

HealthSouth Rehabilitation Hospital

## **HealthSouth Seeks to Establish a Comprehensive Medical Rehabilitation Hospital in Marion County, Florida**



Published: June 2009

### ***Situation***

HealthSouth Corporation has been a client at NHA since the late 1990's. Most recently, HealthSouth Corporation retained NHA to obtain Certificate of Need (CON) approval to establish a 40-bed comprehensive medical rehabilitation (CMR) hospital in Ocala, Marion County, District III Florida.

### ***Solution***

NHA developed a CON application on behalf of HealthSouth Ocala, LLC to establish a 40-bed CMR hospital in Marion County, District III, Florida. Despite the Agency for Health Care Administration's published fixed need pool of "zero", NHA proved need for this level of service under not-normal-circumstances including insufficient geographic and programmatic access. In analyzing the lack of programmatic access to CMR services for the proposed service area, NHA used persuasive data to demonstrate the current utilization patterns of alternatives to CMR services that residents are using, including short term acute care hospitals without licensed rehab beds and skilled nursing homes are not optimal. Both are inappropriate alternatives to the intense medical rehabilitation offered by HealthSouth. Further, NHA determined the extent to which HealthSouth Ocala Service Area residents were utilizing existing healthcare services within District III but outside Marion County to prove Marion County is a distinct medical market from its neighboring Counties with existing CMR beds.

In evaluating geographic access to existing CMR services in District III, NHA studied travel patterns, travel times and roadway infrastructure to and from existing CMR providers within District III. NHA proved Service Area residents are geographically inaccessible to existing CMR resources, particularly in light of the greater than average elderly population in the Service Area who often experience hardships in driving under not normal driving conditions. Throughout the CON application NHA illustrated that Ocala, Marion County is an ideal location for a 40-bed CMR hospital and HealthSouth of Ocala is an excellent provider of CMR services. The CON application speaks to the success HealthSouth Corporation has had throughout Florida and nationally, through testimony from professionals in the field, historical evidence of its commitment to quality care and extensive demonstration of both immediate and long term financial feasibility.

### **SOLUTION OVERVIEW**

#### **Customer Profile**

HealthSouth Rehabilitation Center of Ocala, LLC is a wholly owned subsidiary of HealthSouth Corporation.

#### **Business Situation**

Community identification, hospital sizing, demand and feasibility analyses to prove the need for a new CMR hospital.

#### **Solution**

NHA conducted population, geographic and programmatic analyses. Successfully prepared and filed two CON applications and participated in trial as an expert witness. Awaiting final decision by Division of Administrative Hearing.

#### **Benefits**

- Preliminary approval of both a 40-bed and 60-bed CMR hospital, only one to be implemented.
- Applicant is a quality and seasoned leader of CMR services in the State of Florida and nationally.
- A new and much needed level of service to be provided to residents of service area.
- The project has already garnered support from community physicians eager for final approval and implementation of project.

NHA proved successful in its CON application preparation — the application was preliminarily approved by AHCA in June 2008. The application, however, was challenged by two existing District III CMR hospital providers, and HealthSouth of Ocala is currently undergoing the Department of Administrative Hearing process. The case has been heard in trial and a decision by the Administrative Law Judge (ALJ) is pending. Throughout the trial, NHA served as an expert witness in healthcare planning, healthcare finance and financial feasibility.

Prior to the trial date, NHA filed a second HealthSouth of Ocala CON application for a 60-bed CMR hospital in Ocala, Marion County, Florida. The intent of this submittal is to meet the even greater need that has developed since the initial application was filed one year prior. The second CON application received preliminary approval by AHCA in June 2009 and is pending either final CON award after the applicable notice period or potential opposition by existing District III CMR providers who could oppose the project through the DOAH process.



### ***For More Information***

For more information about NHA services, call our offices at (305) 444-5007. To access information using the internet, go to: <http://www.nhaconsulting.com/>

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