

STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Five Points Health Care, Ltd.
d/b/a Park Ridge Nursing Center/CON #10230
2380 Sadler Road, Suite 201
Fernandina Beach, Florida 32034

Authorized Representative: Mr. Steven W. Sell
(904) 321-1909

2. Service District/Subdistrict

District 4/Nursing Home Subdistrict 4-2 (Baker, Clay and southwest Duval Counties)

B. PUBLIC HEARING

A public hearing was not held or requested regarding this proposal.

Letters of Support

The applicant submitted five support letters that were signed and dated during April 30 through May 7, 2014. Below is a brief summary of the support letters.

Mr. Tim Simpson, Vice-President of Kindred Healthcare Inc.'s Florida District, submitted a letter on Kindred Hospital North Florida letterhead stating that "Currently the Orange Park-Middleburg area of Clay County is underserved as it pertains to skilled nursing facilities. I believe the location of the new building will greatly benefit the residents for Clay County who live in this area."

Regional Director of Select Medical Rehabilitation Services, Ms. Denise Ward, states that her company has provided therapy services to residents of Middleburg (the proposed location for the replacement nursing home project). Ms. Ward explains that "the additional skilled

beds will allow residents of this community to stay close to home...and will be a wonderful residence for those who decide to live in the facility long term”.

Ms. Felisa Savage, Director of Business Development for Community Hospice of Northeast Florida indicates that “We have had a long standing relationship with Park Ridge Nursing & Rehabilitation Center and together we provide quality and compassionate care to the elderly population that we jointly serve”. Mr. Mark Hayes, General Manager of VITAS Innovative Hospice Care for the Jacksonville area, submitted a letter stating, “Approving the proposed request would not only benefit the residents of Park Ridge with a new facility but would also bring more skilled care options to residents of Clay County.”

Ms. Janice L. Davis, a nursing home administrator, indicates that several years ago she was the administrator of this facility and that “I’m very familiar with the limitations and restrictions related to the antiquated physical plant and the location of the building.” She notes that the current facility still has a few rooms with four beds and “in an age where our focus and emphasis is on the quality of our elder citizens lives, old physical plants with multi-bed rooms have no place.”

C. PROJECT SUMMARY

Five Points Health Care, Ltd. d/b/a Park Ridge Nursing Center (CON application #10230) proposes to construct a 104-bed replacement community nursing home in Clay County. Park Ridge Nursing Center is currently located at 730 College Street, Jacksonville, Duval County (Nursing Home Subdistrict 4-2). The proposed replacement site in Middleburg is approximately 19.4 miles from the current site, and directly across from St. Vincent’s Medical Center—Clay County, Inc. This project will not add any additional beds or facilities to the subdistrict.

The applicant states that the current facility was constructed in 1965, and the physical plant is outdated and conditions challenge the provision of quality care. Park Ridge Nursing Center presently provides short-term rehabilitation, long-term care, dialysis, HIV care and hospice care (via Community Hospice of Northeast Florida, Inc.).

The project involves 74,539 gross square feet (GSF) of new construction. The construction cost is \$13,400,000. Total project cost is \$17,969,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

Five Points Health Care does not propose any conditions to approval of the project. The reviewer notes that the current facility does not have any conditions.

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 (3) (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, consultant Marisol Fitch analyzed the application in its entirety with consultation from financial analyst Everett Broussard of the Bureau of Central Services, who evaluated the financial data, and Said Baniahmad of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project with the 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.

1. Fixed Need Pool

- a. Does the project proposed respond to need as published by a fixed need pool? Or does the project proposed seek beds or services in excess of the fixed need pool? Rule 59C-1.008(2), Florida Administrative Code.**

Pursuant to Florida Statutes 408.0435, there was a moratorium on the issuance of certificates of need for increases in the number of community nursing home beds around the state, in effect from July 1, 2001 until July 1, 2014, when s. 408.0435 Florida Statutes was repealed. Due to the moratorium being in place on April 4, 2014 when the summary need projections were due for publication for the Other Beds and Programs—1st Batching Cycle, a fixed need pool was not published by the Agency. This project, if approved, will not change the bed count in the planning area.

- b. If no Agency policy exists, the applicant will be responsible for demonstrating need through a needs assessment methodology, which must include, at a minimum, consideration of the following topics, except where they are inconsistent with the applicable statutory or rule criteria:**
- **Population demographics and dynamics**
 - **Availability, utilization and quality of like services in the district, subdistrict, or both**
 - **Medical treatment trends**
 - **Market conditions**

Five Points Health Care is the licensee for Park Ridge Nursing Center (a 104-bed community nursing home located in Subdistrict 4-2, Duval County) and Lakeside Nursing and Rehabilitation Center, (a 122-bed community nursing home located in Subdistrict 4-1, Duval County). The applicant is seeking approval to construct and operate a 104-bed replacement community nursing home for Park Ridge Nursing Center to be located in Clay County.

The applicant notes that Nursing Home Subdistrict 4-2 includes Baker, Clay and the southwest portion of Duval County. The proposed replacement facility in Middleburg (Clay County) will be approximately 19.4 miles from the existing location. Five Points Health Care notes that since the new location will remain in the same subdistrict, no new beds will be added to the subdistrict total.

Five Points Health Care states that the current facility's aging physical plant and space constraints necessitate the replacement facility. The applicant cites the following problems at the current facility:

- Lack of private rooms
- Lack of bathrooms
- Therapy gym space is too small
- Lack of nursing station space
- Lack of office space
- Lack of storage space
- Lack of activities space
- Need to update plumbing
- Boiler system needs updating
- The building is outdated and obsolete compared to today's standards.

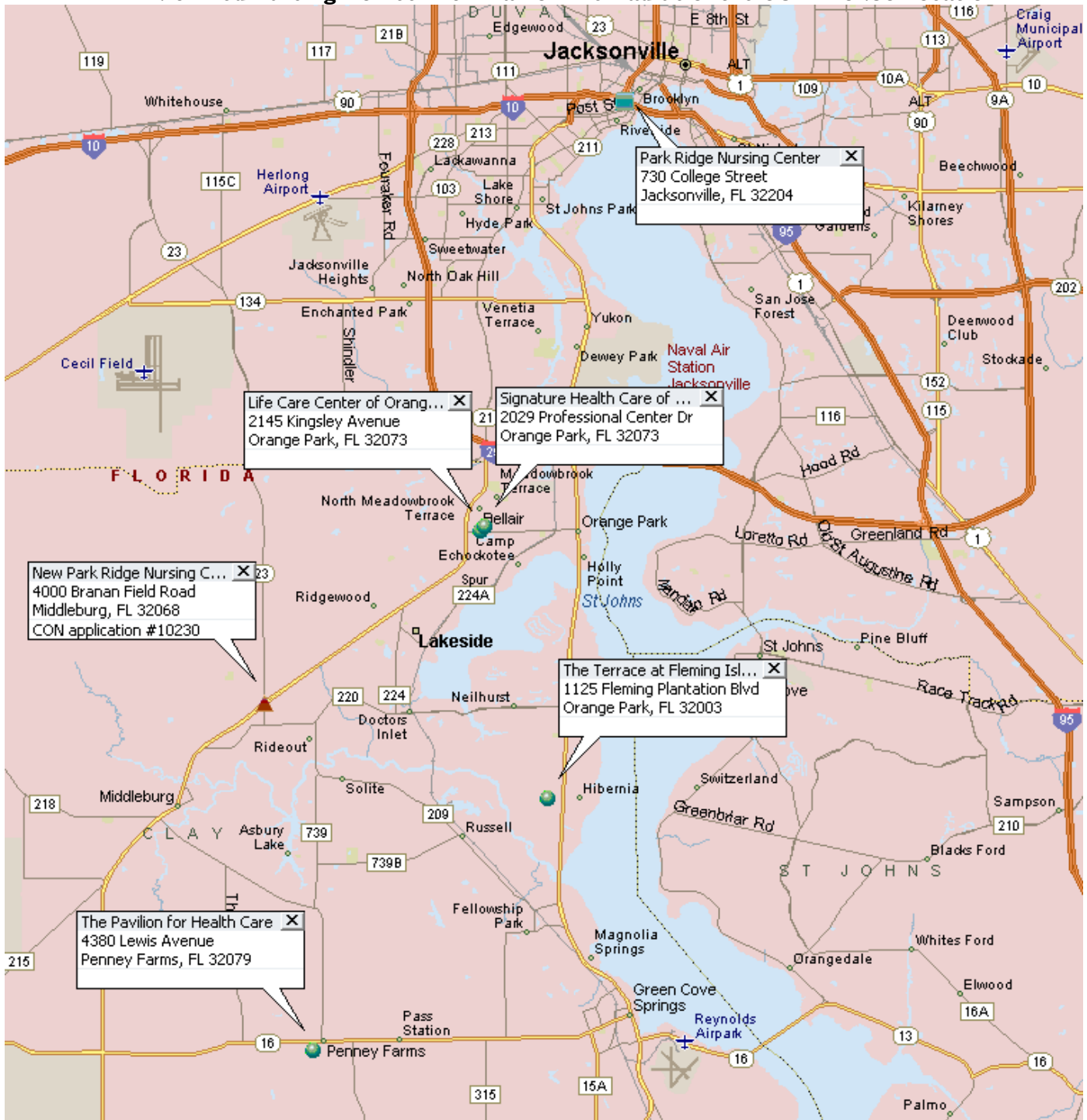
The applicant maintains that the current physical plant poses constant challenges to keep up-to-date with life/fire/safety codes, the current site is landlocked and there is no space for expansion. Five Points Health Care asserts that the current building has "simply out lived its useful life and needs to be replaced."

Five Points Health Care indicates that the proposed facility will be located on a 22.48 acre parcel owned by Branan Fields, Ltd.¹, at the corner of Old Jennings Road and Branan Field Road. The proposed site will be on the opposite corner from St. Vincent's Medical Center—Clay County and will allow for area residents to easily access rehabilitative nursing home care following an acute care episode.

The map on the following page shows the applicant's Park Ridge Nursing Center, the proposed project's approximate location and four of the eight nursing homes within approximately 10 miles of the project's proposed location. Four Orange Park community nursing homes (Consulate Health Care of Orange Park, Doctors Lake of Orange Park, Life Care Center at Wells Crossing and Heartland Health Care Center - Orange Park) are not included on this map due to limitations on the number of facilities that can be shown. However, these facilities are within a two-mile radius of Life Care Center of Orange Park, which is shown on the map.

¹ Five Points Managers, Inc. is the general partner of the applicant and Branan Fields, Ltd.

Park Ridge Nursing Center, Approx. Location for CON #10230, & Select Subdistrict 4-2 Skilled Nursing Homes Within a 10-mile Radius of the CON #10230 Location



Source: Microsoft MapPoint 2013®

The applicant states that the proposed 104-bed replacement facility will be a 74,539 square foot single-story structure with 76 private patient rooms and 14 semi-private rooms. Five Points Health Care indicates that the proposed facility will meet or exceed current code and Americans

with Disabilities Act (ADA) requirements, and will include the following:

- Future assisted living with memory care on the same campus to provide a continuum of care
- Future medical office building for convenient access to medical services
- Semi-private rooms are designed with a split plan to maximize privacy
- Therapy suite with large therapy gym, space equipped for physical therapy, occupational therapy for activities of daily living and speech therapy
- Outdoor physical therapy courtyard with activity equipment and a therapy track providing various walking surfaces, stairs and ramps
- Multiple dining rooms, providing options from central dining, café and bistro
- Theatre for movies and performances
- Beauty/barber shop
- Wireless nurse call systems
- WiFi
- Individual flat panel TVs
- Activity areas and living rooms within each resident wing
- Multiple courtyards, with some resident rooms provided direct access to a courtyard.

Five Points Health Care indicates that the proposed design will foster better care and allow for efficient management of medical conditions due to dedicated wings for short-term rehabilitation and long-term care. The applicant maintains that the overall positive impact on quality of care is a driving factor for the proposed facility. In addition, Five Points Health Care contends that future plans for the assisted living, memory care and medical office building will ensure a continuum of care on one campus.

Population demographics and dynamics

Population as of July 1, 2013 for Clay and Duval Counties, District 4 and the state are shown by age cohort below:

Population Estimates for Clay and Duval Counties By Age Cohort July 1, 2013			
	Ages 18-64	Ages 65+	Total Adult Population
Clay	120,960	25,429	146,389
Duval	563,697	108,382	672,079
District 4	1,223,760	319,878	1,543,638
Florida	11,770,942	3,504,564	15,275,506

Source: "Florida Population Estimates and Projections by AHCA District 2010 to 2030" published September 2013.

The applicant notes that the proposed facility will remain within Nursing Home Subdistrict 4-2 but will relocate from Duval to Clay County. Five Points Health Care maintains that the proposed location for the replacement facility will be located away from the main cluster of nursing home facilities currently located in Clay and Duval County—minimizing the impact on existing providers and improving access for residents of Clay County.

Five Points Health Care states that between 2000 and 2010, District 4 total population grew by 19.2 percent, with a 23.1 percent growth in population aged 65 and over. The applicant indicates that the district growth rate is greater than the statewide growth rate. See the table below.

**Historical Population Growth Clay, Duval, District 4 and Florida
July 2000 and July 2010 Populations**

County	July 2000 Population			July 2010 Population*		
	0-64	65+	Total	0-64	65+	Total
Clay	127,428	13,885	141,313	168,551	22,528	191,079
Duval	700,600	82,074	782,674	767,571	97,047	864,618
District 4	1,387,424	237,842	1,625,266	1,644,700	292,831	1,937,531
Florida	13,254,532	2,820,185	16,074,717	15,551,665	3,275,342	18,827,007
County	2000-2010 Increase			2000-2010 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Clay	41,123	8,643	49,766	32.3%	62.2%	35.2%
Duval	66,971	14,973	81,944	9.6%	18.2%	10.5%
District 4	257,276	54,989	312,265	18.5%	23.1%	19.2%
Florida	2,297,133	455,157	2,752,290	17.3%	16.1%	17.1%

Source: CON application #10230, page 1-11.

The reviewer provides the current and projected population for these areas in the table below.

**Current and Projected Population and Growth Rate
Clay, Duval, District 4 and Florida
January 1, 2014 and July 1, 2019**

County	January 1, 2014 Population			January 1, 2019 Population		
	0-64	65+	Total	0-64	65+	Total
Clay	171,487	26,063	197,550	187,719	33,494	221,213
Duval	770,113	110,370	880,483	787,252	133,435	920,687
District 4	1,665,038	325,353	1,990,391	1,747,653	395,305	2,142,958
Florida	15,881,702	3,548,756	19,430,458	16,646,993	4,153,269	20,800,262
County	2014-2019 Increase			2014-2019 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Clay	16,232	7,431	23,663	9.5%	28.5%	12.0%
Duval	17,139	23,065	40,204	2.2%	20.9%	4.6%
District 4	82,615	69,954	152,569	5.0%	21.5%	7.7%
Florida	765,291	604,513	1,369,804	4.8%	17.0%	7.0%

Source: Florida Population Estimates and Projections by AHCA District 2010 to 2030.

The applicant presents compounded annual growth rates (CAGR) to demonstrate that the total and elderly populations of Clay County are projected to exceed that of Duval County. See the table below.

Historical and Future CAGRs for Clay, Duval, District 4 and Florida

	CAGR 2000-2010			CAGR 2010-2013			CAGR 2013-2018		
	0-64	65+	Total	0-64	65+	Total	0-64	65+	Total
Clay	2.8%	5.0%	3.1%	0.3%	4.1%	0.8%	1.8%	5.2%	2.3%
Duval	0.9%	1.7%	1.0%	0.1%	3.8%	0.5%	0.4%	3.9%	0.9%
District 4	1.7%	2.1%	1.8%	0.3%	3.0%	0.7%	1.0%	3.9%	1.5%
Florida	1.6%	1.5%	1.6%	0.6%	2.3%	0.9%	0.9%	3.1%	1.4%

Source: CON application #10230, page 1-13.

Five Points Health Care maintains that the proposed replacement facility location in Clay County provides for an opportunity to improve access in a high growth area without the addition of new beds to the subdistrict.

The applicant notes that there are two acute care hospitals (Orange Park Medical Center and St. Vincent's Medical Center—Clay County) and eight nursing homes within a 10-mile radius of the proposed location. Six of the nursing homes are in close proximity to Orange Park Medical Center. There are no nursing homes in the city of Middleburg. Five Points Health Care maintains that the Middleburg population age 65 and over within Zip Code 32608 is expected to increase to 6,934 by 2018.

Five Points Health Care concludes that while both the current and proposed location will experience population growth, the new location will grow at a faster rate and in a region with fewer health care resources to accommodate service area residents.

Availability, utilization and quality of like services in the subdistrict

The applicant illustrates nursing home bed availability by calculating the number of beds per 1,000 elderly persons for the current and proposed 10-mile radii—before and after completion of the proposed project. See the table below.

**Nursing Home Bed Availability
Number of Beds per 1,000 Persons Age 65+**

Before Completion of Proposed Facility	Community Beds	2013 Population 65+	Beds Per 1,000
10-Mile Radius of Old Location	3,290	59,357	55
10-Mile Radius of New Location	913	24,792	37
After Completion of Proposed Facility	Community Beds	2018 Population 65+	Beds Per 1,000
10-Mile Radius of Old Location	3,186	68,275	47
10-Mile Radius of New Location	1,017	30,797	33

Source: CON application #10230, page 1-19.

Five Points Health Care contends that despite the proposed relocation to Middleburg, the number of available beds will only drop to 33, due to continued population growth. The applicant asserts that the need for additional nursing home beds in Middleburg is evident and that the proposed project will ensure continued access and availability of skilled nursing care to residents of the subdistrict and Clay County.

The subdistrict average occupancy during CY 2013 was 89.80 percent and Clay County was 91.37 percent. Below is a table illustrating Subdistrict 4-2's nursing home patient days and occupancy.

**Subdistrict 4-2 (Baker, Clay, and Southwest Duval Counties) Utilization
CY 2013**

County	Facility	Beds	Patient Days	Occupancy
Baker	Macclenny Nursing & Rehab Center	120	38,560	88.04%
Baker	W. Frank Wells Nursing Home	68	17,977	72.43%
	Baker County Total	188	56,537	82.39%
Clay	Consulate Health Care of Orange Park	120	41,900	95.66%
Clay	Doctors Lake of Orange Park	120	39,893	91.08%
Clay	Governors Creek Health & Rehabilitation	120	41,680	95.16%
Clay	Heartland Health Care Center - Orange Park	120	39,135	89.35%
Clay	Life Care Center at Wells Crossing	120	37,143	84.80%
Clay	Life Care Center of Orange Park	180	57,001	86.76%
Clay	The Pavilion For Health Care	40	13,221	90.55%
Clay	Signature Healthcare of Orange Park	105	35,517	92.67%
Clay	The Terrace at Fleming Island	108	39,005	98.95%
	Clay County Total	1,033	344,495	91.37%
Duval	All Saints Catholic Nursing Home & Rehab Center, Inc.	120	42,227	96.41%
Duval	Heartland Health Care Center Jacksonville	120	41,165	93.98%
Duval	Park Ridge Nursing Center	104	29,678	78.18%
Duval	Signature Healthcare of Jacksonville	180	53,108	80.83%
Duval	St. Catherine Laboure Manor, Inc.	240	84,323	96.26%
Duval	West Jacksonville Health & Rehabilitation Center	120	38,389	87.65%
	Duval County Subdistrict 4-2 Total	884	288,890	89.85%
	Subdistrict 4-2 Total	2,105	689,922	89.80%

Source: Agency for Health Care Administration "Florida Nursing Home Utilization by District and Subdistrict" published April 4, 2014.

The applicant maintains that there is a dire need for additional skilled nursing home beds in Clay County. Five Points Health Care states that using the current utilization rate of 13,547 nursing home patient days per 1,000 residents age 65 and over (344,495 patient days per 25,429 residents age 65+)—occupancy levels in the existing Clay County skilled nursing facilities will exceed 100 percent by 2015. See the table below.

**Clay County Projected Nursing Home Utilization
2014-2018**

Year	2014	2015	2016	2017	2018
Clay 65+ Population	26,741	28,181	29,677	31,192	32,722
Community Beds	1,033	1,033	1,033	1,137	1,137
Clay Projected Patient Days	362,269	381,777	402,044	422,568	443,296
Clay Projected Occupancy	96.08%	101.26%	106.34%	101.82%	106.82%

Source: CON application #10230, page 1-22.

Five Points Health Care contends that the current five-star quality rating system used by the Agency to rank nursing homes on performance is misleading and that the quality of like services in the subdistrict is difficult to accurately assess. The applicant maintains that even if all facilities do well during survey, 20 percent of facilities always fall into the lowest category. Five Points Health Care asserts that despite having an overall two-star rating, the current facility scores five stars on all five inspection components (Nutrition and Hydration; Restraints and Abuse; Pressure Ulcers; and Decline and Dignity). The applicant notes that their sister facility, Lakeside Nursing and Rehabilitation Center in District 4-1, achieved an overall inspection rating of five stars on its most recent survey.

The applicant indicates that its aging and outdated current physical plant no longer provides the highest quality accommodation for its residents. The facility includes obsolete multi-resident (one three bedroom and five four bedroom) suites. Five Points Health Care states that the proposed project will remedy the current physical plant limitations as well as positively impact the quality of service for residents.

Medical Treatment Trends

Five Points Health Care asserts that the 2001 moratorium on the issuance of certificates of need for additional nursing home beds coincided with the closure of hospital-based skilled nursing units—increasing the demand for short-term sub-acute skilled nursing home care. The applicant indicates that implementation of the Affordable Care Act will promote the reduction of hospital readmissions through continued focus on quality improvement by nursing home providers. In addition, Long-Term Care Community Diversion Programs have also impacted use—increasing utilization of skilled nursing home beds by more medically complex residents.

The applicant maintains that to be in line with the above trends, the proposed facility will be designed to accommodate short-term rehabilitative patients and long-term medically complex patients. The new facility will provide an environment of care with the necessary space, equipment and design features to care for a variety of patients.

Market Conditions

Five Points Health Care states that the northeast corner of Branan Field Road and Old Jennings Road in Middleburg, zip code 32068, Clay County, directly across the street from St. Vincent's Medical Center—

Clay County, will be the location for the proposed facility. The applicant indicates its intent to remain Medicaid and Medicare certified to maximize access for low income residents.

The applicant provides discharges at Clay County's two acute care hospitals, St. Vincent's Medical Center – Clay County, Inc. and Orange Park Medical Center and maintained that an increased number of hospital discharges may increase skilled nursing facility admissions. During the 12 months ending April 30, 2014, the applicant states these two hospitals had a combined 18.9 percent increase in discharges year over year.

Five Points Health Care reviewed the Health Planning Council of Northeast Florida Inc.'s skilled nursing facility discharge data for the most recent available quarter (July 1 through September 30, 2013) and states that of 614 Clay County residents discharged from area hospitals to skilled nursing facilities, 127 were from zip code 32068, the location of the proposed replacement facility. The applicant concludes that this equates to approximately 2,500 discharges annually, with over 500 for zip code 32068.

The applicant concludes that there will be no adverse impact to existing providers from the proposed project, due to the high average occupancy rate for Clay County nursing homes (91.37 percent in CY 2013), and relocation of the current facility to an area without existing skilled nursing facilities.

Implementation of the Project

To avoid disruption of service, the current facility will remain operational until the new facility is ready for occupancy. The applicant provides projected utilization including the Average Daily Census (ADC) for the proposed facility. See the table below.

**Park Ridge Nursing Center Replacement Facility
Projected Year One and Two Utilization**

Period	Admissions	Patient Days	Occupancy Rate	ADC
Year 1 (CY 2017)	456	29,633	78.06%	81.2
Year 2 (CY 2018)	550	35,136	92.56%	96.3

Source: CON application #10230, page 1-29.

2. **Agency Rule Preferences**

Does the project respond to preferences stated in Agency rules? Please indicate how each applicable preference for the type of service proposed is met. Chapter 59C-1.036, Florida Administrative Code.

Chapter 59C-1.036 of the Florida Administrative Code does not contain preferences relative to community nursing home beds nor does the Agency for Health Care Administration publish specific preferences for these facilities. However, the rule does contain standards the Agency utilizes in assessing the applicant's ability to provide quality care to the residents.

- a. **Geographically Underserved Areas. In a competitive certificate of need review within the nursing home subdistrict as defined in 59C-2.200, Florida Administrative Code, the Agency shall award a certificate of need if the applicant meets all applicable criteria for a geographically underserved area as specified in subsection 408.032(15), Florida Statutes (Florida Statutes), and if the applicant meets the applicable statutory certificate of need review criteria specified in section 408.035, Florida Statutes, including bed need according to the relevant bed need formula contained in this rule. If the applicant is awarded a certificate of need based on the provisions of this paragraph, the applicant shall agree that the nursing facility will be located in a county without a nursing facility, or in the center of an area within the subdistrict of a radius of at least 20 miles which meets the definition of a geographically underserved area. The center of the geographically underserved area shall be the proposed nursing home location in the application.**

Five Points Health Care indicates that the application is not submitted in order to remedy a geographically underserved area.

- b. **Proposed Services. Applicants proposing the establishment of Medicare-certified nursing facility beds to be licensed under Chapter 400, Florida Statutes, shall provide a detailed description of the services to be provided, staffing pattern, patient characteristics, expected average length of stay, ancillary services, patient assessment tools, admission policies, and discharged policies.**

The applicant maintains that it will continue being certified for and participating in both the Medicare and Medicaid programs.

Five Points Health Care states that the following services are provided at the current facility and will continue at the replacement facility:

- Physical Therapy
- Occupational Therapy
- Speech Therapy
- Orthopedic Rehabilitation
- Neurological Rehabilitation
- Pulmonary Rehabilitation
- Medical Management
- Memory Care
- Palliative Care
- Hospice Care
- Wound Care.

Additionally, the applicant maintains that it provides a wide-array of other services and amenities for the support, comfort and security of their residents. A full list is available on page 2-3 of the application.

Five Points Health Care maintains that it will provide an interdisciplinary team approach to developing a plan of care for residents. The applicant indicates that upon admission each resident will be evaluated for special needs and a care plan will be developed.

The applicant states that discharge planning begins at the initial assessment. Five Points Health Care utilizes an interdisciplinary team approach for discharge plans and that at discharge both the Director of Nursing and the Social Services Director discuss aftercare plans with the resident and their family. A written plan will be provided to the resident, responsible party and attending physician and appropriate follow-up will occur when necessary.

Utilization and Staffing

Schedule 6A illustrates that FTEs for year one (CY 2017) total 122.3 facility-wide, with 26.2 FTEs added by the proposed project. For year two (CY 2018), the applicant forecasts 125.9 FTEs, with 29.8 FTEs specific to the proposed project. The proposed project's year one and year two FTEs are shown in the table below.

Five Points Health Care (CON application #10230) Projected Year One (CY 2017) & Year Two (CY 2018) Staffing		
	CY 2017 FTEs	CY 2018 FTEs
Administration		
Administrator	1.0	1.0
Director of Nursing	1.0	1.0
Admissions Director	1.0	1.0
Business Office Manager	1.0	1.0
Asst. Business Office Manager	1.0	1.0
Medical Records Clerk	1.0	1.0
Human Resources	1.0	1.0
Receptionist	1.4	1.4
Marketing	1.0	1.0
MDS Coordinator	2.0	2.0
Nursing		
RNs	2.7	2.7
LPNs	15.0	17.1
Nurses' Aides	44.7	49.1
Nursing Admin, Central Supply	4.0	4.0
Ancillary		
Physical Therapist	4.0	4.0
Speech Therapist	1.5	1.5
Occupational Therapist	4.0	4.0
Director/Therapy Tech	2.0	2.0
Dietary		
Dietary Supervisor	2.0	2.0
Cooks	4.2	4.2
Dietary Aides	8.5	5.6
Servers, etc.	1.1	1.1
Social Services		
Social Service Director	1.0	1.0
Activity Director	1.0	1.0
Activities Assistant	2.0	2.0
Housekeeping		
Housekeeping Supervision	1.0	1.0
Housekeepers	5.6	5.6
Laundry		
Laundry Aides	2.8	2.8
Plant Maintenance		
Maintenance Supervisor	1.0	1.0
Maintenance Assistance	2.8	2.8
Total	122.3	125.9

Source: CON application #10230, Schedule 6A.

Per notes to Schedule 6A, the proposed staffing patterns and the number of FTEs are based on the experience of the applicant's management.

Chapter 400.23 (3) (a) 1. b. and c., Florida Statutes, requires a minimum licensed nursing staffing of 1.0 hours of direct care for each resident per day and a minimum certified nursing assistant staffing of 2.5 hours of direct care for each resident per day.

Additionally, s. 400.23 (3)(a)1. a., Florida Statutes, states that there must be a minimum weekly average of certified nursing assistant and licensed nurse staffing of 3.6 combined hours of direct care per resident per day. In addition, nursing staff must include at least one professional nurse per 40 residents and one nurse's aide per 20 residents. The calculations below are based on the applicant's proposed staffing from Schedule 6A and projected occupancy from Schedule 5 of the application.

Five Points Health Care (CON application #10230) Minimum Staffing Requirements			
FTE Nurses/Aides	Minimum Requirement	CY 2017	CY 2018
Nurses	1.0 hours of direct care per resident	1.09	1.02
Aides	2.5 hours of direct care per resident	2.75	2.53

Source: CON application #10230, Schedules 5 and 6A.

Five Points Health Care states that the new facility will have both short and long term patients, accepting a variety of payers including Medicaid, Medicare and private insurance. The applicant submits the following table for the first two years of the proposed project. See the table below.

Projected Admissions, Patient Days, Average Length of Stay (ALOS) and Average Daily Census (ADC) First Two Years of Operations for the 104-Bed Facility		
	Year One CY 2017	Year Two CY 2018
Admissions	456	550
Patient Days	29,633	35,136
ALOS	65.0	63.9
ADC	81.2	96.3

Source: CON application #10230, page 2-7.

The applicant maintains that residents will be offered the opportunity to transfer to the replacement facility, minimizing gaps in service. Five Points Health Care anticipates that the new facility will achieve an ADC of 81.2 by year one and 96.3 by year two of the proposed project.

- c. **Quality of Care.** In assessing the applicant's ability to provide quality of care pursuant to s. 408.035(1), Florida Statutes, the Agency shall evaluate the following facts and circumstances:

1. **Whether the applicant has had a Chapter 400, Florida Statutes, nursing facility license denied, revoked, or suspended within the 36 months prior to the application.**

The applicant has not had a nursing home license denied, revoked or suspended.

2. **Whether the applicant has had a nursing facility placed into receivership at any time during the period of ownership, management, or leasing of a nursing facility in the 36 months prior to the current application.**

Five Points Health Care has not had a nursing home placed into receivership.

3. **The extent to which the conditions identified within subparagraphs 1 and 2 threatened or resulted in direct, significant harm to the health, safety, or welfare of the nursing facility residents.**

This provision is not applicable.

4. **The extent to which the conditions identified within subparagraph 3 were corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory to the agency.**

This provision is not applicable.

5. **Rule 59C-1.036 (4) (f) Harmful Conditions.** The Agency shall question the ability of the applicant to provide quality of care within any nursing facility when the conditions identified in subparagraph (e) 1 and (e) 2 result in the direct, significant harm to the health, safety, or welfare of a nursing facility resident, and were not corrected within the time frames allowed by the appropriate state agency in each respective state and in a manner satisfactory with the Agency.

This provision is not applicable since there have been no violations.

- d. Rule 59C-1.036 (5) Utilization Reports. Within 45 days after the end of each calendar quarter, facilities with nursing facility beds licensed under Chapter 400, Florida Statutes shall report to the Agency, or its designee, the total number of patient days, which occurred in each month of the quarter, and the number of such days that were Medicaid patient days.**

The applicant states that it will provide the required data to the Health Planning Council of Northeast Florida, Inc., and to the Agency for Health Care Administration.

3. Statutory Review Criteria

- a. Is need for the project evidenced by the availability, quality of care, accessibility and extent of utilization of existing health care facilities and health services in the applicant's service area? ss. 408.035 (1)(b) and (e), Florida Statutes.**

There are 78 licensed community nursing homes with a total of 9,335 community nursing home beds in District 4. Subdistrict 4-2 is composed of Baker, Clay and Southwest Duval County and has 17 licensed community nursing homes with a total of 2,105 community nursing home beds. The subdistrict averaged 89.80 percent total occupancy for the 12-month period ending December 31, 2013. The current facility, Park Ridge Nursing Center had a total occupancy of 78.18 percent during CY 2013.

Five Points Health Care indicates that in its current location—there are 55 beds per 1,000 population age 65 years and over within a 10-mile radius of the facility. The applicant asserts that at the site for the proposed replacement facility, there are only 37 beds per 1,000 population age 65 and over within a 10-mile radius of the facility. Five Points Health Care contends that the proposed project will ensure a more even distribution of beds within Subdistrict 4-2. The applicant states that given the strong population growth in Clay County and with no nursing homes currently located in Middleburg (Zip Code 32068), the proposed project makes the best health planning strategy to maximize availability and access.

Five Points Health Care asserts that the proposed facility will remedy the current physical plant deficiencies of the current facility. The applicant indicates that the proposed facility design will foster better care and allow for more efficient management of medical conditions. Five Points Health Care maintains that the improved care environment will have an overall positive impact on quality of care.

The applicant states that the proposed Middleburg location was chosen to improve access given the growth that has occurred within Clay County in the past several years. Five Points Health Care expects this growth to continue and that the proposed replacement facility will bring a much needed service to the area. The applicant indicates that the dual certification of all 104 beds will ensure access to Medicare and Medicaid beneficiaries. Five Points Health Care maintains that its proposed provision of both long-term care and short-term rehabilitation will enhance access for residents living in the planning area.

Five Points Health Care notes that nursing home utilization for the most recent three years shows consistent high occupancy at all facilities located in Clay County—exceeding that of the subdistrict, District 4 and Florida for all three years. See the table below.

Clay County Nursing Home Utilization by Facility CY 2011-2013							
Facility	2013 Beds	Patient Days			Occupancy		
		2011	2012	2013	2011	2012	2013
Consulate Health Care of Orange Park	120	41,659	42,232	41,900	95.11%	96.16%	95.66%
Doctors Lake of Orange Park	120	39,835	40,482	39,893	90.95%	92.17%	91.08%
Governors Creek Health and Rehabilitation	120	40,607	41,340	41,680	92.71%	94.13%	95.16%
Heartland Health Care Center-Orange Park	120	39,225	39,815	39,135	89.55%	90.65%	89.35%
Life Care Center at Wells Crossing	120	38,333	37,828	37,143	87.52%	86.13%	84.80%
Life Care Center of Orange Park	180	61,557	60,312	57,001	93.69%	91.55%	86.76%
The Pavilion for Health Care	40	12,834	12,693	13,221	87.90%	86.70%	90.55%
Signature Health Care of Orange Park	105	36,423	36,012	35,517	95.04%	93.71%	92.67%
The Terrace at Fleming Island	108	38,988	39,141	39,005	98.90%	99.02%	98.95%
Total	1,033	349,461	349,855	344,495	92.68%	92.54%	91.37%
Subdistrict 4-2	2,105	698,018	698,236	689,922	90.85%	90.63%	89.80%
District 4	9,355	3,048,193	3,027,431	3,011,494	88.45%	88.17%	88.34%
Florida	80,074	25,368,177	25,438,955	25,464,457	87.26%	87.06%	87.19%

Source: CON application #10230, page 3-9.

The applicant contends that the proposed replacement facility will reallocate beds where they are most needed—in an area of limited availability without adversely affecting existing facilities.

- b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality care? Is the applicant a Gold Seal Program nursing facility that is proposing to add beds to an existing nursing home? ss. 408.035 (1)(c) and (j), Florida Statutes.**

Five Points Health Care states that it is an experienced provider of long-term care. The applicant asserts that it will remedy several existing physical plant impediments by constructing/equipping the proposed replacement facility as a state-of-the-art nursing home. Five Points Health Care indicates that the proposed facility will have ample space and a more efficient functional design to deliver care better.

The applicant notes that many of the deficiencies cited on its most recent AHCA survey report can be directly linked to the aged physical plant. Five Points Health Care asserts that all complaints and deficiencies are addressed and corrected expediently. The reviewer notes that the most recent Agency inspection indicates Park Ridge Nursing Center received an overall two-star rating.

Five Points Health Care maintains that the current facility has a facility-wide performance improvement process that focuses on continually improving the delivery of care and services to residents. A Performance Improvement Committee has also been established to hear and act on reports as needed. The applicant indicates that it utilizes “Daily Huddle Clinical Meetings” at the start and end of every shift to reinforce teamwork, communication and improve care. The reviewer notes that the applicant states these are ongoing at the current facility but makes no comment as to whether it will continue at the replacement facility.

Park Ridge Nursing Center had one substantiated complaint during August 1, 2011 to August 1, 2014 in the category of “Physical Environment”. Five Points Health Care’s other Florida facility, Lakeside Nursing and Rehabilitation Center in Jacksonville, had one substantiated complaint in the same time period for “Quality Care/Treatment”.

- c. What resources, including health manpower, management personnel and funds for capital and operating expenditures, are available for project accomplishment and operation? ss. 408.035(1)(d), Florida Statutes.**

The financial impact of the project will include the project cost of \$17,969,000 and year two operating costs of \$11,170,410.

The audited financial statements of the applicant for the periods ending December 31, 2012, and December 31, 2013 were analyzed for the purpose of evaluating the applicant's ability to provide operational funding necessary to implement the project.

Short-Term Position:

The applicant's current ratio of 2.1 is about average and indicates current assets are approximately 2.1 times current liabilities, an adequate position. The ratio of cash flows to current liabilities of 1.3 is above average, an adequate position. The working capital (current assets less current liabilities) of \$1.7 million is a measure of excess liquidity that could be used to fund capital projects. Overall, the applicant has an adequate short-term position (see Table 1).

Long-Term Position:

The ratio of long-term debt to net assets of 2.7 is well above average and indicates that long-term debt is nearly three-times equity, a weak position. The ratio of cash flow to total assets of 13.0 percent is above average, a good position. The most recent year had \$1.6 million of revenues in excess of expenses, which resulted in a total margin of 8.9 percent. Overall, the applicant has an adequate long-term position (see Table 1).

Capital Requirements:

On Schedule 2, the applicant indicates capital projects totaling \$18.5 million, which consist of expenditures related to this project. The applicant is projecting a year one operating loss of \$511,000. The applicant will have to fund the anticipated year one operating loss until profitability can be reached.

Available Capital:

The applicant indicates on Schedule 3 that funding for the project will be provided by \$1.2 million in cash-on-hand as reported in the audit report for the year-ending December 31, 2013 (discussed above) and \$16.7 million from non-related financing for the balance of required funding. In support of external financing, the applicant provided a letter from Ameris Bank in which the bank indicates that they have "strong interest" to provide funding. Staff notes that indicating strong interest in providing funding is not a commitment to finance the project and the bank letter did not specify any loan amount, interest rate or other terms.

Staffing:

Schedule 6A indicates for CY 2017 (the first year of the proposed project) the applicant forecasts 122.3 FTEs facility-wide. For CY 2018 (year two), the applicant forecasts an incremental addition of 3.6 FTEs for a total of 125.9 FTEs facility-wide.

Conclusion:

Funding for this project is dependent on a loan from Ameris Bank as discussed above.

TABLE 1 CON application #10230 Five Points Health Care, Ltd., d/b/a Park Ridge Nursing Center		
	12/31/13	12/31/12
Current Assets	\$3,255,559	\$3,063,709
Cash and Current Investment	\$1,233,699	\$1,401,041
Total Assets	\$15,674,474	\$15,646,867
Current Liabilities	\$1,582,145	\$1,307,562
Total Liabilities	\$11,866,555	\$11,971,990
Net Assets	\$3,807,919	\$3,674,877
Total Revenues	\$18,293,692	\$17,531,116
Interest Expense	\$2,490	\$5,689
Excess of Revenues Over Expenses	\$1,633,042	\$1,934,787
Cash Flow from Operations	\$2,035,031	\$2,149,313
Working Capital	\$1,673,414	\$1,756,147
FINANCIAL RATIOS		
	12/31/13	12/31/12
Current Ratio (CA/CL)	2.1	2.3
Cash Flow to Current Liabilities (CFO/CL)	1.3	1.6
Long-Term Debt to Net Assets (TL-CL/NA)	2.7	2.9
Times Interest Earned (ER+Int/Int)	656.8	341.1
Net Assets to Total Assets (NA/TA)	24.3%	23.5%
Total Margin (ER/TR)	8.9%	11.0%
Return on Assets (ER/TA)	10.4%	12.4%
Operating Cash Flow to Assets (CFO/TA)	13.0%	13.7%

d. What is the immediate and long-term financial feasibility of the proposal? ss. 408.035(1)(f), 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 was derived from skilled nursing facilities that submitted Medicaid cost reports in fiscal year 2012 and 2013. Staff selected 25 skilled nursing facilities with similar Medicaid utilization. Per Diem rates are projected to increase by an average of 2.9 percent per year. The price adjustment factor used was based on the new CMS Market Basket Price Index as published in the 1st Quarter 2014, Health Care Cost Review.

Projected net revenue per patient day (NRPD) of \$333 in year one and \$344 in year two is between the control group median and highest values of \$323 and \$400 in year one and \$333 and \$412 in year two. With net revenues between the median and highest values in the control group, the facility is expected to consume health care resources in proportion to the services provided (see Tables 2 and 3). Projected revenues appear to be reasonable.

Anticipated costs per patient day (CPD) of \$350 in year one and \$318 in year two is between the control group median and highest values of \$326 and \$393 in year one and between the control group median and lowest \$336 and \$404 in year two. With costs falling between the median and highest values in the control group, projected costs are considered reasonable (see Tables 2 and 3). The applicant is projecting a decrease in CPD between years one and year two of approximately 9.2 percent. Overall, costs appear to be reasonable.

Section 400.23(3)(a)(2), Florida Statutes, specifies a minimum certified nursing assistant staffing of 2.5 hours of direct care per resident per day and a minimum licensed nursing staffing of 1.0 hour of direct resident care per resident day. Based on the information provided in Schedule 6, the applicant's projected licensed nursing staffing and direct care exceeds the minimum level required in year one and two. Furthermore, the applicant's certified nursing assistant staffing exceeds the minimum required by statute in years one and two.

The year two operating profit for the skilled nursing facility of \$931,590 computes to an operating margin per patient day of \$27, which is between the control group median and highest values of \$3 and \$57. Overall profitability appears achievable.

Conclusion:

Assuming the applicant can obtain the necessary financing, this project appears to be financially feasible.

TABLE 2

CON application #10230 SELECT FY 2011/2012 COST REPORT DATA	CY 2017 YEAR 1 ACTIVITY	YEAR 1 ACTIVITY PER PAT. DAY	VALUES ADJUSTED FOR INFLATION		
			Highest	Median	Lowest
ROUTINE SERVICES	10,311,000	348	529	272	211
ANCILLARY SERVICES	3,682,000	124	179	112	-16
OTHER OPERATING REVENUE	0	0	3	0	-12
GROSS REVENUE	13,993,000	472	672	397	244
DEDUCTIONS FROM REVENUE	4,130,000	139	0	0	0
NET REVENUES	9,863,000	333	400	323	291
EXPENSES					
ADMINISTRATIVE	2,603,000	88	108	84	76
PATIENT CARE	4,528,000	153	190	147	107
PROPERTY	893,000	30	63	31	13
OTHER	101,000	3	0	0	0
TOTAL EXPENSES	10,374,000	350	393	326	271
OPERATING INCOME	-511,000	-17 -5.2%	57	3	-22
PATIENT DAYS	29,633		VALUES NOT ADJUSTED FOR INFLATION		
TOTAL BED DAYS AVAILABLE	37,960				
TOTAL NUMBER OF BEDS	104				
PERCENT OCCUPANCY	78.06%				
PAYER TYPE	<u>PATIENT DAYS</u>	<u>% TOTAL</u>			
SELF PAY	699	2.4%			
MEDICAID	17,422	58.8%	68.9%	63.6%	48.6%
MEDICARE	9,749	32.9%	41.0%	23.1%	9.6%
INSURANCE	0	0.0%			
HMO/PPO	0	0.0%			
OTHER	1,763	5.9%	28.2%	11.2%	2.8%
TOTAL	29,633	100.0%			

TABLE 3

CON application #10230 SELECT FY 2011/2012 COST REPORT DATA	CY 2018	YEAR 2	VALUES ADJUSTED		
	YEAR 2	ACTIVITY	FOR INFLATION		
	<u>ACTIVITY</u>	<u>PER PAT. DAY</u>	<u>Highest</u>	<u>Median</u>	<u>Lowest</u>
ROUTINE SERVICES	12,592,000	358	544	280	217
ANCILLARY SERVICES	4,689,000	133	184	115	-16
OTHER OPERATING REVENUE	0	0	4	0	-12
GROSS REVENUE	17,281,000	492	692	409	251
DEDUCTIONS FROM REVENUE	5,179,000	147	0	0	0
NET REVENUES	12,102,000	344	412	333	300
EXPENSES					
ADMINISTRATIVE	2,681,470	76	111	87	78
PATIENT CARE	4,813,840	137	196	151	110
PROPERTY	970,000	28	65	32	13
OTHER	104,030	3	0	0	0
TOTAL EXPENSES	11,170,410	318	404	336	279
OPERATING INCOME	931,590	27	57	3	-22
		7.7%			
PATIENT DAYS	35,136		VALUES NOT ADJUSTED		
TOTAL BED DAYS AVAILABLE	37,960		FOR INFLATION		
TOTAL NUMBER OF BEDS	104		<u>Highest</u>	<u>Median</u>	<u>Lowest</u>
PERCENT OCCUPANCY	92.56%		97.9%	91.9%	49.7%
PAYER TYPE	<u>PATIENT DAYS</u>	<u>% TOTAL</u>			
SELF PAY	732	2.1%			
MEDICAID	20,496	58.3%	68.9%	63.6%	48.6%
MEDICARE	12,078	34.4%	41.0%	23.1%	9.6%
INSURANCE	0	0.0%			
HMO/PPO	0	0.0%			
OTHER	1,830	5.2%	28.2%	11.2%	2.8%
TOTAL	35,136	100.0%			

- e. **Will the proposed project foster competition to promote quality and cost-effectiveness? ss. 408.035(1)(e) and (g), Florida Statutes.**

Competition to promote quality and cost-effectiveness is driven primarily by the best combination of high quality and fair price. Competition forces health care facilities to increase quality and reduce charges/costs in order to remain viable in the market. In this case, the applicant is applying to replace an existing 104-bed facility it currently owns, transferring the existing beds from one location to another.

Conclusion:

This project will not result in additional beds in the service area and will not have a material impact on competition.

- f. Are the proposed costs and methods of construction reasonable? Do they comply with statutory and rule requirements? ss. 408.035(1)(h), Florida Statutes; Ch. 59A-4, Florida Administrative Code.**

The narrative indicates there are 76 private rooms and 14 semi-private rooms for a total of 104 beds. However schematic plans show there are 60 private rooms and 28 semi-private rooms for a total of 116 beds.²

This facility will be a one story fully sprinklered building. The building construction type is not listed. The narrative indicates that a site for the proposed facility has been determined but does not indicate whether the site is above the category 3 storm surge and 100-year flood elevations. The occupied residents' areas must be a minimum of two feet above the elevations, as required by the Florida Building Code.

All resident rooms are provided with shower/toilet rooms and appear to be designed to meet accessibility standards. The new resident rooms exceed the minimum area requirements of Florida Building Code.

The design utilizes five exterior courtyards for outside activities. The administrative spaces are located near the entrance and the lobby. A 1,000 square foot therapy suite is provided for physical, speech and occupational therapy and one of the courtyards is dedicated to outdoor physical therapy. Each resident wing is served by a local medication room, clean room, soiled utility room and a central nurse station. Central dining has a view and access to a courtyard, and there are multiple dining areas located throughout the facility in the resident wings to provide options for the residents. Activity areas and living rooms have been provided within each resident wing.

According to the architectural plans and narrative, the entire building will comply with all new codes and standards—including all exterior units and the emergency generator system. The proposed facility is divided into smoke compartments as required by the applicable codes. The layout is efficient and functional. The design as presented does not indicate any major impediments.

² The CON reviewer notes that s. 408.036 (3)(f) Florida Statutes, revised effective July 1, 2014, allows replacement facilities to add 30 total beds or 25 percent of the total in a facility being replaced, whichever is less.

Based on the analysis of actual cost data of similar projects, the estimated construction costs appear to be lower than the expected range. The information provided in the project completion forecast appears to be reasonable.

The plans submitted with this application were schematic in detail 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.

- g. Does the applicant have a history of and propose the provision of health services to Medicaid patients and the medically indigent? Does the applicant propose to provide health services to Medicaid patients and the medically indigent? ss. 408.035(1)(i), Florida Statutes.**

Five Points Health Care operates two facilities in District 4, Duval County and states that it has a long history of providing skilled nursing care to Medicaid patients. The applicant provides a three year history for the current facility as compared to other Clay County skilled nursing providers. See the table below.

Historical Medicaid Utilization for Existing Facility Clay County Facilities, Subdistrict 4-2, District 4 and Florida CY 2011-CY 2013			
Facility/Area	Medicaid Patient Days		
	2011	2012	2013
Park Ridge Nursing Center	20,714	20,821	20,267
Clay County	202,933	192,138	189,443
Subdistrict 4-2	420,483	411,506	410,137
District 4	1,886,425	1,869,824	1,839,586
Florida	15,664,947	15,733,318	15,700,197
Facility/Area	Medicaid Occupancy		
	2011	2012	2013
Park Ridge Nursing Center	69.60%	70.20%	68.29%
Clay County	58.07%	54.92%	54.99%
Subdistrict 4-2	60.24%	58.94%	59.45%
District 4	61.89%	61.76%	61.09%
Florida	61.75%	61.85%	61.66%

Source: CON application #10230, page 9-2.

The applicant provides projected Medicaid days for the replacement facility based on the current level. The reviewer notes that while the applicant projects to have approximately the same number of Medicaid patient days, its projected Medicaid occupancy will decrease. Five Points Health Care asserts that the proposed project will ensure continued

service to Medicaid recipients. The applicant maintains that projections are similar to the existing utilization of the facility and subdistrict. See the table below.

Projected Admissions and Patient Days Year One and Year Two CON application #10230					
Payer	Year One (CY 2017)		Year Two (CY 2018)		Percent of Days
	Admissions	Patients Days	Admissions	Patient Days	
Medicare	349	9,749	432	12,078	34.4%
Medicaid	46	17,422	54	20,496	58.3%
Self-Pay	2	699	3	732	2.1%
Other/Hospice	59	1,763	61	1,830	5.2%
Total	456	29,633	550	35,136	100.0%

Source: CON application #10230, page 9-2.

F. SUMMARY

Five Points Health Care, Ltd. d/b/a Park Ridge Nursing Center (CON application #10230) proposes to construct a 104-bed replacement community nursing home in Clay County. Park Ridge Nursing Center is currently located at 730 College Street, Jacksonville, Duval County (Nursing Home Subdistrict 4-2). The proposed replacement site, directly across from St. Vincent's Medical Center—Clay County, Inc., in Middleburg is approximately 19.4 miles from the current site. The project will not add any new beds or facilities to the subdistrict.

The project involves 74,539 GSF of new construction. The construction cost is \$13,400,000. Total project cost is \$17,969,000. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant does not propose any conditions to approval of the project. The current facility does not have any conditions.

Need/Access:

Five Points Health Care states that the current facility is in decline with an aging physical plant and space constraints which necessitate a replacement facility. The facility presently has one three bedroom and five four bedroom suites. The applicant cites several problems at the current facility and indicates that the proposed design will foster better care and allow for efficient management of medical conditions due to dedicated wings to both short-term rehabilitation and long-term care.

The applicant maintains that the proposed location for the replacement facility away from the main cluster of nursing home facilities currently located in Clay and Duval Counties—minimizes the impact on existing providers and improves access for residents of Clay County. The proposed site on the opposite corner from St. Vincent's Medical Center will allow for area residents to easily access rehabilitative nursing home care following an acute care episode.

Five Points Health Care maintains that the proposed replacement facility location provides for an opportunity to improve access in a high growth area without the addition of new beds to the subdistrict.

Quality of Care:

The applicant provided a good description of its ability to provide quality care.

For the most recent rating period, the existing facility had two out of a possible five-star quality inspection rating. Five Points Health Care had two substantiated complaints at its two Florida skilled nursing facilities during August 1, 2011 to August 1, 2014.

Financial Feasibility/Availability of Funds:

Funding for the project is dependent on a loan from Ameris bank. Assuming the applicant can obtain the necessary financing, the project appears to be financially feasible. The proposed project will not have a material impact on competition.

Medicaid/Indigent/Charity Care:

The applicant has a history of providing care to Medicaid recipients. In CY 2013, Medicaid was 68.29 percent of the facility's total patient days.

The applicant estimates Medicaid will be 58.30 percent of the facility's total CY 2018 (year two) patient days.

Architectural:

All resident rooms are provided with shower/toilet rooms and appear to be designed to meet accessibility standards. The new resident rooms exceed the minimum area requirements of Florida Building Code. However, the applicant does not indicate that the site is above the category 3 storm surge and 100-year flood elevations.

The estimated construction cost and project completion forecast appears to be lower than expected.

G. RECOMMENDATION

Approve CON #10230 to construct a 104-bed replacement community nursing home in Clay County, District 4, Subdistrict 2. The total project cost is \$17,969,000. The project involves 74,539 GSF of new construction and a construction cost of \$13,400,000.

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: _____

James B. McLemore
Health Services and Facilities Consultant Supervisor
Certificate of Need