooms, it appears that the rooms meet the size requirements of the codes that will be adopted mid-year. Cost data and schedules submitted seem to be reasonable.

It is required that schematic drawings be submitted as part of the CON application. Although the drawings for this proposal may be more advanced than required, they have been reviewed as schematics with the expectation that they will necessarily be revised and refined during the design development (preliminary) and contract document stages. The architectural review of the application shall not be construed as an in-depth effort to determine complete compliance with all applicable codes and standards. The final responsibility for facility compliance ultimately rests with the owner.

- 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.**

As a specialty hospital, the applicant is not eligible for Medicaid reimbursement. The applicant states that provided 1.47 percent of its total patient days to charity care in 2002. As a condition or approval the applicant commits to provide a minimum of one percent of total annual patient days to charity care in the new 44-bed satellite hospital.

F. SUMMARY

Ten Broeck Jacksonville, LLC, d/b/a Ten Broeck Hospital proposes to establish a new freestanding 44-bed adult psychiatric satellite hospital, to be known as Wekiva Springs, approximate three miles distant from the existing facility.

Need/Other Special Circumstances

- The AHCA published no need for adult psychiatric beds in District 4. The applicant seeks approval by citing Special Circumstances. There is sufficient utilization to demonstrate hospital-specific need for additional beds however not sufficient to justify a new freestanding 44-bed adult psychiatric hospital. There are alternatives available to add 10 beds by exemption and convert another 15 beds not currently in use, for a total of 25 beds. There are also alternatives to the current campus and spatial constraints of the existing facility. The applicant did not demonstrate the need for a 44-bed freestanding facility.

Quality of Care

- Ten Broeck Hospital had eight confirmed complaints since April of 2000. Four of the confirmed complaints were related to patient care, two concerned lack of supervision, one was a medication error and one was a billing issue.

Cost/Financial Analysis

- The applicant has a weak short-term and long-term position. Without a commitment from a lender and the parent, funding for this project is open to question.
- The financial feasibility of the project is in question.

Medicaid/Indigent Care

- The applicant is a specialty hospital and not eligible for Medicaid participation. The applicant is proposing a condition that a minimum of one percent of the patient days associated with the 44-bed satellite hospital be provided to charity care patients.

Architectural Analysis

- Overall, the proposal, as submitted, presents several issues that cause architectural concerns with the project in that several required spaces do not appear in the existing building, no noisy social space (a requirement) and only one seclusion room to serve 44 patients instead of the two required, and no pharmacy exists, which is required. The applicant contends the facility meets current requirements, however the issue is not that the building meets current code requirements, but if it will meet the codes that will be in force when the project is reviewed by Plans and Construction. The building will be required to meet the standards for new construction even though it is an existing structure.

G. RECOMMENDATION

Deny CON #9651.

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