

**STATE AGENCY ACTION REPORT
ON APPLICATION FOR CERTIFICATE OF NEED**

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

Alachua County HRC, LLC/CON #10250

709 S. Harbor City Blvd. Suite 240
Melbourne, Florida 32901

Authorized Representative: Geoff Fraser
(321) 288-0171

CCHI, LLC/CON #10251

46 3rd Street NW
Hickory, North Carolina 28601

Authorized Representative: Michael T. Jones
(828) 322-8171

HSP Citrus, LLC /CON #10252

101 Sunnyside Road, Suite 201
Casselberry, Florida 32707

Authorized Representative: Mark Cronquist
(404) 250-1846

Oak Hammock at the University of Florida, Inc. /CON #10253

4250 Lakeside Drive, Suite 214
Jacksonville, Florida 32210

Authorized Representative: Jonathan A. Corbin
(904) 381-0431

PruittHealth – Alachua County, LLC/CON #10254

1626 Jeurgens Court
Norcross, Georgia 30093

Authorized Representative: Neil L. Pruitt, Jr.
(770) 806-6893

2. Service District/Subdistrict

District 3/Subdistrict 3-2 (Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties)

B. PUBLIC HEARING

A public hearing was not held or requested regarding any of the proposed projects.

Letters of Support

Alachua County HRC, LLC (CON #10250): The Agency received a few letters of support submitted by the applicant. All letters were composed by health care providers working in Gainesville, Florida. All letters were signed and dated during December 2014.

CCHI, LLC (CON #10251): The Agency received various letters of support submitted by the applicant and through mail delivery. The letters were composed by local health care providers and associations, local business leaders and local elected officials.

HSP Citrus, LLC (CON #10252): The Agency received many letters of support submitted by the applicant. The letters were composed by patients of affiliated facilities and their family members, local health care providers, associations and local business leaders.

The patients and family members are grateful for the care, support and services they have received in the affiliated facilities—some letters single out staff members for going above and beyond.

Oak Hammock at the University of Florida, Inc. (CON #10253): The Agency received a few letters of support that were also submitted by the applicant. Three letters were composed by health care providers working in Gainesville, Florida and one letter was submitted by an Oak Hammock Board Member. All letters were signed and dated during December 2014.

PruittHealth – Alachua County, LLC (CON #10254): The Agency received various letters of support submitted by the applicant. All were form letters of support signed by local health care providers and business leaders and community members.

C. PROJECT SUMMARY

Alachua County HRC, LLC (CON #10250) states that it will be owned by SBK Capital LLC but will be managed by Clear Choice Health Care (referred to as Clear Choice throughout this document), proposes to establish a new 140-bed community nursing home in Subdistrict 3-2, Alachua County.

Clear Choice operates eight skilled nursing facilities (SNF) in Florida:

- Belleair Health Care
- Centre Point Health
- Conway Lakes Health
- East Bay Rehab
- Melbourne Terrace Rehab
- Port Charlotte Rehab
- Spring Lake Rehab
- Sun Terrace Health

The project involves 90,000 gross square feet (GSF) of new construction. The construction cost is \$14,130,000. Total project cost is \$22,293,638. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- Eighty-two beds will be located in private rooms

CCHI, LLC (CON #10251), a wholly owned subsidiary of CM Healthcare Holdings I, LLC, proposes to add 30 community nursing home beds to Cross City Rehabilitation and Health Care Center in Subdistrict 3-2, Dixie County.

Cross City Rehabilitation and Health Care Center is a 60-bed skilled nursing facility located in Cross City in Dixie County.

The applicant operates three SNFs in Florida:

- Cross City Rehabilitation and Health Care Center (this facility)
- Lafayette Health Care Center in Mayo, Lafayette County
- Lake Park of Madison in Madison, Madison County

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The project involves 11,221 GSF of new construction. The construction cost is \$1,795,360. Total project cost is \$2,479,347. Project cost includes land, building, equipment, project development and financing costs.

The applicant does not wish to accept any conditions for the proposed project.

HSP Citrus, LLC (CON #10252), a corporate member entity of the Sovereign Group, which will be managed by its sister entity, Southern HealthCare Management, LLC (referred to as SHCM throughout this document), proposes to establish a new 120-bed community nursing home in Subdistrict 3-2, Alachua County.

The applicant's sister entity SHCM operates 26 SNFs in Florida:

- Arbor Trail Rehab and Skilled Nursing Center
- Atlantic Shores Nursing and Rehab Center
- Bayshore Pointe Nursing and Rehab Center
- Bonifay Nursing and Rehab Center
- Boulevard Rehabilitation Center
- Braden River Rehabilitation Center
- Crestview Rehabilitation Center
- Fort Walton Rehabilitation Center
- Hunters Creek Nursing and Rehab Center
- Jacksonville Nursing and Rehab Center
- Macclenny Nursing and Rehab Center
- Medicana Nursing and Rehab Center
- Metro West Nursing and Rehab Center
- Moultrie Creek Nursing and Rehab Center
- Ocala Oaks Rehabilitation Center
- Orange City Nursing and Rehab Center
- Palm City Nursing and Rehab Center
- Pinellas Point Nursing and Rehab Center
- Port Orange Nursing and Rehab Center
- River Valley Rehabilitation Center
- Riviera Palms Rehabilitation Center
- Royal Oaks Nursing and Rehab Center
- Sarasota Point Rehabilitation Center
- Tiffany Hall Nursing and Rehab Center
- Tuskawilla Nursing and Center

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The project involves 82,200 GSF of new construction. The construction cost is \$14,796,000. Total project cost is \$21,205,900. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- Specialized Programs and Services
 - Rapid Recovery
 - Discharge Support
 - Stroke Recovery
 - Pulmonary Acute Cardiac Episode Recovery (PACER)
 - Respiratory Therapy
 - Infusion Therapy

Oak Hammock at the University of Florida, Inc. (CON #10253), hereafter referred to as Oak Hammock, managed by Praxeis, LLC, proposes to add 17 community nursing home beds to its existing facility through conversion of 17 existing sheltered beds.

Oak Hammock is a 42-bed sheltered nursing home in Subdistrict 3-2, Alachua County. The facility is located in a continuing care retirement community (CCRC). The facility was awarded CON #10227 for the addition of 31 sheltered beds on May 21, 2014.

Praxeis operates two SNFs in Florida:

- Oak Hammock at the University of Florida (this facility)
- The Glenridge on Palmer Ranch (in Sarasota, Florida)

The project involves zero GSF of new construction. The construction cost is \$0.00. Total project cost is \$60,750. Project cost includes building and project development costs.

The applicant does not wish to accept any conditions for the proposed project.

PruittHealth – Alachua County, LLC (CON #10254) proposes to establish a new 120-bed community nursing home or a partial request to establish a new 90-bed community nursing home in District 3/Subdistrict 3-2, Alachua County.

The applicant operates one SNF with 120 beds in Florida, located in Subdistrict 1-1:

- PruittHealth – Santa Rosa

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The project involves 76,179 GSF of new construction. The construction cost is \$10,691,524. Total project cost is \$18,039,386. Project cost includes land, building, equipment, project development costs, financing and start-up costs.

The partial project involves 65,967 GSF of new construction. The construction cost is \$9,271,946. Total project cost is \$15,726,626. Project cost includes land, building, equipment, project development costs, financing and start-up costs.

The applicant proposes to condition the project as shown below:

- Seek Joint Commission accreditation or accreditation from some other similarly recognized accrediting body
- Implement a program designed to reduce hospital readmissions
- Incorporate a minimum of 64.4 percent private rooms/beds into the facility design
- Participate in an organization-wide Quality Assurance/Performance Improvement initiative that entails quarterly visits in regard to clinical, operational, pharmaceutical and reimbursement areas by corporate consultants to ensure compliance with all local, state and federal laws
- Implement the WanderGuard system as a management component of the Alzheimer program
- Implement Electronic Medical Records (EMR) at the facility and include Smart Charting or other similar bed side patient charting tool
- Implement Resident Safety Technology including Call Guard and WanderGuard into the facility
- Implement Clinical Kiosks in appropriate locations throughout the facility

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- Implement Alzheimer, dementia and other special behavioral health management programs
- Implement the top five special amenities requested by existing health care providers in this subdistrict:
 - Specialized care staff, state of the art rehab suites, therapy pool, dining options and custom meal planning
- Implement the top special operational initiatives requested by existing health care providers:
 - High percentage of private rooms, providing programs to reduce hospital readmissions, EMR and resident safety technology
- Implement the top five clinical services requested by existing health care providers:
 - Mental/behavioral health program, diabetes care, medication management, Hospice and HIV/AIDS care
- Assure all staff maintains ongoing training and continuing education credits utilizing Pruitt University and at no cost to employees
- Participate in a company-wide Annual Quality Report to demonstrate transparency in operations and make this Quality Report available to the public
- Adopt the PruittHealth patient model of care including the UniPath Programs appropriate for this facility and described in the CON application and Supporting Documents
- Implement PointRight Technology (or a future similar technology) in ongoing operation
- Maintain a minimum Medicaid percentage which exceeds the subdistrict wide average Medicaid percentage in regard to percentage occupancy

NOTE: Section 408.043 (4) Florida Statutes, prohibits accreditation by any private organization as a requirement for the issuance or maintenance of a certificate of need, so Joint Commission accreditation (the first condition listed) will not be cited as a condition to approval. Should the project be approved, the applicant's proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code.

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Total GSF and Project Costs of Co-Batched Applicants

Applicant	CON #	Project	GSF	Costs \$	Cost Per Bed
Alachua County HRC	10250	New 140-Bed Facility	90,000	\$22,293,638	\$159,240
CCHI, LLC	10251	Add 30 Community Beds	11,251	\$2,479,347	\$85,645
HSP Citrus, LLC	10252	New 120-Bed Facility	82,200	\$21,205,900	\$176,716
Oak Hammock	10253	Convert 17 sheltered beds in an existing facility	0	\$60,750	\$3,574
PruittHealth – Alachua	10254	New 120-Bed Facility	76,179	\$18,039,386	\$150,328
PruittHealth – Alachua	10254P	New 90-Bed Facility	65,967	\$15,726,626	\$174,740

Source: CON applications #10250-10254, and their respective Schedules 1 and 9

Should a project be approved, the applicant’s proposed conditions would be reported in the annual condition compliance report as required by Rule 59C-1.013 (3) Florida Administrative Code.

D. REVIEW PROCEDURE

The evaluation process is structured by the certificate of need review criteria found in Section 408.035, Florida Statutes; and applicable rules of the State of Florida, Chapters 59C-1 and 59C-2, Florida Administrative Code. These criteria form the basis for the goals of the review process. The goals represent desirable outcomes to be attained by successful applicants who demonstrate an overall compliance with the criteria. Analysis of an applicant's capability to undertake the proposed project successfully is conducted by evaluating the responses and data provided in the application, and independent information gathered by the reviewer.

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

Rule 59C-1.010(3)(b), Florida Administrative Code, prohibits any amendments once an application has been deemed complete. The burden of proof to entitlement of a certificate rests with the applicant. As such, the applicant is responsible for the representations in the application. This is attested to as part of the application in the Certification of the Applicant.

As part of the fact-finding, the consultant, Lucy Villafrate analyzed the application with consultation from the financial analyst, Eric West, 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.**

In Volume 40, Number 193 of the Florida Administrative Register dated October 3, 2014, a fixed need pool of 227 beds was published for Subdistrict 3-2 for the July 2017 Planning Horizon. Subdistrict 3-2 is comprised of Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties.

After publication of this fixed need pool, zero existing Subdistrict 3-2 facilities filed exemption requests or filed expedited CON reviews to increase or add community nursing home beds.

As of November 19, 2014, Subdistrict 3-2 had 1,615 licensed and zero approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 3-2 experienced 92.69 percent utilization at 14 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 3-2.

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**Subdistrict 3-2 Nursing Home Patient Days and
Occupancy July 1, 2013-June 30, 2014**

Facility	Comm. Nursing Home Bed Inventory	Bed Days	Patient Days	Total Occupancy	Medicaid Occupancy
Gainesville Health Care Clinic	180	65,700	62,194	94.66%	78.51%
North Florida Rehabilitation and Specialty Care	120	43,800	41,933	95.74%	46.36%
Palm Garden of Gainesville	120	43,800	40,764	93.07%	55.06%
Park Meadows Health and Rehabilitation Center	154	56,210	47,630	84.74%	66.20%
Parklands Rehabilitation and Nursing Center	120	43,800	41,698	95.20%	74.67%
Signature Healthcare of Gainesville	120	43,800	36,952	84.37%	59.74%
Terrace Health and Rehabilitation Center	120	43,800	43,014	98.21%	53.72%
Riverwood Health and Rehabilitation Center	120	43,800	42,300	96.58%	64.85%
Windsor Health and Rehabilitation Center	120	43,800	40,727	92.98%	71.05%
Cross City Rehabilitation and Health Care Center	60	21,900	18,876	86.19%	65.23%
Ayers Health and Rehabilitation Center	120	43,800	41,725	95.26%	65.26%
Tri-County Nursing Home	81	29,565	27,359	92.54%	72.65%
Lafayette Health Care Clinic	60	21,900	19,815	90.48%	75.06%
Williston Rehabilitation and Nursing Center	120	43,800	41,412	90.55%	75.68%
Total	1,615	589,475	546,399	92.69%	65.99%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

The reviewer notes the current and projected population of the individual counties in Subdistrict 3-2, District 3 and the state for the planning horizon.

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**Current and Projected Population Growth Rate
Counties of Subdistrict 3-2, District 3, and Florida
January 2014 and January 2017**

County	January 1, 2014 Population			January 1, 2017 Population		
	0-64	65+	Total	0-64	65+	Total
Alachua	218,297	30,844	249,141	222,269	35,741	258,010
Bradford	22,608	4,388	26,994	23,897	5,022	28,919
Dixie	13,275	3,427	16,702	13,879	3,852	17,731
Gilchrist	13,985	3,181	17,166	14,322	3,632	17,954
Lafayette	7,559	1,167	8,726	7,746	1,272	9,018
Levy	32,344	8,431	40,775	33,484	9,388	42,872
Union	13,939	1,738	15,677	14,128	1,945	16,073
Subdistrict 3-2	322,007	53,176	375,181	329,725	60,852	390,577
District 3	1,253,159	399,133	1,652,292	1,305,416	446,101	1,751,517
Florida	15,881,702	3,548,756	19,430,458	16,349,888	3,891,621	20,241,509
County	2014-2017 Increase			2014-2017 Growth Rate		
	0-64	65+	Total	0-64	65+	Total
Alachua	3,972	4,897	8,869	1.82%	15.88%	3.60%
Bradford	1,289	634	1,925	5.70%	14.45%	7.13%
Dixie	604	425	1,029	4.55%	12.40%	6.16%
Gilchrist	337	451	788	2.41%	14.18%	4.59%
Lafayette	187	105	292	2.47%	9.00%	3.35%
Levy	1,140	957	2,097	3.52%	11.35%	5.14%
Union	189	207	396	1.36%	11.91%	2.53%
Subdistrict 3-2	7,718	7,676	15,396	2.40%	14.44%	4.10%
District 3	52,257	46,968	99,225	4.17%	11.77%	6.01%
Florida	468,186	342,865	811,051	2.95%	9.66%	4.17%

Source: Florida Agency for Health Care Administration Population Estimates, September 2013

The community nursing home beds per 1,000 residents for the age 65 and older cohort in the subdistrict are shown below, as compiled by the reviewer.

Beds per 1,000 Residents Age 65 and Older

County	Community Beds	2014 Pop. Aged 65+	2014 Beds per 1,000	2017 Pop. Aged 65+	2017 Beds per 1,000
Alachua	934	30,844	30	35,741	27
Bradford	240	4,388	55	5,022	48
Dixie	60	3,427	18	3,852	16
Gilchrist	201	3,181	63	3,632	55
Lafayette	60	1,167	51	1,272	47
Levy	120	8,431	14	9,388	13
Union	0	1,738	0	1,945	0
Subdistrict 3-2	1,615	53,176	30	60,852	27
District 3	7,558	399,133	19	446,101	17
Florida	80,508	3,548,756	23	3,891,621	21

Source: Florida Agency for Health Care Administration Population Estimates, September 2013 and Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

Alachua County HRC, LLC (CON #10250) believes that the location of the proposed facility, to be constructed on a site east of I-75 and north of State Road (SR) 26 within Alachua County, is an optimal area where

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there is a need for a project of this magnitude. The applicant indicates that it has chosen one site with two additional back-up sites all in close proximity of one another.

The applicant insists that the identified needs within the proposed market are relatively consistent with the needs throughout many of the Florida markets where Clear Choice currently operates. Alachua County HRC declares that area patients with problems related to medicine, cardiology and pulmonology would benefit particularly from existing Clear Choice programs, including:

- Medication and Disease Management Programming
- Cardiac Programming
- Left Ventricular Assistive Device Recipient Therapy
- Cerebral Vascular Accident
- Chronic Obstructive Pulmonary Disease
- Continuous and Bi-level Positive Airway Pressure Programming

CCHI, LLC (CON #10251) describes Subdistrict 3-2 as a geographically large, predominately rural subdistrict comprised of seven counties. The applicant reports that seven of the nursing facilities with 934 beds (58 percent of the subdistrict's bed inventory) are located in Alachua County. CCHI presented an analysis of the elderly population and bed ratio analysis of Subdistrict 3-2 on page six of CON application #10251.

The applicant asserts that the information presented in its table supports the award of this bed addition in Dixie County for the following reasons:

- From 2014 to 2017, Dixie County is projected to experience double-digit percentage growth in its elderly population (439 residents)
- Based on the 2014 estimates, bed ratios per 1,000 elderly in Dixie County are second lowest among Subdistrict 3-2 counties that are served by a nursing facility (Union County excluded)
- Assuming the 30 beds are awarded to Dixie County and the remaining 197 beds are awarded to Alachua County, Dixie County's ratio of beds per 1,000 elderly in 2017 would still be the second lowest among subdistrict counties that are served by a nursing facility (Union County excluded)
- Excluding Union County, Levy County has the lowest bed ratios per elderly in the subdistrict--Levy County is contiguous to Dixie County and Cross City Rehab serves its residents
- Approving some of the fixed need pool beds in Dixie County is the only available option to allocate some of the needed beds in the subdistrict to a geographic area other than Alachua County--all other four applications are for projects in Alachua County

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HSP Citrus, LLC (CON #10252) states that in addition to the Agency-identified need, SHCM has identified a sub-acute care service gap in the local community for patients who need intensive rehabilitation and recovery services in a SNF such as that proposed by the applicant. HSP Citrus mentions this gap several times throughout the application, below are the facts regarding this gap that the reviewer found in various places in the application:

- The fact that Shands Hospital (the teaching hospital located in Gainesville, Alachua County, Florida) currently refers certain of its hard-to-place and/or medically complex patients requiring specialized sub-acute care skilled nursing services to SHCM-managed facilities in distant cities such as Macclenny and Jacksonville

The reviewer notes that the applicant did not provide any discharge data or statistical analysis to confirm an identified gap.

The applicant insists that it is best positioned to address the SNF needs of residents in Alachua County, as demonstrated by the following:

- An experienced, local community nursing home management team will establish and operate the proposed 120-bed community nursing home
- The applicant will provide proven, high quality post-acute care programs and services, including rehabilitation and recovery services for hard-to place and/or medically complex patients
- The project will enhance geographic access for hard-to place and/or medically complex post-acute patients by providing a local alternative for these patients to remain close to home for care-- including those patients from Shands Hospital who currently travel significant distances to receive sub-acute care services at SHCM-operated facilities
- The proposed facility is uniquely designed to support the intensive, high quality rehabilitation and recovery programs and culture of the applicant and includes a significant number of private rooms
- Proven experience in bringing needed competition to a community such as Alachua County, by ensuring the successful development and ongoing operations of a community nursing home

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The applicant notes that the proposed project will bring needed competition and subsequently, greater patient choice for higher quality of care to the local community.

Oak Hammock at the University of Florida, Inc. (CON #10253) states that the proposed project achieves benefits through converting existing approved sheltered nursing home beds currently under development at a quality facility, saving time and resources needed to implement the project. The applicant believes that with such a large number of beds needed, projects that can be implemented quickly can relieve the area's pent-up demand sooner.

The applicant states that the proposed project provides the following advantages:

- Improves access to skilled nursing care by utilizing sheltered beds already under development that can be placed into service one year prior to the planning horizon
- Improved quality of skilled nursing care by placing community beds into service at a five-star rated facility
- Promotes culture change by placing community beds into service in newly constructed private rooms built to current code that exceed minimum square feet requirements
- Promotes competition by only applying for a portion of the total beds needed as published in the fixed need pool, allowing other projects to develop simultaneously with this one
- Provides a financially viable project that can be implemented with minimal costs

PruittHealth – Alachua County, LLC (CON #10254) states that it completed an extensive market research initiative that included surveying/interviewing existing health care providers and analyzing existing health care provider data. The applicant asserts that it incorporated a multitude of elements identified by the market research into the overall proposed facility plan. PruittHealth reports that the service area's health care providers indicated that the community's strongest needs in relation to:

- Bed and program mix were possessing a high percentage of private rooms and providing Medicare and short-term rehabilitation beds
- Special operational initiatives were possessing a high percentage of private rooms, implementing a program designed to reduce hospital readmissions, providing electronic medical records (EMR), possessing resident safety technologies and maintaining a high ratio of total nursing hours per patient day

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- Clinical services were for one that could provide mental/behavioral health, diabetes care, medication management, hospice care and HIV/AIDS care
- Special amenities include providing specialized care staff, state of the art rehab suites, a therapy pool and offering custom meal planning and multiple dining options

PruittHealth states that it will incorporate each of the community's strongest needs listed above into the proposed facility. The applicant asserts that approval of the proposed facility will:

- Improve access for persons in need of short-term rehab
- Improve access for Medicaid services
- Improve access for Medicare services
- Improve access to private rooms
- Provide a modern design that supports independence and choice
- Provide state of the art rehabilitation programming
- Provide extensive clinical programming focused on reducing hospital readmissions

- 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:**

Each co-batched applicant is responding to the Agency's published fixed need pool, so this criterion is not applicable.

2. Agency Rule Preferences

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 publish specific preferences for these facilities. However, the rule does contain standards the Agency utilizes in assessing an 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(18), 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.

None of the applications were submitted to remedy a geographically underserved area as defined above.

- 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 discharge policies.

Alachua County HRC, LLC (CON #10250) states the proposed facility will be built, equipped and staffed to accommodate short-term rehabilitation services and long-term skilled nursing care.

The applicant insists that restoring and enhancing life quality is more than medical capabilities, rehab programs and technology. Alachua County HRC indicates that it's about anticipating and

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welcoming the needs of each unique patient and treating those concerns as if they were their own. The applicant asserts it will embrace the preferences of each patient with a collaborative approach by including families' inputs during the plan of care consistent with other Clear Choice managed facilities.

The applicant proposes to offer the following services and programs:

- Cutting edge therapy facilities
- Fully trained, professional and courteous staff
- Personalized care plan based on patients' goals
- Amenities like full service café bistro and movie theater
- Medication management and reconciliations
- Palliative care and collaborative hospice care
- Nutritional support and management
- Case management
- Patient and resident education
- Physical, occupational, speech and respiratory therapies
- Wound care
- Peritoneal dialysis
- Social services
- Concierge services
- Guardian angel program
- 72-hour meeting

The reviewer notes that earlier in the application, the applicant lists programs that Clear Choice provides at other facilities but does not specifically state they will be offered at the proposed facility.

Alachua County HRC believes in involving patients and their families in the care plan process. The applicant provides attached care plan forms in CON application #10250.

The applicant notes that while there is not a specific admission or discharge policy, it has attached some sample forms and guidelines used during admission and discharge of a patient.

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Alachua County HRC indicates that it is important to note that these are just a few of the examples intended to provide a brief perspective, but it is no way a complete set--Alachua County HRC will have access to the complete and comprehensive set. The applicant notes that CCHC has a comprehensive set of guidelines that comply with all state and federal regulations.

The applicant states that the facility anticipated length of stay (ALOS) for short-term patients is approximately 32 days. The reviewer notes the proposed facility is projecting a total facility ALOS of 30.38 for year one and 35.21 for year two. Alachua County HRC insists its staffing model will comply with all state regulations and furthermore will be designed to meet the various needs of their customers.

Schedule 6 illustrates that FTEs for year one (ending December 31, 2017) total 91.50 and total 178.00 for year two (ending December 31, 2018). The proposed project's year one and year two FTEs are shown in the table below.

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Alachua County HRC, LLC (CON application #10250) Projected Year One and Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Bookkeeper/BOM	1.00	1.00
Secretary	1.00	3.00
Medical Records Clerk	1.00	1.50
Nursing Administrative	5.00	6.00
Other Administrative	1.00	2.50
Marketing	1.00	1.00
Physicians		
Unit/Program Director	1.00	1.00
Nursing		
RNs	3.00	9.00
LPNs	8.00	22.00
Nurses' Aides	34.00	55.00
Ancillary		
Physical Therapist	2.00	9.00
PTA	3.00	9.00
Speech Therapist	2.00	4.00
Occupational Therapist	2.00	5.00
Other: COTA	3.00	9.00
Dietary		
Dietary Supervisor	1.00	2.00
Cooks	2.00	5.00
Dietary Aides	7.00	8.00
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Activities Assistant	0.00	1.00
Other: Transportation	0.00	3.00
Housekeeping		
Housekeeping Supervision	1.00	1.00
Housekeepers	4.00	8.00
Laundry		
Laundry Aides	2.00	5.00
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.50	1.00
Total	91.50	178.0

Source: CON application #10250, Schedule 6

CON Action Numbers: 10250 through 10254

CCHI, LLC (CON #10251) indicates that the proposed beds will be certified for Medicare and Medicaid as are the facility's current beds. CCHI states that it Cross City Rehabilitation provides a full range of services to all of its residents which will also be provided to the residents of the bed addition:

- Care planning
- Nursing, physician and support services
- Hospice and respite care
- Dietary services
- Activities
- Rehabilitative therapy

The applicant asserts other ancillary services provided to meet the overall care needs of each resident include but are not limited to:

- Pharmaceuticals
- Medical supplies
- Lab and diagnostic, radiological and respiratory services
- Wound care and audiologist services
- Other ancillary services as needed

CCHI includes facility brochures on its therapy programs and services in Exhibit 4 of CON application #10251.

The applicant maintains that patient characteristics at Cross City Rehab vary depending on needs, but are broadly classified into residents requiring short-term rehabilitation, residents with complex medical conditions, residents needing long-term care and residents needing end of life palliative care.

CCHI insists that Medicare Part A residents comprise the majority of admissions to the facility following their discharge from an acute care hospital. CCHI reports that when admitted to the facility, Medicare Part A residents fall into one of eight broad categories of service:

- Rehab plus extended service
- Rehab
- Extensive services
- Special care high
- Special care low
- Clinically complex
- Behavioral symptoms and cognitive performance
- Physical function reduced

CON Action Numbers: 10250 through 10254

CCHI indicates that the primary patient assessment tool will be the Minimum Data Set (MDS) Form--which contains a group of screening, clinical and functional status elements that measure such things as cognitive condition, communication/hearing patterns, physical functioning and structural problems and disease diagnosis in the assessment of skilled care residents. The applicant states that the frequency of assessments will comply with licensure regulations.

The applicant asserts that Cross City Rehab has strict admissions policies to accurately screen inquiries to assure the appropriateness of facility placement and to assure medical necessity of services. CCHI explains that the Care Planning Committee has formal responsibility for appropriateness review after resident admission.

CCHI notes that Cross City Rehab develops a discharge plan for each resident--patients are discharged only by physician order. The applicant indicates that the discharge plan includes items such as a resident's diagnosis, rehabilitation potential, cognitive ability, medical necessity for care, family support and community resources which might be needed upon discharge.

The applicant provides the following table detailing its projected ALOS:

Cross City Rehab, Projected ALOS

	ALOS in Days in Year 1	ALOS in Days in Year 2
Private Pay	120	120
Medicaid	200	200
Medicare	30	30
Managed Care	30	30
Hospice	45	45

Source: CON application #10251, page 12

The applicant's Schedule 7 shows an ALOS of 75.79 days in year one and 75.80 in year two for the 30-bed addition. The schedule also shows 87 incremental admissions and 6,594 incremental patient days in year one and 130 incremental admissions and 9,855 incremental patient days in year two. Schedule 6A illustrates that FTEs for year one (ending December 31, 2017) total 73.70 and total 77.90 for year two (ending December 31, 2018). The proposed project's year one and year two FTEs are shown in the table below.

CON Action Numbers: 10250 through 10254

CCHI, LLC (CON application #10251) Projected Year One and Year Two Staffing For 30-Bed Addition and Total 90-Bed Facility				
	Year One FTEs (30-bed addition)	Year One Total Facility FTEs	Year One (30-bed addition) FTEs	Year Two Total Facility FTEs
Administration				
Administrator		1.00		1.00
Director of Nursing		1.00		1.00
Admissions Director		1.00		1.00
Bookkeeper	0.50	0.50	0.50	0.50
Medical Records Clerk		1.00		1.00
Human Resources		1.00		1.00
Staff Development Coordinator	1.00	1.00	1.00	1.00
Office Manager		1.00		1.00
Receptionist	1.00	1.00	1.00	1.00
Staffing Coordinator		1.00		1.00
MDS/Care Planning Coordinator		1.00		1.00
Nursing				
RNs	1.40	5.60	1.40	5.60
LPNs	2.66	9.66	3.50	10.50
Nurses' Aides	9.58	34.78	12.60	37.80
Ancillary				
Physical Therapist	Contracted	Contracted	Contracted	Contracted
Speech Therapist	Contracted	Contracted	Contracted	Contracted
Occupational Therapist	Contracted	Contracted	Contracted	Contracted
Dietary				
Dietary Supervisor		1.00		1.00
Cooks	0.40	2.80	0.40	2.80
Dietary Aides	1.06	3.86	1.40	4.20
Social Services				
Social Service Director		1.00		1.00
Activity Director		1.00		1.00
Activities Assistant	0.50	0.50	0.50	0.50
Social Services Assistant	0.50	0.50	0.50	0.50
Housekeeping				
Housekeeping Supervision	Contracted	Contracted	Contracted	Contracted
Housekeepers	Contracted	Contracted	Contracted	Contracted
Laundry				
Laundry Aides	Contracted	Contracted	Contracted	Contracted
Plant Maintenance				
Maintenance Supervisor	1.00	1.00		1.00
Maintenance Assistance	0.50	1.50	.50	1.50
Total	19.10	73.70	23.30	77.90

Source: CON application #10251, Schedule 6A

CON Action Numbers: 10250 through 10254

The applicant asserts that highlights of its staffing resources include:

- An overall average staffing ratio of 3.79 direct nursing hours per patient day once the bed addition reaches stabilized occupancy
- 24-hour RN Coverage
- A full-time MDS Assessment/Care Planning Coordinator
- Nursing administrative support from the Director of Nursing and Staff Development Coordinator
- In addition to administrative staff typically found in a nursing facility, CCHI will also have a full-time persons serving in the positions of Human Resources and as Staffing Coordinator

HSP Citrus, LLC (CON #10252) asserts that SHCM has developed a unique set of special programs which differentiate their services from those typically offered at other SNFs because SHCM's programs and services focus on rehabilitation and recovery for medically complex and other hard-to-place patients. HSP Citrus insists the implementation of these same programs and services at the proposed facility in Alachua County will ensure residents in that community have local access to a high level of intensive and post-acute care services.

The reviewer notes that the applicant did not respond directly to the specific Agency rule preferences, the reviewer gathered the following information in various places throughout the application.

The applicant provides a detailed description of each of the following unique rehabilitation and recovery programs on pages eight through 13 of CON application #10252:

- Rapid Recovery Unit
- Discharge Support
- Stroke Recovery
- Pulmonary Acute Cardiac Episode Recovery (PACER)
- Respiratory Therapy Services
- Infusion Therapy

CON Action Numbers: 10250 through 10254

HSP Citrus notes that the referral services offered through these intensive rehabilitation and recovery programs benefit many stakeholders, including short-term acute care hospitals and their patients and families, as well as their physicians. The applicant insists SHCM has established long-term relationships with local hospitals in the many communities that it serves.

The applicant indicates that additionally, the proposed project will include the following services typically offered by community nursing homes:

- Inpatient and Outpatient Rehabilitation
- Respite, Restorative and End of Life Care
- Wound Care and Enteral Therapy Services
- Enhanced Cultural Outcomes

HSP Citrus includes a few select policies and procedures as well as select job descriptions in Appendix D of CON application #10252.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 61.2 and total 113.5 for year two (ending June 30, 2019). The proposed project's year one and year two FTEs are shown in the table below.

CON Action Numbers: 10250 through 10254

HSP Citrus, LLC (CON application #10252) Projected Year One and Year Two Staffing		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.40	1.90
Bookkeeper	1.00	1.00
Secretary	0.00	0.00
Medical Records Clerk	1.40	1.90
Other: Marketing	0.00	0.00
Other: Nursing Admin	4.50	9.20
Other: Medical Director	0.10	0.10
Nursing	4.80	9.70
RNs	10.50	21.30
LPNs	19.60	40.10
Nurses' Aides		
Ancillary		
Physical Therapist	3.90	6.90
Speech Therapist	0.80	1.30
Occupational Therapist	3.10	6.00
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	0.70	1.20
Dietary Aides	2.50	5.00
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Activities Assistant	0.50	1.00
Housekeeping		
Housekeeping Supervision	Contracted	Contracted
Housekeepers	Contracted	Contracted
Laundry		
Laundry Aides	Contracted	Contracted
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Maintenance Assistance	0.40	0.90
Total	61.20	113.5

Source: CON application #10252, Schedule 6

Oak Hammock at the University of Florida, Inc. (CON #10253)

asserts it is Medicare certified to allow the maximum benefits to its life care residents and the general population it serves. The applicant reports that the facility of 42 sheltered beds averages 11 Medicare beneficiaries daily, based on the facility's 2012 Medicare Cost Report.

The applicant maintains that although the facility provides a broad range of services for short-term rehabilitation and long-term care and memory care Oak Hammock states that non-life care residents from the general population primarily utilize the facility for rehabilitation. Oak Hammock insists it has the programs, policies and procedures in place to extend the rehabilitation program to serve the 17 community beds sought within this application.

Oak Hammock notes that the following services are provided:

- Physical, occupational and speech therapy
- Orthopedic, neurological and pulmonary rehabilitation
- Medical management
- Palliative, hospice and wound care
- Psychosocial assessment

The applicant states that other services and amenities that provide support, comfort and security include:

- 24-hour RN coverage
- On-site x-rays and clinical lab testing
- Ostomy and enteral care, diabetic care and management
- Medication management
- Bowel and bladder training
- IV therapy
- Structured activities seven days a week
- Pet therapy and pet friendly
- Veterinary clinic
- Security system
- Daily transportation
- Beauty/barber shop
- Podiatry services
- Massage therapy
- On-site UF health senior care primary clinic
- On-site full-service dental suite
- Resident centered nutritional and dining services
- Fitness center
- Audiology clinic

CON Action Numbers: 10250 through 10254

Oak Hammock believes that developing a plan of care for a resident in a long-term care facility is the single most important task undertaken for that resident. The applicant asserts that planning by an interdisciplinary team will help ensure the resident has care that will be coordinated and continuous.

The applicant states that a multidisciplinary team evaluates the needs of each resident. Oak Hammock provides a copy of the Skilled Nursing Admission Checklist in Exhibit 2-1 of CON application #10253.

Oak Hammock indicates that discharge plans--which involve an interdisciplinary team approach--begin with the initial assessment when patient and family needs and attributes are assessed with admission diagnosis specifically addressed. The applicant notes that at discharge, the Director of Nursing and Social Services Director will discuss the aftercare plans with the resident and his or her family and any other aftercare provider, as appropriate.

The applicant maintains that the facility provides care for both short and long-term patients, primarily for life care residents, while also accepting Medicare. The reviewer notes that with the current exemption, approval of the proposed project and the 31-bed sheltered beds added through the expedited CON process in May of 2014, Oak Hammock would have 73 total licensed beds—47 will be open to the public until September 1, 2019. The applicant does note that Oak Hammock retirement community residents will continue to access sheltered beds as a result of this project.

Oak Hammock includes the following table illustrating utilization, ALOS and Average Daily Census (ADC) for the first two years.

CON Action Numbers: 10250 through 10254

**Oak Hammock, First Two Years of Operation for the 17-Bed Addition
And Total Facility of 73 Beds**

	17-Bed Addition		Total Facility	
	Year One	Year Two	Year One	Year Two
Admissions	91	200	514	669
Patient Days	2,323	5,172	17,879	23,075
ALOS	25.5	25.9	34.8	34.5
ADC	6	14	49	63

Source: CON application #10253, page 2-7

Oak Hammock expects the additional 17 beds to fill during the first 18 months, achieving an ADC of six in the first year and 14 in the second year. The applicant notes that payer distributions among the sheltered beds remain constant and include Medicare, life care, and private pay.

Schedule 6A illustrates that FTEs for year one (ending June 30, 2017) total 57.40 and total 72.59 for year two (ending June 30, 2018). The applicant presents that no new staff will be added through this proposed project. The reviewer notes that the applicant predicted a facility total FTEs of 56.00 in year one and 70.70 in year two in the expedited application that was approved by the Agency in May 2014. The reviewer notes that this would mean that the proposed conversion would add 1.70 FTEs in year one and 1.89 FTEs in year two. The proposed project's year one and year two FTEs are shown in the table below.

CON Action Numbers: 10250 through 10254

Oak Hammock at the University of Florida (CON application #10253) Projected Year One and Year Two Staffing				
	Year One FTEs (17-bed conversion)	Year One Total Facility FTEs	Year One FTEs (17-bed conversion)	Year Two Total Facility FTEs
Administration				
Administrator		1.00		1.00
Director of Nursing		1.07		1.23
Admissions Director		0.00		0.00
Finance		0.00		0.00
Secretary		1.00		1.00
Medical Records Clerk		0.00		0.00
Other: IT/PR/Mkt/HR		1.17		1.37
Other: MSD Coordinator		2.45		3.16
Physicians				
Medical Director		0.20		0.20
Other: Nurse Practitioner		0.00		0.00
Nursing				
RNs		2.47		3.17
LPNs		9.87		12.68
Nurses' Aides		28.06		36.07
Ancillary				
Physical Therapist		0.00		0.00
Speech Therapist		0.00		0.00
Occupational Therapist		0.00		0.00
Dietary				
Dietary Supervisor		1.00		1.00
Cooks		1.15		1.48
Dietary Aides		1.93		2.49
Social Services				
Social Service Director		0.00		0.00
Activity Director		1.25		1.56
Activities Assistant		0.00		0.00
Housekeeping				
Housekeeping Supervision		0.00		0.00
Housekeepers		1.92		2.48
Laundry				
Laundry Aides		1.15		1.48
Plant Maintenance				
Maintenance Supervisor		0.00		0.00
Maintenance Assistance		1.72		2.22
Total	0.00	57.40	0.00	72.59

Source: CON application #10253, Schedule 6A

PruittHealth – Alachua County, LLC (CON #10254) indicates that it has designed a facility that is responsive to surveys from existing health care providers. The survey methodologies utilized by the applicant--including a copy of the survey, survey responses and how PruittHealth will respond to these needs--can be found on pages 40 through 77 of CON application #10254.

PruittHealth's design and outlook for the proposed facility includes the following:

- High percent of private rooms (65 percent) or 78 private rooms in the 120-bed proposal and 58 private rooms in the 90-bed partial proposal¹
- Enhancing Medicaid access at up to five points greater than the current subdistrict experience in the 120-bed facility
- Short-term rehab and Medicare beds
- Hospital Readmission Reduction Program
- EMR
- Resident safety technology
- Clinical Care Kiosks
- High ratio of nursing hours per patient day
- Specialized care staff
- State of the art rehab suites
- Therapy pool
- Mental/behavioral health program
- Diabetes care
- Medication management
- Hospice
- HIV/AIDS care
- PT/OT/ST

The applicant notes that essential services will include, but not be limited to the following:

- 24-hour nursing services
- Physical, occupational, speech and IV therapy
- Tube feeding and total parental nutrition
- Wound care and pain management
- Central lines
- Oxygen and outpatient therapy

¹ The reviewer notes that the applicant conditioned approval of the facility on Schedule C to a minimum 64.4 percent private rooms/beds in the facility, which exactly matches its proposal for the 90-bed facility.

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The applicant indicates that unique services and characteristics that set it apart from other nursing home providers include, but are not limited to:

- UniPath Specialty Care Programs
- Clinic Oversight Teams
- Mandatory Daily Interdisciplinary Team Meetings
- Electronic Medical Records
- Medication Monitoring
- Dedicated Quality Staff
- Clinical and General Kiosks

PruittHealth discusses the programs and routine services to be offered at the proposed facility on pages 90 through 112 of CON application #10254.

The applicant states that the proposed facility will have strict admissions policies to accurately screen inquiries to assure the appropriateness of facility placement and to assure medical necessity of services. The applicant insists that based on information gathered during preadmission screening, the Admissions Committee, in consultation with the facility's Medical Director, will determine if the facility is the appropriate setting for the prospective resident. PruittHealth indicates that the proposed facility will develop a discharge plan for each resident from the day of admission for a smooth transfer of the resident from the facility to home or another care setting to provide continuity of care.

PruittHealth's Schedule 7 indicates that the ALOS will be 55 days for year one and 75 days for year two of operation for the full award. Schedule 7 indicates that the ALOS will be 49 days for year one and 68 days for year two of operation for the partial award.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 61.81 and total 138.93 for year two (ending June 30, 2019) for the full award.

CON Action Numbers: 10250 through 10254

PruittHealth – Alachua County, LLC (CON application #10254) Projected Year One and Year Two Staffing 120-Bed Facility		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Secretary	1.40	1.40
Medical Records Clerk (CNA)	0.70	1.00
Other: Financial Counselor	1.00	1.00
Physicians		
Medical Director (Contracted)	0.20	0.20
Other: Physician Services (Contracted)	0.02	0.02
Nursing		
RNs	3.40	7.20
LPNs	10.00	23.80
Nurses' Aides	21.60	57.40
Other: RN MDS Nurse	0.80	2.00
Ancillary		
Physical Therapist (Contracted)	0.93	2.44
Physical Therapist Assistant (Contracted)	1.09	2.86
Speech Therapist (Contracted)	0.44	1.17
Occupational Therapist (Contracted)	1.07	2.80
Occupational Therapy Assistant (Contracted)	0.40	1.04
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	1.50	2.80
Dietary Aides	2.80	8.40
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
Housekeeping		
Housekeepers	5.10	12.60
Laundry		
Laundry Aides	1.40	2.80
Plant Maintenance		
Maintenance Supervisor	2.00	2.00
Total	61.81	138.93

Source: CON application #10254, Schedule A

Schedule 6 illustrates that FTEs for year one total 52.16 and total 108.16 for year two for the partial award. The proposed project's year one and year two FTEs for the partial award are shown in the table below.

CON Action Numbers: 10250 through 10254

PruittHealth – Alachua County, LLC (CON application #10254) Projected Year One and Year Two Staffing 90-Bed Facility		
	Year One FTEs	Year Two FTEs
Administration		
Administrator	1.00	1.00
Director of Nursing	1.00	1.00
Admissions Director	1.00	1.00
Secretary	1.40	1.40
Medical Records Clerk (CNA)	0.70	1.00
Other: Financial Counselor	1.00	1.00
Physicians		
Medical Director (Contracted)	0.20	0.20
Other: Physician Services (Contracted)	0.02	0.02
Nursing		
RNs	3.40	7.20
LPNs	7.50	15.40
Nurses' Aides	16.20	43.40
Nursing Admin, Central Supply	0.80	2.00
Ancillary		
Physical Therapist (Contracted)	0.87	2.02
Physical Therapist Assistant (Contracted)	1.02	2.37
Speech Therapist (Contracted)	0.42	0.97
Occupational Therapist (Contracted)	1.00	2.32
Occupation Therapy Assistant (Contracted)	0.37	0.86
Dietary		
Dietary Supervisor	1.00	1.00
Cooks	1.40	2.80
Dietary Aides	2.60	5.60
Social Services		
Social Service Director	1.00	1.00
Activity Director	1.00	1.00
		0.00
Housekeeping		
Housekeepers	4.90	9.80
Laundry		
Laundry Aides	1.40	2.80
Plant Maintenance		
Maintenance Supervisor	1.00	1.00
Total	52.16	108.16

Source: CON application #10254, Schedule A

- c. **Quality of Care. In assessing the applicant's ability to provide quality of care pursuant to s. 408.035 (1) (c), 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 current application.**

Alachua County HRC, LLC (CON #10250) and **PruittHealth – Alachua County, LLC (CON #10254)** state that they are newly created entities and therefore this criterion does not apply.

CCHI, LLC (CON #10251) and **Oak Hammock at the University of Florida, Inc. (CON #10253)** each state that it has not had a nursing home license denied, revoked or suspended.

HSP Citrus, LLC (CON #10252) did not respond to this rule criterion. The reviewer notes that the applicant is a newly created entity and therefore this criterion does not apply.

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?**

Alachua County HRC, LLC (CON #10250) and **PruittHealth – Alachua County, LLC (CON #10254)** state that they are newly created entities and therefore this criterion does not apply.

CCHI, LLC (CON #10251) and **Oak Hammock at the University of Florida, Inc. (CON #10253)** each state that they have not had a nursing home placed into receivership.

HSP Citrus, LLC (CON #10252) did not respond to this rule criterion. The reviewer notes that the applicant is a newly created entity and therefore this criterion does not apply.

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.**

Four of the co-batched applicants indicate that this provision is not applicable.

HSP Citrus, LLC (CON #10252) did not respond to this rule criterion. The reviewer notes that 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.**

Four of the co-batched applicants indicate that this provision is not applicable.

HSP Citrus, LLC (CON #10252) did not respond to this rule criterion. The reviewer notes that 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 the 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.**

Four of the co-batched applicants indicate that this provision is not applicable, since there have been no violations.

HSP Citrus, LLC (CON #10252) did not respond to this rule criterion. The reviewer notes that 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.**

Four of the co-batched applications each state that it will provide the required data to the applicable local health council and to the Agency.

HSP Citrus, LLC (CON #10252) did not respond to this rule criterion.

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 63 licensed community nursing homes with a total of 7,558 community nursing home beds in District 3. Subdistrict 3-2 is composed of Alachua, Bradford, Dixie, Gilchrist, Lafayette, Levy and Union Counties and has 14 licensed community nursing homes with a total of 1,615 community nursing home beds. The subdistrict averaged 92.69 percent total occupancy for the 12-month period ending June 30, 2014.

Alachua County HRC, LLC (CON #10250) states that Alachua County currently has eight SNFs. The applicant notes that the area east of I-75 and north of SR 26 has only one facility. The applicant maintains that the 65+ population for Gainesville and the greater Gainesville area in the target market it mapped is approximately 17,000.

The applicant indicates that within this area, the 65+ population predominately resides north of SR 26 in ZIP Codes 32606 and 32605 and has nearly 11,000 senior residents. Alachua County HRC asserts that the ZIP Codes 32606 and 32605 (that fall predominately to the north of I-75) happen to be the ZIP codes with the majority of the discharges from the two area hospitals. The applicant declares this is the best area in

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Alachua County to construct a new state of the art SNF to address the needs of the senior population. Alachua County HRC asserts that this section of the county is underserved from the standpoint of available SNFs. The applicant provides a market study to illustrate its points in attachment two of CON application #10250.

Alachua County HRC states that given the high concentration of seniors in the northern part of Alachua County it feels the project location will allow community seniors to benefit not only from Clear Choice inpatient programming but also from outpatient programming. The applicant contends that Clear Choice’s programs work toward prolonging a person’s independence and enhancing their quality of life which in turn lowers the potential cost to the state Medicaid and federal Medicare programs. Alachua Country HRC includes articles on Clear Choice programs (Reducing Hospital Readmissions/Transport in Attachments 24 and 25) in CON application #10250.

The applicant notes that the University of Florida (UF) Health at Shands at Gainesville is one of a handful of hospitals in Florida that performs Left Ventricular Assist Device (LVAD) surgery. The applicant states that there are over 15,000 recipients of LVAD products in the United States. Alachua County HRC insists that Clear Choice currently manages the only SNF in Florida, Conway Lakes Health and Rehabilitation, that is trained to in providing re-conditioning therapy to LVAD patients and that Alachua County HRC staff will be trained to successfully do so.

The reviewer created the following chart from applicant’s Schedule 7 regarding the proposed facility.

Alachua County HRC Forecasted Utilization

	Year One	Year Two
Total Admissions	675	1,263
Total Patient Days	20,509	44,480
Occupancy	40.14%	87.05%

Source: CON application #10250, Schedule 7

The applicant provides the following table of Alachua County nursing homes. The reviewer notes that the applicant did not include a source for its star ratings, but the reviewer was able to confirm them on the Center for Medicare and Medicaid Services’ (CMS’s) Nursing Home Compare website. The reviewer has added the state inspection ratings, as published on FloridaHealthFinder.gov as well.

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Alachua County Nursing Homes, Beds, Occupancy and Inspection Ratings

Facility Name	Beds	Occupancy	Overall Inspection Rating	FloridaHealth Finder.gov Rating
Gainesville Healthcare Center 1311 SW 16 th Street Gainesville, Florida 32608	180	96%	Two Stars	One Star
North Florida Rehab and Specialty Care 67 NW 10 th Place Gainesville, Florida 32605	120	96%	Two Stars	Two Stars
Oak Hammock at the University of FL 2660 SW 53 rd Lane Gainesville, Florida 32608	42	22%	Four Stars	Five Stars
Palm Gardens of Gainesville 227 SW 62 nd Boulevard Gainesville, Florida 32607	120	92%	Three Stars	Two Stars
Park Meadows Health and Rehab Center 3250 SW 41 st Place Gainesville, Florida 32608	154	86%	Two Stars	One Star
Parklands Rehab and Nursing Center 1000 SW 16 th Avenue Gainesville, Florida 32601	120	95%	Three Stars	One Star
Signature Healthcare of Gainesville 4000 SW 20 th Avenue Gainesville, Florida 32607	120	88%	Four Stars	One Star
Terrace Health and Rehab Center 7207 SW 24 th Avenue Gainesville, Florida 32607	120	97%	Four Stars	Three Star

Source: CON application #10250, page 21 and the Nursing Home Guide as published on FloridaHealthFinder.gov on January 8, 2015

CCHI, LLC (CON #10251) indicates that subdistrict residents benefit from access to several quality facilities. CCHI provides the following summary of the star ratings from Medicare.gov Nursing Home Compare as of November 23, 2014. The reviewer added the Florida Nursing Home Guide star ratings as well.

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**District 3-2, Medicare.gov and FloridaHealthFinder.gov
Star Rating – 11/23/2014**

Facility	CMS Star Rating	FloridaHealthFinder.gov Rating
Alachua County		
Gainesville Health Care Center	Two	One
North Florida Rehabilitation and Specialty Care	Two	Two
Palm Gardens of Gainesville	Three	Two
Park Meadows Health and Rehabilitation Center	Two	One
Parklands Rehabilitation and Nursing Center	Three	One
Signature Healthcare of Gainesville	Two	One
Terrace Health and Rehabilitation	Four	Three
Bradford County		
Riverwood Health and Rehabilitation Center	Four	Four
Windsor Health and Rehabilitation Center	Five	Five
Dixie County		
Cross City Rehabilitation and Health Care Center	Three	One
Gilchrest County		
Ayers Health and Rehabilitation Center	Five	Three
Tri-County Nursing Home	Two	One
Lafayette County		
Lafayette Health Care Center	Five	Four
Levy County		
Williston Rehabilitation and Nursing Center	Two	Two

Source: CON application #10251, page 17 and the Nursing Home Guide as published on FloridaHealthFinder.gov on January 8, 2015

The applicant asserts that Medicare.gov is a better indicator of quality ratings for individual facilities than the Nursing Home Guide on FloridaHealthFinder.gov. CCHI cites the following text from FloridaHealthFinder.gov,

“All of the nursing homes in a particular region could perform better than the statewide average. Therefore, a low rank does not necessarily indicate a ‘low quality’ facility.”

CCHI believes that the proposed bed addition would allow it to provide enhanced access to the growing elderly in Dixie County and surrounding counties, to low-income residents needing nursing facility care and to discharges from regional hospitals and a newly approved local hospital in Chiefland.

The applicant states the following information regarding the elderly population in the subdistrict, noting:

- The 65+ and 75+ population of Dixie County is projected to increase by 13 percent and 11 percent, respectively, from 2014 to 2017
- The 65+ and 75+ population of the subdistrict is projected to increase by 15 percent and 12 percent, respectively, from 2014 to 2017

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CCHI notes that the Statewide Medicaid Managed Care Long-term Care (SMMC LTC) program in Region 3 became effective as of March 1, 2014. The applicant reports that Cross City Rehab provides access to the enrollees of all three providers of SMMC LTC plans in Cross City Rehab's region. CCHI includes the following list of the three programs and the number of Medicaid days of care it provided to enrollees of each program in 2014:

- Sunshine Health--7,092 days
- United Healthcare--1,700 days
- American Eldercare--321 days

The applicant indicates that the additional proposed beds will continue to serve residents discharged from UF Health Shands Hospital and North Florida Regional Medical Center--the hospitals that currently discharge the most residents to Cross City Rehab--plus any other referring hospitals.

CCHI notes that Suwannee River Community Hospital (SRCH)--approved for 28 acute care beds, opening in 2016 in Chiefland--has submitted a letter of support for the proposed project. The applicant states that it will provide access to residents discharged from SRCH as it is one of four nursing facilities in the three-county service area of SRCH.

The applicant asserts that in a rural area such as Dixie County, geographic accessibility results from two primary elements:

- Locating in an area accessible to residents--Cross City, centrally located in Dixie County, is the county seat of and home to the largest population base in Dixie County
 - For the period January 1, 2014 to November 25, 2014, about two-thirds of Cross City Rehab's admissions were from Dixie County
- Access to primary traffic arteries serving Dixie County--Cross City Rehab is located about half a mile from U.S. Highway 19, a major highway serving the region and the primary highway running through Dixie County

The applicant provides a table illustrating Subdistrict 3-2's utilization for the six-month period January 2014-June 2014 on page 19 of CON application #10251. The reviewer confirms these data in the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict*, published October 3, 2014. CCHI declares the following are findings from the table:

- The subdistrict's overall average occupancy is 93 percent
- The occupancy at Cross City Rehab is slightly below 90 percent and has been trending up over the three most recent years

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- About 11 percent of Cross City Rehab’s admissions year-to-date have been from Levy County--the only facility in Levy County, Williston Rehabilitation and Nursing Center, is 94 percent occupied and 44 miles away from Cross City Rehab
- The only two facilities in the subdistrict that are less than 20 miles away from Cross City Rehab are both located in Gilchrist County--the combined average occupancy of the these two facilities is 95 percent

HSP Citrus, LLC (CON #10252) proposes to locate its facility in Alachua County. The applicant states that the service area residents and their families, as well as area hospitals, do not have availability and access to the types of specialized, sub-acute care rehabilitation and recovery services proposed in this application. The applicant contends that thus, it has identified a gap in the service delivery for sub-acute care services, including hard-to-place and/or medically complex patients requiring intensive post-acute care.

HSP Citrus indicates that illustrative of this gap is the fact that Shands Hospital currently refers hard to-place and/or medically complex patients requiring intensive post-acute care to SHCM-managed facilities in the distant cities of Macclenny and Jacksonville--more than an hour one-way for the patients and their families. The applicant believes that without the placement of these patients, they would be forced to inappropriately remain at an acute care hospital on a long-term basis. The reviewer notes that the applicant did not provide any statistical analysis to confirm these points.

The applicant asserts that through cooperative relationships with local area hospitals, SHCM will provide hospitals with a high quality facility to place hard-to-place and/or medically complex patients and do so in the most appropriate setting: a community nursing home focusing on patients’ rehabilitation and recovery. HSP Citrus insists it will meet the identified gap in care by providing a local alternative for these patients through programs such as the Discharge Support Program.

HSP Citrus states that the proposed facility will be constructed with 56 private rooms and 32 semi-private rooms. The applicant explains that the proposed project will be comprised of four separate “neighborhoods” for residents--each neighborhood will house approximately 30 residents. HSP Citrus believes that by dividing the building into neighborhoods, the facility becomes more residential in scale thereby minimizing the institutional feel and providing a more home-like atmosphere for residents. HSP Citrus asserts that intensive rehabilitation and recovery programs, like those that will be present in the proposed facility, result in

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larger, relatively costlier projects than other applicants may be willing to invest in the community. The applicant contends it is a conscientious and experienced manager and it will ensure that the proposed project is financially feasible in the short and long-term.

HSP Citrus states that because SHCM is an existing provider, its proposed project will be developed successfully and ongoing operations will be efficiently maintained through the implementation of proven programs, services and processes currently utilized by SHCM. The applicant believes that efficiency is gained because HSP Citrus and SHCM are both members of the Sovereign Group, thus sharing the same management team and its proven programs and services.

HSP Citrus concludes that the uniqueness of sub-acute care services provided by the applicant distinguishes it from all of the existing and proposed health care providers in the area.

The reviewer created the following chart from applicant’s Schedule 7 regarding the proposed facility.

HSP Citrus, LLC Forecasted Utilization

	Year One	Year Two
Total Admissions	310	633
Total Patient Days	17,822	36,413
Occupancy	40.69%	83.13%

Source: CON application #10252, Schedule 7

Oak Hammock at the University of Florida, Inc. (CON #10253) notes that it is the only sheltered facility within Subdistrict 3-2. The applicant indicates that the proposed project will not change the facility’s total licensed and approved beds, but rather than having all sheltered beds, the facility will have 56 sheltered and 17 community beds, therefore permanently extending its service to the general population. Oak Hammock notes that authorized by an extension from the Agency, a portion (30 beds or 71.4 percent) of its beds remain extended to the general public.

Oak Hammock provides an analysis of community nursing home beds per 1,000 elderly on page 1-16 of CON application #10253. The applicant believes that with Alachua County having more than half of the area’s elderly population, ensuring continued supply of available beds into the future as population continues to grow means that additional beds are warranted.

The applicant states that given the projected population growth--especially for the population 65+ which will continue to grow at 4.5 percent over the next five years--nursing home utilization is expected to

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increase and could exceed 100 percent capacity by as early as 2016. Oak Hammock provides a data analysis using total community nursing home patient days for Subdistrict 3-2 by the compounded annual population growth rates to illustrate this point on page 3-3 of CON application #10253. Oak Hammock asserts that therefore, the importance of having an available bed when needed is concerning for discharge planners and residents throughout the planning area.

The applicant states that quality is also impacted by environment of care. Oak Hammock provides a table illustrating nursing home bed count by room configuration in Alachua County on page 3-6 of CON application #10253. The applicant indicates that nearly 82 percent of rooms are double occupancy, with only 74 beds in private rooms--including the 42 private rooms at Oak Hammock. Oak Hammock believes that the facility's modern design, with all private rooms, is unparalleled within the Subdistrict and reflects current industry trends.

Oak Hammock maintains that although Subdistrict 3-2 spans seven counties, Alachua County acts as the hub and includes the majority of the population--with 58 percent of the 65+ population. The applicant states that it has identified three hospitals within Alachua County and two additional hospitals located within the subdistrict. The applicant insists that improving access to SNF beds near to hospitals improves patient utilization patterns.

Oak Hammock indicates that it is located in the center of the majority of the population of the subdistrict to maximize access. The applicant states that within Alachua County, the locations of existing nursing homes were reviewed to compare population estimates associated with the ZIP codes in which the facilities are located. Oak Hammock states that the nursing homes within Alachua County are distributed among four distinct ZIP codes, with Oak Hammock located within ZIP code 32608. See the table below.

**2014 and 2019 Population, Increase and Growth Rate for ZIP Codes
Having at Least One Nursing Home in Alachua County**

ZIP Code	All Beds	Comm. Beds	Pop 65+ 2014	Pop 65+ 2019	Net Increase	Percent of County Increase	Growth
32601	120	120	1,189	1,457	268	4.2%	22.5%
32605	120	120	3,837	4,487	650	10.2%	16.9%
32607	360	360	2,362	2,913	551	8.6%	23.3%
32608	376	334	4,540	5,613	1,073	16.8%	23.6%
Subtotal	976	934	11,928	14,470	2,542	39.8%	21.3%
Alachua Pop			29,934	36,319	6,385	100.0%	21.3%

Source: CON application #10253, page 3-9, based on The Nielson Company

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The applicant states that not only is it located within the most densely populated county, but it is also located within the ZIP code having the largest expected population increase for those 65+. Oak Hammock believes that the proposed project will place additional beds into service where they are in high demand and easily accessed.

Oak Hammock indicates that by establishing 17 community skilled nursing beds, no one will be excluded--as is the case with sheltered beds--and financial access will improve. The reviewer notes that the applicant does not state that it will have Medicaid-certified beds or project any Medicaid or Medicaid Managed Care admissions in Schedule seven. The applicant does note that charity care and related uncollected amounts are projected to be 1.22 percent of gross revenues (or 255 resident days in year one and 329 resident days in year two).

The applicant provides a detailed data analysis of the top medical diagnostic categories for acute care discharges from hospitals to SNFs for Calendar Year (CY) 2013 within Subdistrict 3-2 on page 3-11 of CON application #10253. Oak Hammock insists that its ability to add community nursing home beds--designed and equipped with rehabilitation in mind--will provide a place closer to home for many of the area's residents recovering from the identified common ailments.

Oak Hammock notes that UF Health Hospital provided approximately one third of all referrals to nursing homes within Alachua County and throughout the service area. The applicant declares that its affiliation with UF will ensure access is improved with the proposed project.

Oak Hammock notes that 11 of the 14 community nursing homes within the subdistrict have occupancy rates over 90 percent and half of those have occupancy rates exceeding 95 percent for the most recent 12-month period ending June 30, 2014. The applicant asserts it often must turn the general population away due to a lack of an available bed, underscoring the importance of the proposed project.

The applicant includes monthly utilization for the Subdistrict 3-2 community facilities and for Oak Hammock's life care and non-life care residents for the most recent year in the table below. Oak Hammock notes that the increase in life care members' use and corresponding decrease in non-member use is evident. The applicant believes that the data demonstrate how when demand increases by life care members, community patients from the general population must be diverted to other facilities within the planning area. The reviewer also notes that the applicant only provided the number of bed days available in the subdistrict, not actual patient days that were utilized for the subdistrict.

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**Oak Hammock Monthly Utilization for Members and Non-Members, and Subdistrict 3-2
Monthly Utilization, 13 Months ending June 30, 2014**

Days in Months	31	31	30	31	30	31	31	28	31	30	31	30
Month	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Members	771	792	721	801	911	969	913	800	840	817	836	947
Non-mem.	357	325	248	291	198	118	164	217	246	272	212	184
Subdistrict 3-2	50,065	50,065	48,450	50,065	48,450	50,065	50,065	45,220	50,065	48,450	50,065	48,450

Source: CON application #10253, page 3-14

Oak Hammock states that during the past year, non-member census has declined from 12 during July 2013 to six during June 2014, due to the increase in census from life care residents. The applicant concludes that allowing a portion of the 31 new sheltered beds awarded to the applicant through CON #10227 to be utilized as community beds will improve access and utilization patterns. The reviewer notes that the applicant, through approved extensions, has been able to provide 30 beds to the community since November 16, 2011.

PruittHealth – Alachua County, LLC (CON #10254) indicates that Alachua County is home to seven of the service area’s 14 SNFs and is also the most populated county in the subdistrict--home to 58 percent of the elderly population.

PruittHealth provides an analysis of nursing home beds per 1,000 elderly population in the table below. The applicant notes even with the approval of 227 total beds in Alachua County, given significant forecasted population growth, the beds per 1,000 elderly will remain flat.

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Licensed Nursing Home Beds per 1,000 Population, Ages 65+

County	2014			2019		
	Licensed Nursing Home Beds	Population	Beds per 1,000 Population	Licensed Nursing Home Beds	Population	Beds per 1,000 Population
Alachua	934	31,525	29.6	1,161*	39,329	29.5
Bradford	240	4,491	53.4	240	5,286	45.4
Dixie	60	3,486	17.2	60	4,124	14.5
Gilchrist	201	3,242	62.0	201	3,969	50.6
Lafayette	60	1,180	50.8	60	1,349	44.5
Levy	120	8,572	14.0	120	10,007	12.0
Union	0	1,766	0.00	0	2,098	0.0
Subdistrict 3-2	1,615	54,262	29.8	1,842	66,162	27.8
Florida	80,050	3,595,188	22.3	83,165**	4,153,269	20.0

*The applicant notes licensed bed inventory for 2019 assumes all 227-beds will be developed in Alachua County

** The applicant notes 2019 licensed nursing home beds in Florida include the Agency’s published need for 3,115 beds in the State

Source: CON application #10254, page 115, based on **Florida Population Estimates and Projections, September 2013, Florida Nursing Home Bed Need Projections by District and Subdistrict, October 3, 2014 and NHA Analysis**

The applicant contends that due to a growing senior population, growing demand for beds and limited supply, it is most important that providers such as PruittHealth with comprehensive programming and services and proven quality achievements in sister facilities, are approved to serve this region.

PruittHealth includes an analysis of Subdistrict 3-2’s community nursing home utilization for the 12-month period ending June 30, 2014. The applicant reports that the occupancy rates between the most recent six-month period and the prior six-month period increased by nearly one point--from 92.3 to 93.1 percent. PruittHealth states that all facilities in the subdistrict in the most recent six-month period had occupancy rates greater than 85 percent--thus exceeding the Agency’s 85 percent occupancy threshold which triggers need for additional nursing home beds. The applicant further notes that the least occupied nursing facility in Alachua County had a rate of 86 percent with the highest occupancy rate at 95.6 percent.

The applicant contends that nursing homes beds, as they exist within the subdistrict today, are virtually unavailable to meet incremental demand based on respective occupancy rates. PruittHealth states that at any given time the majority of the available beds at facilities in Subdistrict 3-2 are semi-private accommodations or other issues as to their lack of availability arise such as co-mingling genders or co-morbid conditions. PruittHealth concludes that the proposed facility will fulfill incremental demand in the subdistrict.

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PruittHealth asserts that it will develop programs, services, protocols and exceed benchmarks in an effort to ultimately achieve Agency Gold Seal eligibility and receipt in due time. PruittHealth notes that five of Subdistrict 3-2's 14 SNFs are on the Agency's Nursing Home Watch List. The reviewer confirms that Gainesville Health Care Center, Palm Garden of Gainesville and Parklands Rehab and Nursing Center are on the Watch List. The reviewer cannot confirm that Cross City Rehab and Nursing Care Center and Tri-County Nursing Home are on the Watch List as the applicant indicated.

PruittHealth states that 23 of the 25 local health care providers it interviewed indicated their willingness to support the proposed facility. The applicant provides the following forecasted utilization for the first two years of operation.

**PruittHealth – Alachua County, LLC, Forecasted Utilization
120-Bed Full Award**

	Year One	Year Two
Medicare/Medicare HMO, Skilled Patients		
Admissions	165	426
ADC	10.9	28.0
Long-term Patients		
Admissions	130	129*
ADC	33.4	86.0
Total		
Admissions	295	555
Occupancy Rate	37%	95%
ADC	44.3	114.0

*The applicant notes given the long-term nature of these patients, annual admissions are based on replacement of long-term residents
Source: CON application #10254, page 78

**PruittHealth – Alachua County, LLC, Forecasted Utilization
90-Bed Partial Award**

	Year One	Year Two
Medicare/Medicare HMO, Skilled Patients		
Admissions	157	365
ADC	10.4	24.0
Long-term Patients		
Admissions	100	97*
ADC	24.3	61.5
Total		
Admissions	257	462
Occupancy Rate	39%	95%
ADC	34.7	85.5

*The applicant notes given the long-term nature of these patients, annual admissions are based on replacement of long-term residents
Source: CON application #10254, page 79

PruittHealth declares it will have no adverse impact on existing SNFs in Subdistrict 3-2 given the demand for more beds presented in this application. The applicant asserts that the proposed facility will have a positive impact on the local health care infrastructure as it will serve as an additional post-acute discharge destination for hospitals and physicians to refer their patients, post-hospitalization.

- b. Does the applicant have a history of providing quality of care? Has the applicant demonstrated the ability to provide quality of 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.**

Alachua County HRC, LLC (CON #10250) asserts that it is a new entity, but Clear Choice is a health care management company specializing in the rehabilitation model for SNFs. The applicant describes the history of Clear Choice, indicating that on October 11, 2007 it took over management of six facilities previously managed by Southern Health Care, along with a retirement property in Sun City Center, Florida. Alachua County HRC states it took over management of two more SNFs, one in Florida in 2008 and one in Colorado in 2009.

The applicant declares that the survey history of Clear Choice managed facilities has continued to improve over the last seven years. Alachua County HRC insists that to help ensure it stays focused on customers, it has instituted several initiatives in each center, including:

- Personalized goal setting
- Manager on duty
- Guardian angel
- 72-hour meeting
- Concierge service

Alachua County HRC maintains that it has five nursing consultants for just 10 facilities, which the applicant states is well beyond the normal ratio for most skilled nursing operators in Florida. The applicant indicates that it has focused on clinical education and increased facility oversight—asserting that efforts have led to improved survey results. Alachua Country HRC provides the following table illustrating annual survey deficiency trending over the last seven years.

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Annual Survey Deficiencies Since Clear Choice Began Management

Facility	2007	2008	2009	2010	2011	2012	2013	2014
Belleair Health Care	8	9	11	5	2	2	3	N/A
Centre Point Health	-	14*	7	2	2	6	3	D. Free***
Conway Lakes Health	23	10	3	7	8	3	5	D. Fee***
East Bay Rehab	5	11	1	D. Free***	10	5	2	N/A
Melbourne Terrace	13**	20**	4	7	5	5	2	D. Free***
Orchard Park****	-	-	24*	15	12	9	1	2
Port Charlotte Rehab	19	11	14	12	11	5	8	6
Spring Lake Rehab	9	7	4	4	4	1	1	6
Sun Terrace Health	7	21	6	5	4	-	2	3

*The applicant notes the facility was under prior management

**The applicant notes 6-month survey from prior management

***Deficiency Free

****The applicant notes this facility began 10/01/09, Colorado

Source: CON application #10250, page 24

Alachua County HRC asserts that Clear Choice has worked very hard over the past seven years to transform each of its facilities into facilities of excellence. The applicant provides the following table, illustrating that in each facility that Clear Choice has assumed operational management of, the initial star ratings were one or two stars, except for East Bay. Alachua County HRC declares that 89 percent of Clear Choice’s facilities have either a four or a five-star rating. The reviewer notes that the applicant did not include a source for its star ratings, but the reviewer was able to confirm them on CMS’s Nursing Home Compare website. The reviewer added a column to the applicant’s table illustrating each facility’s star rating per FloridaHealthFinder.gov. See the table below.

Clear Choice’s Star Ratings

Facility	Star Rating When Clear Choice Health Care Management Began	Current Star Rating	Reviewer’s Note
Belleair Health Care	One	Four	Three
Centre Pointe Health	Two	Four	Four
Conway Lakes Health	One	Five	Four
East Bay Rehab	Four	Four	Two
Melbourne Terrace	One	Five	Five
Orchard Park (Colorado)	One	Five	-
Port Charlotte Rehab	One	Four	Two
Spring Lake Rehab	One	Two	One
Sun Terrace Health	Two	Five	Four

Source: CON application #10250, page 25

Alachua County HRC states that the December 3, 2013 complaint survey conducted for Spring Lake Rehab resulted in deficiencies centered around the absence of a lab order and the responsibility of having such an order in place. The applicant insists that attending physicians and expert physicians who reviewed the care, supported the facility and its staff complied with the standard of care. Alachua County HRC contends that although Spring Lake Rehab disputed the deficiencies, and ultimately a settlement was entered into as a compromise resolution

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without admission. The applicant asserts that Spring Lake immediately reviewed its systems and put additional interventions and protocols in place and no similar issues have arisen.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending November 19, 2014, had 24 substantiated complaints at eight facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Nursing Homes affiliated with Clear Choice Health Care or SBK	
Complaint Category	Number Substantiated
Quality of Care/Treatment	14
Nursing Services	5
Dietary Services	3
Resident/Patient/Client Assessment	3
Physician Services	2
Physical Environment	2
Resident/Patient/Client Abuse	1
Resident/Patient/Client Rights	1
Infection Control	1

Source: Florida Agency for Health Care Administration Complaint Records

CCHI, LLC (CON #10251) reports that Cross City Rehab currently has a three-star rating on the Medicare.gov Nursing Home Compare website. The applicant indicates that the other two SNFs that Cross City Rehab shares common ownership with, Lafayette Health Care Center and Lake Park of Madison, have a five-star and four-star-rating, respectively. The reviewer notes that Lake Park of Madison actually has three-star rating currently on Medicare.gov, which may have changed since the applicant pulled the report provided in Exhibit 5 of CON application #10251 on November 20, 2014.

CCHI maintains that Cross City Rehab has adopted the CMS Quality Assurance and Performance Improvement (QAPI) program--a data-driven, proactive approach to improving the quality of life, care and services in nursing homes. The applicant indicates that the activities of QAPI involve members at all levels of the organization to:

- Identify opportunities for improvement
- Address gaps in systems or processes
- Develop and implement an improvement or corrective plan
- Continuously monitor effectiveness of interventions

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The applicant identifies five strategic elements toward building an effective QAPI program:

- Design and Scope
- Governance and Leadership
- Feedback, Data System and Monitoring
- Performance Improvement Projects
- Systematic Analysis and Systematic Action

CCHI believes that a very important element of the QAPI program is the use of reporting tools for all aspects of facility operation, which provide the data upon which QAPI decisions are based. The applicant asserts that based on report findings and discussions of these findings, the QAPI Committee makes a recommendation on whether further action is required for any of its findings.

CCHI explains that if a recommendation for further action is made, a Performance Improvement Plan is initiated. The applicant indicates that if this plan identifies issues, action items, system changes/monitoring--an accountable person is assigned, a timeline for action is determined and any follow-up is tracked.

The applicant includes additional information on its QAPI program in Exhibit 6 of CON application #10251.

Cross City Rehabilitation is not a Gold Seal Program nor is it on the Nursing Home Watch List. The most recent Agency inspection indicates Cross City Rehabilitation received an overall one-star rating out of a possible five stars. The Agency's Nursing Home Guide was last updated November 2014. Cross City Rehabilitation had three substantiated complaints during November 19, 2011 to November 19, 2014.

Cross City Rehabilitation and Health Care Center	
Complaint Category	Number Substantiated
Quality of Care/Treatment	2
Administration/Personnel	1

Agency records indicate that Healthtique, is affiliated with and operates four SNFs in Florida:

- Cross City Rehabilitation and Health Care Center
- Lafayette Health Care Center
- Lake Park of Madison
- Westwood Nursing and Rehabilitation Center

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Agency complaint records indicate that the affiliated nursing homes (including the applicant) associated with the parent company, for the three-year period ending November 19, 2014, had nine substantiated complaints at four facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

Nursing Homes affiliated with Healthtique	
Complaint Category	Number Substantiated
Quality of Care/Treatment	4
Resident/Patient/Client Rights	2
Administration/Personnel	1
Physical Environment	1
Dietary Services	1

Source: Florida Agency for Health Care Administration Complaint Records

HSP Citrus, LLC (CON #10252) states that it has demonstrated a long history of providing high quality care. The applicant indicates that its sister entity, SHCM, was founded in August 2003 to provide management services for its affiliated nursing home operators.

HSP Citrus asserts that three SHCM-managed facilities are merely awaiting the Governor’s signature to receive the Governor’s Gold Seal Award (one of which is a renewal)--which recognizes nursing home facilities that demonstrate excellence in long-term care over a sustained period, promote the stability of the industry, and facilitate the physical, social and emotional well-being of nursing home facility residents and patients. The applicant further notes that 19 SHCM-managed facilities in Florida have CMS four or five-star quality ratings. The reviewer notes the FloridaHealthFinder.gov ratings for the 26 facilities. See the table below.

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**SHCM FloridaHealthFinder.gov Star Ratings
As of January 9, 2015**

Facility Name	Star Ratings
Arbor Trail Rehab and Skilled Nursing Center	Five
Atlantic Shores Nursing and Rehab Center	Four
Bayshore Pointe Nursing and Rehab Center	Four
Bonifay Nursing and Rehab Center	Two
Boulevard Rehabilitation Center	Four
Boynton Beach Rehabilitation Center	Three
Braden River Rehabilitation Center	Four
Crestview Rehabilitation Center	One
Fort Walton Rehabilitation Center	Two
Hunters Creek Nursing and Rehab Center	Two
Jacksonville Nursing and Rehab Center	Four
Macclenny Nursing and Rehab Center	Five
Medicana Nursing and Rehab Center	Five
Metro West Nursing and Rehab Center	Four
Moultrie Creek Nursing and Rehab Center	Two
Ocala Oaks Rehabilitation Center	Two
Orange City Nursing and Rehab Center	Three
Palm City Nursing and Rehab Center	One
Pinellas Point Nursing and Rehab Center	One
Port Orange Nursing and Rehab Center	Four
River Valley Rehabilitation Center	Two
Riviera Palms Rehabilitation Center	Four
Royal Oaks Nursing and Rehab Center	Five
Sarasota Point Rehabilitation Center (Inactive 09/13/11-08/13/13)	Five
Tiffany Hall Nursing and Rehab Center	One
Tuskawilla Nursing and Rehab Center	Five

Source: FloridaHealthFinder.gov

HSP Citrus claims that the unique architectural design it proposes supports the intensive, high quality rehabilitation and recovery programs and culture of the applicant and includes a significant number of private rooms. The applicant maintains its facility design embraces culture change with a progressive neighborhood concept, thoughtful amenities and efficient operations--all designed with residents' quality of life in mind, including intensive rehabilitation and recovery needs.

The applicant concludes that these achievements demonstrate the ability of the applicant to provide quality care because SHCM will manage the proposed project, bringing its intensive rehabilitation and recovery services and unique architectural design to the local community with its proposed new 120-bed nursing facility.

Agency complaint records indicate that the affiliated nursing homes associated with the sister company, for the three-year period ending November 19, 2014, had 67 substantiated complaints at 24 of 26 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

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Nursing Homes Affiliated with Sovereign Healthcare	
Complaint Category	Number Substantiated
Quality of Care/Treatment	41
Resident/Patient/Client Rights	9
Resident/Patient/Client Assessment	8
Nursing Services	7
Physical Environment	7
Admission, Transfer and Discharge Rights	7
Infection Control	4
Administration/Personnel	4
Dietary Services	3
Resident/Patient/Client Abuse	1
Misappropriate of property	1
Unqualified Personnel	1
Resident/Patient/Client Neglect	1
Life Safety Code	1

Source: Florida Agency for Health Care Administration Complaint Records

Oak Hammock at the University of Florida, Inc. (CON #10253)

asserts that in a continuing care retirement community with high standards such as itself, the provider is closely monitored and held accountable for the delivery of all levels of services by the residents and their families. The applicant provides a detailed overview of each of the 12 members on their Board of Directors and its mission statement on pages 4-1 through 4-8 of CON application #10253.

The applicant reports that it received an overall five-star rating on its most recent survey. Oak Hammock reports that in comparison, no other facility received the five-star rating within Subdistrict 3-2 and half were in the bottom 20 percent for the district. The applicant finds that for SNFs in Alachua County, half received a one-star rating, two received a two-star rating and one received a three-star rating on their most recent licensure inspection.

Oak Hammock insists that although it has not applied to become a Gold Seal Facility, it is certainly of the same caliber as Gold Seal Facilities. Further, Oak Hammock discusses the awards it has achieved, noting that award documentation is provided in Exhibit 4-2 of CON application #10253.

Oak Hammock indicates that it provides quality health care services on its campus, including assisted living, memory care and skilled nursing care. The applicant notes that although the SNF does not have formal dementia or tracheotomy care programs--residents' needs are met and accommodations made to ensure optimum care for all levels of dementia and SNF staff is equipped to provide tracheotomy care for members that require it.

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The applicant states that the Therapy Program provides skilled therapy on an inpatient and outpatient basis, aqua therapy and an Incontinence Program run by the Rehabilitation Director. Oak Hammock asserts that though not a formal program, pet therapy is also provided on occasion.

Oak Hammock describes its Quality Assurance Program, noting that an outline of the program policies is provided in Exhibit 4-3 of CON application #10253. The applicant declares that the objective of the Quality Assurance Program focuses on improving organizational performance with a collaborative approach that crosses organization boundaries with an emphasis on empowering staff.

The applicant includes a brief overview of the key services required for the operation of a nursing home:

- Physical Services
- Preadmission Screening, Admission Review and Care Planning
- Nursing Services
- Dietary Services
- Activities

Oak Hammock is not a Gold Seal Program nor is it on the Nursing Home Watch List. The most recent Agency inspection indicates Oak Hammock received an overall five-star rating out of a possible five stars. The Agency's Nursing Home Guide was last updated November 2014. Oak Hammock had one substantiated complaint during November 19, 2014 to November 19, 2014 in the complaint category of quality of care/treatment.

Agency complaint records indicate that the affiliated nursing home associated with the parent company, for the three-year period ending November 19, 2014, had one substantiated complaint with two complaint categories: resident/patient/client rights.

PruittHealth – Alachua County (CON #10254) states that it does not have a history of providing quality of care because it is a newly formed entity. However, the applicant notes that its parent company is committed to the appropriate provision of comprehensive, high quality, safe, and cost-effective nursing care facility services to persons in need of such services.

The applicant asserts that it will develop all policies and procedures as well as the quality assurance program based on its other affiliated facilities throughout the southeastern United States--including its one facility in Santa Rosa County. The applicant notes some of PruittHealth - Santa Rosa's most recent quality achievements:

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- American Health Care Association Silver Award Winner for Healthcare Centers
- Overall Rating of Five Stars from Medicare.gov
- Facility Administrator recognized as the American Health Care Association's Nursing Home Administrator of the year in Florida in 2013
- Net Promoter Score Rating of Five Stars (Internal award)
- Named as one of the "Best Nursing Homes in the U.S." by *U.S. News and World Report*
- Recent PruittHealth "Go for Gold" award winner (Internal award)
- Two deficiency free surveys within the last four years
- Downward trending hospital readmission rate

The applicant provides a detailed discussion of each of the following programs and policies related to quality of care:

- Commitment to caring campaign
- Corporate standards
- Memberships and awards
- CMS five-star rating
- The Joint Commission accreditation
- External benchmarking and benchmarking tools
- PruittHealth consulting services
- PruittHealth pharmacy
- CMS's quality improvement organization
- Performance improvement program
- Customer service and transparency

PruittHealth asserts that it has strict education and certification standards for its staff and staff of its affiliates. The applicant maintains that all staff members will be highly educated in their fields, participate in continuing education and maintain current certification and licensure.

Agency complaint records indicate that the affiliated nursing home associated with the parent company, for the three-year period ending November 19, 2014, had one substantiated complaint in the complaint category of unqualified personnel.

- 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.**

Alachua County HRC, LLC (CON #10250):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project.

The applicant is a development stage company, meaning there is no operational data to be analyzed for the purposes of this review. The applicant indicated that funding will be provided by a third-party source.

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$22,335,638 which consists solely of this project. The applicant submitted a letter from BB and T expressing interest in providing financing for up to 85 percent of the cost of the project. A letter of interest is not considered a firm commitment to lend. However, the letter outlined an existing relationship with the parent entity, the banks knowledge of the financial strength of the parent, and indicated terms of the anticipated loan including the required 15 percent equity funding. The applicant submitted an investment statement of the parent showing over \$8 million in liquid assets available. Given the preexisting relationship with the lender and evidence of ability to fund the equity portion of the project, while not guaranteed, funding for this project appears likely.

It should be noted that the applicant's parent company currently has three CON applications under review including this one (10250, 10258, and 10325). All three cite the same \$8 million investment statement and have virtually identical funding needs and letter of interest. Funding the 15 percent equity portion of all three projects would be in excess of the \$8 million presented. Given the information provided, it is not clear that sufficient resources exist to fund more than two of the CON applications if awarded.

Conclusion:

Funding for this project is likely, but not guaranteed.

CCHI, LLC (CON #10251):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term

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position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance in the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

The below is an analysis of the audited financial statements of CM Healthcare Holdings I, LLC and subsidiaries and where the two short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

CM Healthcare Holdings I, LLC and Subsidiaries		
	Current Year	Previous Year
Current Assets	\$2,941,347	\$2,757,600
Total Assets	\$3,627,110	\$3,419,433
Current Liabilities	\$2,078,875	\$2,466,192
Total Liabilities	\$3,892,158	\$4,304,033
Net Assets	(\$265,048)	(\$884,600)
Total Revenues	\$16,825,811	\$16,344,642
Excess of Revenues Over Expenses	\$619,552	(\$240,896)
Cash Flow from Operations	(\$237,952)	\$733,855
Short-Term Analysis		
Current Ratio (CA/CL)	1.4	1.1
Cash Flow to Current Liabilities (CFO/CL)	-11.45%	29.76%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-684.1%	-207.8%
Total Margin (ER/TR)	3.68%	-1.47%
Measure of Available Funding		
Working Capital	\$862,472	\$291,408

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Position	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

Capital Requirements and Funding:

The applicant indicates on Schedule 2 capital projects totaling \$2,600,988 which includes this project, maturities of long-term debt, and other capitalization. The applicant indicates on Schedule 3 that funding for the capital costs of the project will be provided by supplemental financing to the existing first mortgage on the facility. The borrower on the first mortgage loan is Cross City Holdings, LLC, the related party owner of the real estate, according to the applicant.

The applicant provided a copy of a letter from the current lender on the first mortgage of the facility, OHI Asset (FL), a subsidiary of Omega Healthcare Investors, Inc., indicating their expectation to fund 100 percent of the cost of the bed addition. Essentially, the applicant appears to be refinancing the existing loan to pay for the addition. Given that the funding is to be provided by modification of an existing loan, and the lender submitted a letter of expectation to make that modification for this CON, funding for this project is likely.

Conclusion:

Funding for this project should be available as needed.

HSP Citrus, LLC (CON #10252):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance in the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could

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be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

The applicant is a development stage company with no operations to date. The below is an analysis of the audited financial statements of The Sovereign Group (parent of the applicant) where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

The Sovereign Group		
	Current Year	Previous Year
Current Assets	\$59,605,098	\$56,354,529
Total Assets	\$83,606,825	\$80,368,180
Current Liabilities	\$56,472,352	\$54,338,997
Total Liabilities	\$78,173,837	\$74,245,174
Net Assets	\$5,432,988	\$6,123,006
Total Revenues	\$311,237,899	\$284,974,550
Excess of Revenues Over Expenses	\$17,564,982	\$14,260,233
Cash Flow from Operations	\$19,115,257	\$16,030,073
Short-Term Analysis		
Current Ratio (CA/CL)	1.1	1.0
Cash Flow to Current Liabilities (CFO/CL)	33.85%	29.50%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	399.4%	325.1%
Total Margin (ER/TR)	5.64%	5.00%
Measure of Available Funding		
Working Capital	\$3,132,746	\$2,015,532

Position	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 – 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

Capital Requirements and Funding:

The applicant lists \$63,617,700 for capital projects including this application and two other CON applications currently under review (10307, 10314 – each CON project listed at \$21,205,900). Funding for this project will be provided by cash on hand and a third-party loan. A letter of interest was provided by Regions Healthcare Banking Group to fund up to \$25 million for this project. A letter of interest is not a firm commitment to lend. Based on our analysis above, the applicant has a relatively weak financial position and is highly leveraged. However, operating cash flows on an annual basis are just under the project costs. Given this, funding for this project is likely attainable. Acquiring debt funding simultaneously for all three CON applications may be difficult to achieve.

Conclusion:

Funding for this project is likely but not guaranteed. Funding for the entire capital budget is in question.

Oak Hammock at the University of Florida, Inc. (CON #10253):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance in the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

The applicant is a development stage company with no operations to date. The below is an analysis of the audited financial statements of Oak Hammock at the University of Florida, Inc. where the short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

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Oak Hammock at the University of Florida, Inc.		
	Current Year	Previous Year
Current Assets	\$13,839,352	\$10,516,967
Total Assets	\$107,488,678	\$107,067,912
Current Liabilities	\$3,791,538	\$3,162,731
Total Liabilities	\$169,826,064	\$170,490,618
Net Assets	(\$62,337,386)	(\$63,422,706)
Total Revenues	\$25,167,972	\$25,222,271
Excess of Revenues Over Expenses	\$1,040,152	(\$6,217,159)
Cash Flow from Operations	\$5,849,481	(\$808,996)
Short-Term Analysis		
Current Ratio (CA/CL)	3.7	3.3
Cash Flow to Current Liabilities (CFO/CL)	154.28%	-25.58%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	-266.3%	-263.8%
Total Margin (ER/TR)	4.13%	-24.65%
Measure of Available Funding		
Working Capital	\$10,047,814	\$7,354,236

Position	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

Capital Requirements and Funding:

The applicant lists \$9,165,750 for capital projects which include CON 10227, renovating an existing skilled nursing unit, and adding nine assisted living units. This project is relatively small at \$60,750; however, it is linked to the ability to fund CON application #10227 and the renovations indicated in the application. Our conclusion in CON application #10227 explained that funding for the project was dependent on obtaining debt financing. In support of that, the applicant provided an executed copy of a revenue bond agreement to fund CON application #10227 and the renovations.

Conclusion:

Funding for this project should be available as needed.

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PruittHealth – Alachua County (CON #10254):

Analysis:

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance in the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities. The below is an analysis of the audited financial statements of United Health Services, Inc. and subsidiaries, (parent) and where the two short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

United Health Services, Inc. and Subsidiaries		
	Current Year	Previous Year
Current Assets	\$112,327,439	\$115,158,327
Total Assets	\$652,711,670	\$608,711,370
Current Liabilities	\$139,346,559	\$144,507,882
Total Liabilities	\$515,844,067	\$473,033,567
Net Assets	\$136,867,603	\$135,677,803
Total Revenues	\$867,051,915	\$848,974,314
Excess of Revenues Over Expenses	\$4,968,036	\$28,034,180
Cash Flow from Operations	\$34,425,289	\$49,299,334
Short-Term Analysis		
Current Ratio (CA/CL)	0.8	0.8
Cash Flow to Current Liabilities (CFO/CL)	24.70%	34.12%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	275.1%	242.1%
Total Margin (ER/TR)	0.57%	3.30%
Measure of Available Funding		
Working Capital	(\$27,019,120)	(\$29,349,555)

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Position	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

Capital Requirements and Funding:

The applicant provided a development stage audit. The audit indicates that the applicant has no assets, liabilities, net worth or revenue. The applicant indicates on Schedule 2 capital projects totaling \$15,726,626 which consists entirely of this project.

The applicant indicates on Schedule 3 that 75 percent of the construction, land and major equipment costs will be financed by permanent financing by Synovus. The applicant further states that the balance of the project costs will be funded by United Health Services, Inc. and its Subsidiaries' operating cash flows. The applicant also notes that United Health Services Inc. and its subsidiaries maintain a working capital facility with GE Capital and can draw upon these funds as necessary to fund any equity component of a project, and states that as of November 30, 2014, \$29.6 million in funds were available through this \$36.0 million facility.

In support of these claims, the applicant provided several items of documentation. The applicant provided a letter from Dominic Romeo, Senior Vice President of Treasury Management and Treasurer, PruittHealth, stating that as a financial representative of United Health Services, Inc. (UHS), UHS commits to providing all funds necessary for the development and operation of the project, including, but not limited to the equity contribution, working capital and funding of any operating deficits and pre-opening costs.

In addition, the above provided a letter recapping the claimed GE Capital credit facility, but did not provide any independent supporting documentation for the current available balance on that credit facility.

The applicant also provided a letter of intent from Synovus dated December 8, 2014, to finance up to 75 percent of the project costs or \$10,425,000 (based on an estimated \$13,900,000 for land, construction, and equipment costs).

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The parent's overall financial position is relatively weak and they are highly leveraged. The parent also has five other applications in this batching cycle with similar funding arrangements. Despite the weak financial position, the parent has sufficient cash flows to finance this project which makes debt financing likely. However, if all six CON applications were granted, it is not clear that the applicant could acquire debt financing for all applications.

Conclusion:

Funding for this project should be available as needed.

Analysis: (Partial Request)

The purpose of our analysis for this section is to determine if the applicant has access to the funds necessary to fund this and all capital projects. Our review includes an analysis of the short and long-term position of the applicant, parent, or other related parties who will fund the project. The analysis of the short and long-term position is intended to provide some level of objective assurance in the likelihood that funding will be available. The stronger the short-term position, the more likely cash on hand or cash flows could be used to fund the project. The stronger the long-term position, the more likely that debt financing could be achieved if necessary to fund the project. We also calculate working capital (current assets less current liabilities) a measure of excess liquidity that could be used to fund capital projects.

Historically we have compared all applicant financial ratios regardless of type to bench marks established from financial ratios collected from Florida acute care hospitals. While not always a perfect match to a particular CON project it is a reasonable proxy for health care related entities.

The below is an analysis of the audited financial statements of United Health Services, Inc. and subsidiaries, (parent) and where the two short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

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United Health Services, Inc. and Subsidiaries		
	Current Year	Previous Year
Current Assets	\$112,327,439	\$115,158,327
Total Assets	\$652,711,670	\$608,711,370
Current Liabilities	\$139,346,559	\$144,507,882
Total Liabilities	\$515,844,067	\$473,033,567
Net Assets	\$136,867,603	\$135,677,803
Total Revenues	\$867,051,915	\$848,974,314
Excess of Revenues Over Expenses	\$4,968,036	\$28,034,180
Cash Flow from Operations	\$34,425,289	\$49,299,334
Short-Term Analysis		
Current Ratio (CA/CL)	0.8	0.8
Cash Flow to Current Liabilities (CFO/CL)	24.70%	34.12%
Long-Term Analysis		
Long-Term Debt to Net Assets (TL-CL/NA)	275.1%	242.1%
Total Margin (ER/TR)	0.57%	3.30%
Measure of Available Funding		
Working Capital	(\$27,019,120)	(\$29,349,555)

Position	Strong	Good	Adequate	Moderately Weak	Weak
Current Ratio	above 3	3 - 2.3	2.3 - 1.7	1.7 - 1.0	< 1.0
Cash Flow to Current Liabilities	>150%	150%-100%	100% - 50%	50% - 0%	< 0%
Debt to Equity	0% - 10%	10%-35%	35%-65%	65%-95%	> 95% or < 0%
Total Margin	> 12%	12% - 8.5%	8.5% - 5.5%	5.5% - 0%	< 0%

Capital Requirements and Funding:

The applicant provided a development stage audit. The audit indicates that the applicant has no assets, liabilities, net worth or revenue. The applicant indicates on Schedule 2 capital projects totaling \$18,039,386 which consists entirely of this project.

The applicant indicates on Schedule 3 that 75 percent of the construction, land and major equipment costs will be financed by permanent financing by Synovus. The applicant further states that the balance of the project costs will be funded by United Health Services, Inc. and its subsidiaries' operating cash flows. The applicant also notes that

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United Health Services Inc. and its subsidiaries maintain a working capital facility with GE Capital and can draw upon these funds as necessary to fund any equity component of a project, and states that as of November 30, 2014, \$29.6 million in funds were available through this \$36.0 million facility.

In support of these claims, the applicant provided several items of documentation. The applicant provided a letter from Dominic Romeo, Senior Vice President of Treasury Management and Treasurer, PruittHealth, stating that as a financial representative of United Health Services, Inc. (UHS), UHS commits to providing all funds necessary for the development and operation of the project, including, but not limited to the equity contribution, working capital and funding of any operating deficits and pre-opening costs.

In addition, the above provided a letter recapping the claimed GE Capital credit facility, but did not provide any independent supporting documentation for the current available balance on that credit facility.

The applicant also provided a letter of intent from Synovus dated December 8, 2014, to finance up to 75 percent of the project costs or \$10,425,000 (based on an estimated \$13,900,000 for land, construction, and equipment costs).

The parent's overall financial position is relatively weak and they are highly leveraged. The parent also has five other applications in this batching cycle with similar funding arrangements. Despite the weak financial position, the parent has sufficient cash flows to finance this project which makes debt financing likely. However, if all six CON applications were granted, it is not clear that the applicant could acquire debt financing for all applications.

Conclusion:

Funding for this project should be available as needed.

- d. What is the immediate and long-term financial feasibility of the proposal? ss. 408.035 (1) (f), Florida Statutes.**

Alachua County HRC, LLC (CON #10250):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and ultimately whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD),

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cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (Inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	18,336,444	412	463	402	219
Total Expenses	17,154,659	386	460	398	301
Operating Income	1,181,785	27	28	-29	-106
Operating Margin	6.45%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	44,480	87.05%	89.36%	80.65%	68.68%
Medicaid/MDCD HMO	14,416	32.41%	35.93%	30.87%	11.87%
Medicare	25,805	58.01%	58.06%	40.45%	12.36%

Staffing:

Section 400.23(3)(a)(1), 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 staffing meets this requirement.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable.

Conclusion:

This project appears to be feasible.

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CCHI, LLC (CON #10251):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	8,319,426	281	392	299	211
Total Expenses	7,913,235	268	436	293	198
Operating Income	406,191	14	115	6	-38
Operating Margin	4.88%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	29,565	90.00%	98.91%	90.09%	66.81%
Medicaid/MDCD HMO	18,922	64.00%	69.63%	59.93%	50.73%
Medicare	5,617	19.00%	35.62%	21.32%	3.38%

Staffing:

Section 400.23(3)(a)(1), 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 staffing meets this requirement.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable.

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Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant.

HSP Citrus, LLC (CON #10252):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	12,865,500	353	394	307	231
Total Expenses	11,872,200	326	390	300	210
Operating Income	993,300	27	36	7	-34
Operating Margin	7.72%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	36,413	83%	98.01%	92.50%	62.90%
Medicaid/MDCD HMO	24,397	67%	79.92%	68.44%	60.17%
Medicare	10,924	30%	36.16%	16.99%	5.61%

Staffing:

Section 400.23(3)(a)(1), 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 can only meet the staffing requirements if skilled nursing is appropriated to the unskilled nursing staff.

The projected NRPD, CPD and profitability all fall within the group range and are therefore considered reasonable.

Conclusion:

This project appears to be financially feasible.

Oak Hammock at the University of Florida, Inc. (CON #10253):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant's profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

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	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	6,033,000	261	1,899	521	287
Total Expenses	5,630,100	244	1,817	495	341
Operating Income	402,900	17	176	26	-173
Operating Margin	6.68%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	23,075	87%	97.64%	91.30%	33.72%
Medicaid	0	0%	29.81%	20.69%	2.05%
Medicare	8,483	37%	66.46%	35.09%	6.50%

Staffing:

Section 400.23(3)(a)(1), 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 staffing meets this requirement.

The applicant nursing home is part of a CCRC. A CCRC is made up of residential units, an assisted living facility, and a nursing home and is regulated as a type of insurance arrangement. The idea is that CCRC residents buy into the community and transition through life from residential, to assisted living, and finally to skilled nursing. Skilled nursing is also available for rehabilitation to residents. The business model for a CCRC in general shows the skilled nursing component as a loss with the residential living and assisted living generating enough profit to cover the loss. In this case, the applicant projected an overall profit both with and without the net earnings of the rest of the CCRC.

The range of actual results in our group for small nursing homes is wide due to the small volume of nursing homes in the group and associated scale of cost and revenue. The NRPD and CPD are both below the range, but the operating margin is within the range. CCRCs are regulated by the Florida Office of Insurance Regulation (OIR). OIR requires CCRCs to maintain a minimum liquid reserve and file financial statements on a regular basis. The existence of a Certificate of Authority issued by OIR and maintenance of a minimum liquid reserve indicates stability of the CCRC. The applicant CCRC has both.

Conclusion:

The project appears reasonably profitable.

PruittHealth – Alachua County (CON #10254):

Analysis:

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	13,387,926	322	390	304	228
Total Expenses	12,218,968	294	386	297	208
Operating Income	1,168,958	28	36	7	-34
Operating Margin	8.73%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	41,610	95.00%	98.01%	92.50%	62.90%
Medicaid/MDCD HMO	29,565	71.05%	79.92%	68.44%	60.17%
Medicare	10,220	24.56%	36.16%	16.99%	5.61%

Staffing:

Section 400.23(3)(a)(1), 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 staffing meets this requirement.

The projected NRPD, CPD and profit fall within the group range and are considered reasonable.

Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant.

Analysis: (Partial Request)

The immediate and long-term financial feasibility of the project is tied to expected profitability. The purpose of our analysis for this section is to evaluate the reasonableness of the applicant’s profitability projections and, ultimately, whether profitability is achievable for this project. Our analysis includes an evaluation of net revenue per patient day (NRPD), cost per patient day (CPD), nurse staffing ratios and profitability. We compared the NRPD, CPD and profitability to actual operating results from SNFs as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected SNFs with similar Medicaid utilizations to the utilization projected by the applicant on a per patient day basis (PPD). Comparison group data was adjusted for inflation to match the second year projection (inflation factor was based on the new CMS Market Basket Price Index as published in the 3rd Quarter 2014, Health Care Cost Review).

NRPD, CPD and profitability or operating margin that fall within the group range are considered reasonable projections. Below is the result of our analysis.

	PROJECTIONS PER APPLICANT		COMPARATIVE GROUP VALUES PPD		
	Total	PPD	Highest	Median	Lowest
Net Revenues	10,690,667	343	412	313	202
Total Expenses	9,814,552	314	399	305	213
Operating Income	876,115	28	26	8	-49
Operating Margin	8.20%		Comparative Group Values		
	Days	Percent	Highest	Median	Lowest
Occupancy	31,208	95.00%	96.92%	89.97%	67.17%
Medicaid/MDCD HMO	20,988	67.25%	79.96%	70.95%	60.04%
Medicare	8,760	28.07%	30.30%	16.14%	3.03%

Staffing:

Section 400.23(3)(a)(1), 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 staffing meets this requirement.

The projected NRPD and CPD fall within the group range and are considered reasonable. The operating margin is slightly above the range. With the NRPD and CPD within the range, the project is likely profitable, but not at the levels the applicant is expecting.

Conclusion:

This project appears to be financially feasible based on the projections provided by the applicant.

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

Analysis:

The type of competition that would result in increased efficiencies, service and quality is limited in health care. Cost-effectiveness through competition is typically achieved via a combination of competitive pricing that forces more efficient cost to remain profitable and offering higher quality and additional services to attract patients from competitors. Since Medicare and Medicaid are the primary payers in the nursing home industry, price-based competition is limited. With a large portion of the revenue stream essentially fixed on a per patient basis, the available margin to increase quality and offer additional services is limited. In addition, competitive forces truly do not begin to take shape until existing business' market share is threatened. The publication of need in this area suggests that there is an unmet and untapped customer base for a new entrant to absorb. Since nursing home services are limited to available beds and the need formula suggest excess capacity in the market to fill those beds, the impact on market share would be limited. The combination of the existing health care system's barrier to price-based competition via fixed price payers and the existence of unmet need in the district limits any significant gains in cost-effectiveness and quality that would be generated from competition.

Conclusion:

These projects are not likely to have a material impact on competition to promote quality and cost-effectiveness.

- 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.**

Alachua County HRC, LLC (CON #10250): Although architectural drawings are not to scale, all the required spaces have been provided and appear to be adequately sized.

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The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

However construction type V-A as indicated in the architectural plans does not allow construction of a two-story building for health care occupancy (I-2), and must be revised.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this 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 applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

CCHI, LLC (CON #10251): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the propose project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this 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 applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

HSP Citrus, LLC (CON #10252): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the propose project provided in Schedule 9, Table A and the project completion

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forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this 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 applicant owner. Approval from the Agency for Health Care Administration's Office of Plans and Construction is required before the commencement of any construction.

Oak Hammock at the University of Florida, Inc. (CON #10253): The Office of Plans and Construction notes that the codes and standards regulating the design and construction of SNFs are the same for beds licensed as sheltered beds and community beds.

It is the position of the Office of Plans and Construction that a review of the architectural submissions for this project is unnecessary since the existing nursing beds have already been reviewed and approved by the Agency for use as skilled nursing beds in accordance with Florida Statutes 400.232 and Florida Administrative Code 59A-4.133.

The reviewer notes that any modifications or alterations of the physical plant due to a conversion would need to be reviewed by the Office of Plans and Construction.

PruittHealth – Alachua County (CON #10254): The applicant has submitted all information and documentation necessary to demonstrate compliance with the architectural review criteria. The cost estimate for the proposed project provided in Schedule 9, Table A and the project completion forecast provided in Schedule 10 appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

The plans submitted with this application were schematic in detail with the expectation that they will be necessarily revised and refined prior to being submitted for full plan review. The architectural review of this 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 applicant

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owner. Approval from the Agency for Health Care Administration’s Office of Plans and Construction is required before the commencement of any construction.

- 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.**

A five-year history of Medicaid patient days and occupancy for Cross City Rehab, the subdistrict, district and state is provided in the table below.

Medicaid Patient Days and Medicaid Occupancy at Cross City Rehab, Subdistrict 3-2, District 3 and Florida

Medicaid Patient Days					
Facility/Area	2009	2010	2011	2012	2013
Cross City Rehab	11,777	12,729	15,645	13,590	11,558
Subdistrict 3-2	350,204	358,961	367,251	370,441	362,849
District 3	1,454,706	1,468,022	1,499,110	1,523,920	1,539,243
Florida	15,411,373	15,530,575	15,612,015	15,733,318	15,700,197
Medicaid Occupancy					
Facility/Area	2009	2010	2011	2012	2013
Cross City Rehab	63.38%	65.24%	78.48%	71.62%	61.88%
Subdistrict 3-2	66.69%	65.83%	67.58%	67.47%	66.40%
District 3	59.99%	60.25%	61.28%	62.13%	62.34%
Florida	61.26%	61.33%	61.56%	61.85%	61.66%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

Alachua County HRC, LLC (CON #10250) states that it is a new entity with no operational history. The applicant maintains that Medicaid and medically indigent residents/patients within other Clear Choice managed facilities represent between 50 to 60 percent of the total population. The reviewer notes the applicant did not provide a data source or detailed report on Medicaid and charity care provided at its current facilities. Alachua County HRC insists that Clear Choice instills a culture of caring and giving back to the community.

The applicant declares that Clear Choice facilities understand that part of serving the community is providing care to people in need despite of payer source. Alachua County HRC reports that Clear Choice is on track for writing-off over \$1,000,000.00 dollars in unreimbursed care to Medicaid and medically indigent residents/patients.

Alachua County HRC indicates that Clear Choice Health Care has developed a culture of giving back to the local community charities. The applicant includes articles of Clear Choice programs pertaining to charity work in Attachments 13 and 17 of CON application #10250.

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The applicant states it will provide services to Medicaid patients and the medically indigent.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 14.93 percent and 6.82 percent, respectively, of year one and 32.41 percent and 3.28 percent, respectively, of year two annual total patient days.

The reviewer compiled the following Medicaid occupancy data for Clear Choice operated Florida facilities for July 1, 2013 to June 30, 2014. See the table below.

**Clear Choice Operated Facilities, Florida Medicaid Occupancy
July 1, 2013 to June 30, 2014**

Facility	Medicaid Days	Total Days	Medicaid Occupancy
Belleair Health Care	19,895	39,679	50.14%
Centre Pointe Health	18,268	41,667	43.84%
Conway Lakes Health	14,546	39,814	36.53%
East Bay Rehab	16,902	40,806	41.42%
Melbourne Terrace Rehab	12,609	40,064	31.47%
Port Charlotte Rehab	21,608	39,441	54.79%
Spring Lake Rehab	10,847	40,756	26.61%
Sun Terrace Health	10,472	36,951	28.34%
Total	125,147	319,178	39.21%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

CCHI, LLC (CON #10251) reports that for the six months ending June 30, 2014, Medicaid utilization at Cross City Rehab was 69 percent. The applicant further reports that the average subdistrict Medicaid utilization was 64 percent, and Medicaid utilization at individual facilities in the subdistrict ranged from 46 to 78 percent.

CCHI notes that the two other facilities that share common ownership with CCHI both have a history of serving Medicaid. Lafayette Health Care Center and Lake Park of Madison had Medicaid utilization of 76 percent and 72 percent, respectively, for the six months ending June 30, 2014. The reviewer confirms these data in the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict*, published October 3, 2014.

The reviewer compiled the following Medicaid occupancy data for Healthtique operated Florida facilities for July 1, 2013 to June 30, 2014. See the table below.

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**CCHI Florida Medicaid Occupancy
July 1, 2013 to June 30, 2014**

Facility Name	Medicaid Days	Total Days	Medicaid Occupancy
Cross City Rehab	12,312	18,876	65.23%
Lafayette Health Care Center	14,873	19,815	75.06%
Lake Park of Madison	25,507	34,545	73.84%
Westwood Nursing and Rehabilitation Center	7,158	18,177	39.38%
Total	59,850	91,413	65.47%

Source: Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

The applicant maintains that as of March 1, 2014 Florida has discontinued all Medicaid Home and Community Based Service Waivers relevant to the elderly for long-term care--seniors now receive assistance from the SMMC LTC Program. CCHI reports it is admitting enrollees of three SMMC LTC programs operating in Region 3.

CCHI provides the following comparative table of Medicaid utilization patient days and percentage from 2004 and 2014. The reviewer notes the applicant did not provide a data source.

Medicaid Utilization Information, 2004 Versus 2014

	Total Medicaid Patient Days Jan 2004 to June 2004	Average Medicaid Utilization Jan 2004 to June 2004	Total Medicaid Patient Days Jan 2014 to June 2014	Average Medicaid Utilization Jan 2014 to June 2014
District 3-2	179,597	66.22%	175,568	64.50%
District 3	749,346	61.07%	763,847	61.50%
Statewide	8,152,102	63.29%	7,861,179	61.62%

Source: CON application #10251, page 42

The applicant points out that while there has been reduction in Medicaid demand from 2004 to 2014 in the subdistrict and statewide, Medicaid demand has increased in District 3. CCHI feels that nursing facilities are still an important provider of long-term care services to Medicaid beneficiaries.

CCHI states its existing 60 beds at Cross City Rehab have a condition for 75 percent of patient days to Medicaid. The applicant indicates it does not wish to place a Medicaid condition on the additional beds proposed--as a result, the blended Medicaid condition for the 90-bed facility will be 50 percent of patient day to Medicaid. CCHI notes its projected Medicaid utilization exceeds this.

The applicant notes that because of the availability of government benefits to individuals without financial ability to pay for nursing home care, the incidence of charity care is extremely low in SNFs. CCHI

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asserts that however, to allow for a rare instance of charity care cases, it has projected a charity care allowance of \$2.00 and \$2.05 per private pay patient day in year one and two, respectively.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 64.0 percent and 3.0 percent, respectively, of year one and two annual total patient days. CCHI states in addition, it is projecting a hospice case mix of 11 percent, for which services are paid at the Medicaid rate.

HSP Citrus, LLC (CON #10252) indicates that SHCM provides care on a non-discriminatory basis, accepting all SNF-appropriate patient referrals without regard to race, religion, national origin, age, sex, disability, marital status or source of payment.

HSP Citrus provides the following forecasted payer mix, noting that it is assumed for overall facility based on historical and anticipated market demand:

HSP Citrus, Payer Mix

	Year One	Year Two
Medicare Part A	24%	24%
Medicaid Managed Care	67%	67%
Private and Other Payers	3%	3%
Medicare Part C	6%	6%
Total	100%	100%

Source: CON application #10252, page 71

The reviewer compiled the following Medicaid occupancy data for SHCM managed Florida facilities for July 1, 2013 through June 2014. See the table below.

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**SHCM Florida Medicaid Occupancy
July 1, 2013-June 30, 2014**

Facility Name	Medicaid Days	Total Days	Medicaid Occupancy
Arbor Trail Rehab and Skilled Nursing Center	24,618	39,210	62.79%
Atlantic Shores Nursing and Rehab Center	25,195	37,961	60.66%
Bayshore Pointe Nursing and Rehab Center	22,818	37,696	60.53%
Bonifay Nursing and Rehab Center	45,846	56,651	80.93%
Boulevard Rehabilitation Center	29,352	53,770	54.59%
Boynton Beach Rehabilitation Center	32,864	50,768	64.73%
Braden River Rehabilitation Center	39,815	57,105	69.72%
Crestview Rehabilitation Center	31,069	44,300	70.13%
Fort Walton Rehabilitation Center	17,477	34,993	49.94%
Hunters Creek Nursing and Rehab Center	21,393	42,340	54.42%
Jacksonville Nursing and Rehab Center	43,859	56,684	77.37%
Macclenny Nursing and Rehab Center	28,192	39,757	70.91%
Medicana Nursing and Rehab Center	24,561	31,224	78.66%
Metro West Nursing and Rehab Center	27,105	41,277	65.67%
Moultrie Creek Nursing and Rehab Center	17,774	38,892	45.74%
Ocala Oaks Rehabilitation Center	28,224	40,105	70.38%
Orange City Nursing and Rehab Center	19,387	39,624	48.93%
Palm City Nursing and Rehab Center	23,373	37,890	61.69%
Pinellas Point Nursing and Rehab Center	14,591	19,465	74.96%
Port Orange Nursing and Rehab Center	15,787	37,590	42.00%
River Valley Rehabilitation Center	23,120	31,748	72.82%
Riviera Palms Rehabilitation Center	28,545	39,589	72.10%
Royal Oaks Nursing and Rehab Center	17,624	39,574	44.53%
Sarasota Point Rehabilitation Center (Inactive 09/13/11-08/13/13)	3,576	6,575	54.93%
Tiffany Hall Nursing and Rehab Center	21,789	38,089	57.21%
Tuskawilla Nursing and Rehab Center	13,302	32,252	41.24%
Total	641,256	1,025,129	61.83%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, October 2014 Batching Cycle

The reviewer notes that in another application submitted for this batching cycle for a different subdistrict, Millennium Management indicated that it operated five of the above listed facilities.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 67.0 percent and 3.0 percent, respectively, of year one and two annual total patient days. The reviewer notes that the applicant did not include a charity allowance on its Schedule 8, but does specify that line 29 indicates 1.2 percent in charity care/uncollectable patient revenues.

The applicant states, as evidenced, the proposed project will serve Medicaid and medically indigent patients.

Oak Hammock at the University of Florida, Inc. (CON #10253)

indicates that as a sheltered nursing home facility, it does not have a history of providing health services to Medicaid recipients. The applicant asserts that the facility was designed to provide long-term care to residents of the retirement community in accordance with the provisions

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of the continuing care contract. The reviewer notes that the applicant has had an exemption to open 30 of its 42 beds to the public (71.4 percent of beds) since November 11, 2011.

The applicant provides the following payer forecast for the first two years of operation, noting that for the 17-bed addition, 73 percent of the patient days will be attributed to Medicare, reflective of the short-term rehabilitation demand experienced at the facility, with the remaining days shown as private pay.

Utilization for Oak Hammock by Payer			
Payer	Year One Resident Days	Year Two Resident Days	Percent of Days
17 Community Beds			
Medicare	1,696	3,776	73.0%
Private Pay	627	1,396	27.0%
Total	2,323	5,172	100.0%
Percent Occupancy	34.44%	83.35%	
Payer	Year One Resident Days	Year Two Resident Days	Percent of Days
Total Facility of 73 Beds			
Medicare	6,403	8,483	36.8%
Life Care	10,371	12,718	55.1%
Private Pay	1,105	1,874	8.1%
Total	17,879	23,075	100.0%
Percent Occupancy	67.10%	86.60%	

Source: CON application #10253, page 9-2

Oak Hammock states its Schedule 8 indicates that charity care and related uncollected amounts are 1.22 percent of gross revenues, or equivalent to 255 resident days of care in year one and 329 resident days of care in year two. The applicant believes its proposal ensures access to residents of the subdistrict regardless of financial status or payer source.

The applicant's Schedule 7 indicates that Medicaid and self-pay represents 0.0 percent and 6.2 percent, respectively, of year one and 0.0 percent and 8.1 percent, respectively, of year two annual total patient days.

Oak Hammock concludes that with Florida's major changes to the Medicaid program and expansion of SMMC LTC plans, access is assured through the existing plans and facilities that those plans currently contract with.

PruittHealth – Alachua County (CON #10254) maintains that given it is a newly established entity, it has no Medicaid history. The applicant indicates that its parent company does include one SNF in Florida as well as 93 other facilities throughout the southeastern United States. PruittHealth indicates that all of these facilities have demonstrated a history and commitment to the Medicaid population. The applicant

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provides the following table displaying its affiliated facilities' commitment to Medicaid. The reviewer notes that the only source provided for this data is PruittHealth.

**PruittHealth Medicaid Percent of Total Patient Days
CY 2011 through CY 2013**

	CY 2011	CY 2012	CY 2013
PruittHealth Facilities, Company Wide			
Percent Days	1,643,360	1,805,084	1,907,180
Percent of Patient Days	60.1%	61.6%	63.0%
PruittHealth – Santa Rosa			
Patient Days	26,598	24,568	25,606
Percent of Patient Days	63.8%	60.1%	62.1%

Source: CON application #10254, page 151

The reviewer notes that the applicant incorrectly reported Medicaid data for PruittHealth – Santa Rosa. See the table below.

PruittHealth – Santa Rosa Medicaid CY 2011 through CY 2013

	CY 2011	CY 2012	CY 2013
Medicaid Patient Days	26,717	24,502	25,605
Medicaid Percent of Patient Days	64.10%	59.99%	62.18%

Source: Florida Nursing Home Bed Need Projections by District and Subdistrict, February 2012, 2013 and 2014 Batching Cycles

The applicant notes the table demonstrates that affiliated SNFs have provided more than 5.3 million Medicaid patient days during the past three calendar years.

PruittHealth provides the following payer forecast for the first two years of operation for both the full award and the partial award.

**PruittHealth – Alachua County, LLC Forecasted Utilization
120-Bed Full Award
Year One (ending June 30, 2018) and Year Two (ending June 30, 2019)**

	Year One	Year Two
Medicare	3,722	9,855
Medicare HMO	242	365
Medicaid	11,056	29,565
VA	453	1,095
Private Pay	699	730
Total	16,172	41,610

Source: CON application #10254, page 79

**PruittHealth – Alachua County, LLC Forecasted Utilization
90-Bed Partial Award
Year One (ending June 30, 2018) and Year Two (ending June 30, 2019)**

	Year One	Year Two
Medicare	3,536	8,395
Medicare HMO	242	365
Medicaid	7,819	20,988
VA	364	730
Private Pay	699	730
Total	12,660	31,208

Source: CON application #10254, page 80

The applicant’s Schedule 7 indicates that Medicaid and self-pay represent 68.4 percent and 4.3 percent of year one and 71.1 percent and 1.8 percent of year two annual total patient days for the full award. The applicant’s Schedule 7 indicates that Medicaid and self-pay represent 61.8 percent and 5.5 percent of year one and 67.3 percent and 2.3 percent of year two annual total patient days for the partial award.

F. SUMMARY

Alachua County HRC, LLC (CON #10250) states that it will be owned by SBK Capital LLC but will be managed by Clear Choice Health Care, proposes to establish a new 140-bed community nursing home in District 3/Subdistrict 3-2, Alachua County.

The applicant operates eight SNFs in Florida.

The project involves 90,000 GSF of new construction. The construction cost is \$14,130,000. Total project cost is \$22,293,638. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes one condition on its Schedule C.

CCHI, LLC (CON #10251), a wholly owned subsidiary of CM Healthcare Holdings I, LLC, proposes to add 30 community nursing home beds to the existing 60-bed facility, Cross City Rehabilitation and Health Care Center in District 3/Subdistrict 3-2, Dixie County.

The applicant states that it operates three SNFs in Florida.

The project involves 11,221 GSF of new construction. The construction cost is \$1,795,360. Total project cost is \$2,479,347. Project cost includes land, building, equipment, project development and financing costs.

CON Action Numbers: 10250 through 10254

The applicant does not wish to accept any conditions for the proposed project as the current 60 beds at Cross City Rehabilitation and Health Care Center already have a Medicaid condition for 75 percent of patient days. If the proposed project is approved, the facility will have a blended Medicaid condition of 50 percent of patient days.

HSP Citrus, LLC (CON #10252), a corporate member entity of the Sovereign Group, which will be managed by its sister entity, Southern HealthCare Management, LLC, proposes to establish a new 120-bed community nursing home in District 3/Subdistrict 3-2, Alachua County.

The applicant's sister entity SHCM operates 26 SNFs in Florida.

The project involves 82,200 GSF of new construction. The construction cost is \$14,796,000. Total project cost is \$21,205,900. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes six conditions on its Schedule C.

Oak Hammock at the University of Florida, Inc. (CON #10253), managed by Praxeis, LLC, proposes to add 17 community nursing home beds to its existing facility through the conversion of 17 sheltered nursing home beds in District 3/Subdistrict 3-2, Alachua County.

Oak Hammock is a 42-bed sheltered nursing home in District 3/Subdistrict 3-2, Alachua County. The facility is located in a continuing care retirement community (CCRC). The facility was awarded CON application #10227 for the addition of 31 sheltered beds on May 21, 2014. The reviewer notes that the applicant was granted an exemption beginning on September 1, 2014 that allowed the facility to open 30 sheltered beds up to the public for a five-year period.

The applicant operates two SNFs in Florida.

The project involves zero gross square feet GSF of new construction. The construction cost is \$0.00. Total project cost is \$60,750. Project cost includes building and project development costs.

The applicant does not wish to accept any conditions for the proposed project.

CON Action Numbers: 10250 through 10254

PruittHealth – Alachua County (CON #10254) proposes to establish a new 120-bed community nursing home or a partial request to establish a 90-bed community nursing home in District 3/Subdistrict 3-2, Alachua County.

The applicant operates one SNF with 120 beds in Florida.

The project involves 76,179 gross square feet GSF of new construction. The construction cost is \$10,691,524. Total project cost is \$18,039,386. Project cost includes land, building, equipment, project development costs, financing and start-up costs.

The partial project involves 65,967 GSF of new construction. The construction cost is \$9,271,946. Total project cost is \$15,726,626. Project cost includes land, building, equipment, project development costs, financing and start-up costs.

The applicant proposed 17 conditions on its Schedule C.

Need:

In Volume 40, Number 193 of the Florida Administrative Register dated October 3, 2014, a fixed need pool of 227 beds was published for Subdistrict 3-2 for the July 2017 Planning Horizon.

As of November 19, 2014, Subdistrict 3-2 had 1,615 licensed and zero approved community nursing home beds. During the 12-month period ending June 30, 2014, Subdistrict 3-2 experienced 92.69 percent utilization at 14 existing facilities.

Alachua County HRC, LLC (CON #10250) intends for the proposed facility to be constructed on a site east of I-75 and north of State Road (SR) 26 within Alachua County. The applicant indicates that within this area, the 65+ population predominately resides north of SR 26 in ZIP codes 32606 and 32605 and has nearly 11,000 senior residents.

The applicant insists that the identified needs within the proposed market are relatively consistent with the needs throughout many of the Florida markets that Clear Choice currently operates. Alachua County HRC declares that area patients with problems related to medicine, cardiology and pulmonology would benefit particularly from existing Clear Choice programs, including:

- Medication and disease management programming
- Cardiac programming
- Left ventricular assistive device recipient therapy

CON Action Numbers: 10250 through 10254

- Cerebral vascular accident
- Chronic obstructive pulmonary disease
- Continuous and bi-level positive airway pressure programming

CCHI, LLC (CON #10251) declares that the information provided supports the award of this bed addition in Dixie County for the following reasons:

- From 2014 to 2017, Dixie County is projected to experience double-digit percentage growth in its elderly population
- Based on the 2014 estimates, bed ratios per 1,000 elderly in Dixie County are second lowest among subdistrict counties that are served by a nursing facility (Union County excluded)
- Assuming the 30 beds are awarded to Dixie County and the remaining 197 beds are awarded to Alachua County, Dixie County's ratio of beds per 1,000 elderly in 2017 would still be the second lowest among subdistrict counties that are served by a nursing facility (Union County excluded)
- Excluding Union County, Levy County has the lowest bed ratios per elderly in the subdistrict--Levy County is contiguous to Dixie County and Cross City Rehab serves its residents
- Approving some of the fixed need pool beds in Dixie County is the only available option to allocate some of the needed beds in the subdistrict to a geographic area other than Alachua County--all other four applications are for projects in Alachua County

HSP Citrus, LLC (CON #10252) insists that it is best positioned to address the SNF needs of residents in Alachua County, as demonstrated by the following:

- An experienced, local community nursing home management team will establish and operate the proposed 120-bed community nursing home
- The applicant will provide proven, high quality post-acute care programs and services, including rehabilitation and recovery services for hard-to place and/or medically complex patients
- The project will enhance geographic access for hard-to place and/or medically complex post-acute patients by providing a local alternative for these patients to remain close to home for care--including those patients from Shands Hospital who currently travel significant distances to receive sub-acute care services at SHCM-operated facilities

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- The proposed facility is uniquely designed to support the intensive, high quality rehabilitation and recovery programs and culture of the applicant and includes a significant number of private rooms
- Proven experience in bringing needed competition to a community such as Alachua County, by ensuring the successful development and ongoing operations of a community nursing home

Oak Hammock at the University of Florida, Inc. (CON #10253) states that the proposed project provides the following advantages:

- Improves access to skilled nursing care by utilizing sheltered beds already under development that can be placed into service one year prior to the planning horizon
- Improved quality of skilled nursing care by placing community beds into service at a five-star rated facility
- Promotes culture change by placing community beds into service in newly constructed private rooms built to current code that exceed minimum square feet requirements
- Promotes competition by only applying for a portion of the total beds needed as published in the fixed need pool, allowing other projects to develop simultaneously with this one
- Provides a financially viable project that can be implemented with minimal costs

Oak Hammock asserts that retirement community residents will continue to access sheltered beds as a result of this project.

PruittHealth – Alachua County, LLC (CON #10254) states that it will incorporate each of the community’s strongest needs listed above into the proposed facility. The applicant asserts that approval of the proposed facility will:

- Improve access for persons in need of short rehab
- Improve access for Medicaid services
- Improve access for Medicare services
- Improve access to private rooms
- Provide a modern design that supports independence and choice
- Provide state of the art rehabilitation programming
- Provide extensive clinical programming focused on reducing hospital readmissions

Quality of Care:

All five applicants described their ability to provide quality care.

CON Action Numbers: 10250 through 10254

Alachua County HRC, LLC (CON #10250): The applicant's controlling interest had 24 substantiated complaints at its eight Florida skilled nursing facilities during November 19, 2011 to November 19, 2014.

CCHI, LLC (CON #10251): For the most recent rating period, the existing facility had one out of a possible five-star quality inspection rating.

Cross City Rehabilitation had three substantiated complaints during November 19, 2011 to November 19, 2014.

The applicant's controlling interest had nine substantiated complaints at its four Florida SNFs during November 19, 2011 to November 19, 2014.

HSP Citrus, LLC (CON #10252): The applicant's controlling interest had 67 substantiated complaints at 24 of its 26 Florida SNFs during November 19, 2011 to November 19, 2014.

Oak Hammock at the University of Florida, Inc. (CON #10253): For the most recent rating period, the existing facility had five out of a possible five-star quality inspection rating.

Oak Hammock had one substantiated complaint during November 19, 2014 to November 19, 2014.

The affiliated nursing home associated with the parent company, for the three-year period ending November 19, 2014, had one substantiated complaint with two complaint categories.

PruittHealth – Alachua County (CON #10254): The applicant's controlling interest had one substantiated complaint at its one Florida SNF during November 19, 2011 to November 19, 2014.

Financial Feasibility/Availability of Funds:

Alachua County HRC, LLC (CON #10250): Funding for this project is likely, but not guaranteed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be feasible.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

CON Action Numbers: 10250 through 10254

CCHI, LLC (CON #10251) Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

HSP Citrus, LLC (CON #10252): Funding for this project is likely but not guaranteed. Funding for the entire capital budget is in question. Based on the information provided in Schedule 6, the applicant can only meet the staffing requirements if skilled nursing is appropriated to the unskilled nursing staff. This project appears to be financially feasible.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Oak Hammock at the University of Florida, Inc. (CON #10253): Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. The project appears reasonably profitable.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

PruittHealth – Alachua County (CON #10254): Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Partial Award - Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets the requirement. This project appears to be financially feasible based on the projections provided by the applicant.

This project is not likely to have a material impact on competition to promote quality and cost-effectiveness.

Medicaid/Charity Care:

Alachua County HRC, LLC (CON #10250) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 14.93 percent and 6.82 percent, respectively, of year one and 32.41 percent and 3.28 percent, respectively, of year two annual total patient days.

CCHI, LLC (CON #10251) does not propose to condition project approval to a percentage of Medicaid days. Although the 60-bed facility does currently have a condition to provide 75 percent of patient days to Medicaid, the resulting condition if the proposed project is approved will result in a condition to provide 50 percent of patient days to Medicaid.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 64.0 percent and 3.0 percent, respectively, of year one and two annual total patient days. CCHI states in addition, it is projecting a hospice case mix of 11 percent, for which services are paid at the Medicaid rate.

HSP Citrus, LLC (CON #10252) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 67.0 percent and 3.0 percent, respectively, of year one and two annual total patient days.

Oak Hammock at the University of Florida, Inc. (CON #10253) does not propose to condition project approval to a percentage of Medicaid days.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 0.0 percent and 6.2 percent, respectively, of year one and 0.0 percent and 8.1 percent, respectively, of year two annual total patient days.

PruittHealth – Alachua County, LLC (CON #10254) proposes to condition project approval to maintaining a minimum Medicaid percentage which exceeds the subdistrict wide average Medicaid percentage in regard to percentage occupancy.

CON Action Numbers: 10250 through 10254

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 68.4 percent and 4.3 percent of year one and 71.1 percent and 1.8 percent of year two annual total patient days for the full award. The applicant's Schedule 7 indicates that Medicaid and self-pay represent 61.8 percent and 5.5 percent of year one and 67.3 percent and 2.3 percent of year two annual total patient days for the partial award.

Architectural:

Alachua County HRC, LLC (CON #10250): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

CCHI, LLC (CON #10251): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

HSP Citrus, LLC (CON #10252): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

Oak Hammock at the University of Florida, Inc. (CON #10253): The Office of Plans and Construction notes that the codes and standards regulating the design and construction of SNFs are the same for beds licensed as sheltered beds and community beds.

Therefore, a review of the architectural submissions for this project is unnecessary since the existing nursing beds have already been reviewed and approved by the Agency for use as skilled nursing beds in accordance with Florida Statutes 400.232 and Florida Administrative Code 59A-4.133.

PruittHealth – Alachua County (CON #10254): The cost estimate and the project completion forecast appear to be reasonable. A review of the architectural plans, narratives and other supporting documents did not reveal any deficiencies that are likely to have a significant impact on either construction costs or the proposed completion schedule.

G. RECOMMENDATION

Approve CON #10251 to add 30 community nursing home beds to Cross City Rehabilitation and Health care Center in District 3, Subdistrict 2, Dixie County. The total project cost is \$2,479,347. The project involves 11,221 GSF of new construction and a construction cost of \$17,795,360.

Approve CON #10252 to establish a 120-bed community nursing home in District 3, Subdistrict 2, Alachua County. The total project cost is \$21,205,900. The project involves 82,200 GSF of new construction and a total construction cost of \$14,796,000.

CONDITION:

- Specialized Programs and Services
 - Rapid Recovery
 - Discharge Support
 - Stroke Recovery
 - Pulmonary Acute Cardiac Episode Recovery (PACER)
 - Respiratory Therapy
 - Infusion Therapy

Approve CON #10253 to add 17 community nursing home beds through the conversion of 17 sheltered nursing home beds in District 3, Subdistrict 2, Alachua County. The total project cost is \$60,750. The project involves zero GSF of construction and no construction cost.

Deny CON #10250, CON #10254 and CON #10254P.

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: _____

Marisol Fitch
Health Services and Facilities Consultant Supervisor
Certificate of Need