

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

A. PROJECT IDENTIFICATION

1. Applicant/CON Action Number

4-2 CON LLC/CON #10271

10800 Biscayne Boulevard, Suite 600
Miami, Florida 33161

Authorized Representative: Abraham Shaulson
(305) 864-9191

LP SW Jacksonville, LLC/CON #10272

12201 Bluegrass Parkway
Louisville, Kentucky 40299

Authorized Representative: John Harrison
(502) 568-7800

PruittHealth – Southwestern Duval County, LLC/CON #10273

126 Jeurgens Court
Norcross, Georgia 30093

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

2. Service District/Subdistrict

District 4/Subdistrict 4-2 (Baker, Clay and Southwest Duval Counties)

B. PUBLIC HEARING

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

Letters of Support

4-2 CON LLC (CON #10271): The Agency received no letters of support nor did the applicant submit any letters of support for the proposed project.

LP SW Jacksonville, LLC (CON #10272) submitted eight letters of support from various members of the medical community, including Mr. Chad Patrick, Chief Executive Officer of Orange Park Medical Center located in Clay County.

PruittHealth – Southwestern Duval County, LLC (CON #10273) submitted nine letters of support. All were form letters signed by local health care providers and students.

C. PROJECT SUMMARY

4-2 CON LLC (CON #10271) an affiliate of the principals E.M.I Inc. and Millennium Management, LLC proposes to establish a new 170-bed community nursing home in District 4/Subdistrict 4-2, Clay County.

Millennium Management, LLC states that it operates seven SNFs (skilled nursing facilities) in Florida, all located in District 4:

- Moultrie Creek Nursing and Rehabilitation Center
- Terrace of Jacksonville, The
- Orange City Nursing and Rehab Center
- Jacksonville Nursing and Rehabilitation Center
- Port Orange Nursing and Rehabilitation Center
- Lanier Manor
- Macclenny Nursing and Rehab Center

Tuskawilla Nursing and Rehab Center, a Gold Seal Program located in Subdistrict 7-4, is an E.M.I. Inc. co-owned facility.

The reviewer notes that in another application for the current batching cycle (CON application #10324), Millennium Management and E.M.I. are affiliated with 38 SNFs:

- Arbor Trail Rehab and Skilled Nursing Center
- Atlantic Shores Nursing and Rehab Center
- Bonifay Nursing and Rehab Center
- Boulevard Rehabilitation Center
- Boynton Beach Rehabilitation Center
- Braden River Rehabilitation Center LLC
- Coral Gables Nursing and Rehabilitation Center

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- Fountain Manor Health and Rehabilitation Center
- Golden Glades Nursing and Rehab Center
- Hialeah Nursing and Rehab Center
- Hunters Creek Nursing and Rehab Center
- Jacksonville Nursing and Rehab Center
- Lake View Care Center at Delray
- Oasis Health and Rehabilitation Center
- Lanier Manor
- MacClenny Nursing and Rehab Center
- Medicana Nursing and Rehab Center
- Menorah House
- Metro West Nursing and Rehab Center
- Moultrie Creek Nursing and Rehab Center
- North Dade 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
- Riviera Palms Rehabilitation Center
- Royal Care of Avon Park
- Royal Oaks Nursing and Rehab Center
- Sarasota Point Rehabilitation Center
- South Dade Nursing and Rehabilitation Center
- Terrace of Jacksonville, The
- Terrace of Kissimmee, The
- Terrace of St. Cloud, The
- Tiffany Hall Nursing and Rehabilitation Center
- Tuskawilla Nursing and Rehab Center
- West Broward Rehabilitation and Healthcare
- Watercrest Care Center

The project involves 100,453 gross square feet (GSF) of new construction. The construction cost is \$18,081,540. Total project cost is \$23,963,613. Project cost includes land, building, equipment, project development, financing and start-up costs.

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

LP SW Jacksonville, LLC (CON #10272), a wholly owned subsidiary of Signature Holdings II, LLC (referred to as Signature or the applicant throughout this document), proposes to establish a new 120-bed community nursing home in District 4/Subdistrict 4-2, Clay County.

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Signature currently operates 25 facilities (in 18 nursing home subdistricts) with 3,146 beds in Florida:

- Chautauqua Rehabilitation and Nursing Center
- Signature HealthCARE at The Courtyard
- Signature HealthCARE of North Florida
- Washington Rehabilitation and Nursing Center
- The Bridge at Bay St. Joe
- Surrey Place Care Center
- Signature HealthCARE of Gainesville
- Signature HealthCARE of Orange Park
- Signature HealthCARE of Jacksonville
- Signature HealthCARE of Ormond
- Southern Pines Healthcare Center
- Peninsula Care and Rehabilitation Center
- Signature HealthCARE of Pinellas Park
- Golfview Healthcare Center
- Gulfport Rehabilitation Center
- Heritage Park Care and Rehabilitation Center
- Kenilworth Care and Rehabilitation Center
- Anchor Care and Rehabilitation Center
- Winter Park Care and Rehabilitation Center
- Signature HealthCARE of Port Charlotte
- Signature HealthCARE at College Park
- Signature HealthCARE of Palm Beach
- Golfcrest Healthcare Center
- Signature HealthCARE Center of Waterford
- Signature HealthCARE of Brookwood Gardens

The project involves 75,138 GSF of new construction. The construction cost is \$10,143,630. Total project cost is \$17,714,465. Project cost includes land, building, equipment, project development, financing and start-up costs.

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

PruittHealth – Southwestern Duval County, LLC (CON #10273), an affiliate of PruittHealth, proposes to establish a new 120-bed community nursing home or a partial request to establish a 97-bed nursing home in Subdistrict 4-2, Clay County. The applicant states that the 97-bed partial will be accomplished by aggregating 50 beds from the published need of Subdistrict 4-2 and 47 from the published need from Subdistrict

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4-3—with the facility being located in Clay County, the part of the subdistrict with the greater published need.

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

- PruittHealth – Santa Rosa

The project involves 79,859 GSF of new construction for the full award. The construction cost is \$11,198,628. Total project cost is \$18,351,619. Project cost includes land, building, equipment, project development, financing and start-up costs.

The partial project involves 70,259 GSF of new construction. The construction cost is \$9,867,395. Total project cost is \$16,301,904. Project cost includes land, building, equipment, project development, 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 58.7 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 bedside patient charting tool
- Implement Resident Safety Technology including Call Guard and WanderGuard into the facility
- Implement Clinical Kiosks in appropriate locations throughout the facility
- 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, multiple dining options, custom meal planning, wireless internet and state of the art rehab suites
- Implement the top special operational initiatives requested by existing health care providers:

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- Risk management and clinical performance, programs designed to reduce hospital readmission and specialized training programs for staff
- Implement the top five clinical services requested by existing health care providers:
 - PT/OT/ST, wound care, medication management, respiratory therapy and diabetes 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.

| Total GSF and Project Costs of Co-Batched Applicants | | | | | |
|---|--------------|----------------------|------------|-----------------|---------------------|
| Applicant | CON # | Project | GSF | Costs \$ | Cost Per Bed |
| 4-2 CON LLC | 10271 | New 170-bed facility | 100,453 | \$23,963,613 | \$113,004 |
| LP SW Jacksonville, LLC | 10272 | New 120-bed facility | 75,138 | \$17,714,465 | \$96,505 |
| PruittHealth Southwestern Duval County, LLC | 10273 | New 120-bed facility | 79,859 | \$18,351,619 | \$100,440 |
| PruittHealth Southwestern Duval County, LLC | 10273P | New 97-bed facility | 70,259 | \$16,301,904 | \$110,678 |

Source: CON applications 10271-10273 and their respective Schedule 1 and 9

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, Marisol Fitch analyzed the application with consultation from the financial analyst, Felton Bradley, of the Bureau of Central Services, who evaluated the financial data and Said Baniahmad of the Office of Plans and Construction, who reviewed the application for conformance with the architectural criteria.

E. CONFORMITY OF PROJECT WITH REVIEW CRITERIA

The following indicate the level of conformity of the proposed project with the criteria and application content requirements found in Florida Statutes, sections 408.035 and 408.037; applicable rules of the State of Florida, Chapter 59C-1 and 59C-2, Florida Administrative Code.

1. Fixed Need Pool

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

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In Volume 40, Number 193 of the Florida Administrative Register dated October 3, 2014, a fixed need pool of 170 beds was published for Subdistrict 4-2 for the July 2017 Planning Horizon. Subdistrict 4-2 is comprised of Baker County, Clay County and the southwestern portion of Duval County.

After publication of this fixed need pool, one existing subdistrict facility filed an exemption request to add community nursing home beds.¹

As of November 19, 2014, Subdistrict 4-2 had 2,105 licensed and 16 approved community nursing home beds. During the 12 month period ending June 30, 2014, Subdistrict 4-2 experienced 89.83 percent utilization at 17 existing facilities. Below is a table illustrating nursing home patient days and occupancy within Subdistrict 4-2.

Baker, Clay and Southwestern Duval Counties, 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 |
|---|---|-----------------|---------------------|------------------------|---------------------------|
| Macclenny Nursing and Rehab Center | 120 | 43800 | 39757 | 90.77% | 70.91% |
| W. Frank Wells Nursing Home | 68 | 24820 | 18284 | 73.67% | 87.20% |
| Consulate Health Care of Orange Park | 120 | 43800 | 41871 | 95.60% | 55.79% |
| Doctors Lake of Orange Park | 120 | 43800 | 39466 | 90.11% | 72.56% |
| Governors Creek Health and Rehabilitation | 120 | 43800 | 41493 | 94.73% | 75.32% |
| Heartland Health Care Center -- Orange Park | 120 | 43800 | 38654 | 88.25% | 45.53% |
| Isle Health and Rehabilitation Center | 108 | 39420 | 38801 | 98.43% | 59.24% |
| Life Care Center at Wells Crossing | 120 | 43800 | 37145 | 84.81% | 42.86% |
| Life Care Center of Orange Park | 180 | 65700 | 57800 | 87.98% | 49.99% |
| Pavilion For Health Care, The | 40 | 14600 | 12971 | 88.84% | 0.00% |
| Signature Healthcare of Orange Park | 105 | 38325 | 35154 | 91.73% | 62.36% |
| All Saints Catholic Nursing Home and Rehab Center, Inc. | 120 | 43800 | 42775 | 97.66% | 64.62% |
| Heartland Health Care Center Jacksonville | 120 | 43800 | 38907 | 88.83% | 39.64% |
| Park Ridge Nursing Center | 104 | 37960 | 31513 | 83.02% | 71.88% |
| Signature Healthcare of Jacksonville | 180 | 65700 | 53454 | 81.36% | 80.86% |
| St. Catherine Laboure Manor, Inc. | 240 | 87600 | 83375 | 95.18% | 54.04% |
| West Jacksonville Health and Rehabilitation Center | 120 | 43800 | 38796 | 88.58% | 63.10% |
| Total | 2105 | 768325 | 690216 | 89.83% | 59.86% |

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 4-2, District 4 and the state for the planning horizon. Note that only a portion of Duval County is included in Subdistrict 4-2 although population estimates are for the entirety of Duval County due to the Agency's source for population estimates. Please see the table below.

¹ E140023 to add 16 community nursing home beds to Park Ridge Nursing Center was approved by the Agency on 09/17/2014, but was not included in the fixed need publication published on 10/03/2014 pursuant to the fixed need pool methodology as summarized in 59C-1.036 (4), Florida Administrative Code.

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**Current and Projected Population Growth Rate
Subdistrict 4-2, District 4, and Florida
January 2014 and January 2017**

| County | January 1, 2014 Population | | | January 1, 2017 Population | | |
|-----------------|----------------------------|-----------|------------|----------------------------|-----------|------------|
| | 0-64 | 65+ | Total | 0-64 | 65+ | Total |
| Baker | 24,334 | 3,267 | 27,601 | 25,480 | 3,745 | 29,225 |
| Clay | 171,487 | 26,063 | 197,550 | 181,574 | 30,433 | 212,007 |
| Duval | 770,113 | 110,370 | 880,483 | 780,535 | 123,795 | 904,330 |
| Subdistrict 4-2 | 965,934 | 139,700 | 1,105,634 | 987,589 | 157,973 | 1,145,562 |
| District 4 | 1,665,038 | 325,353 | 1,990,391 | 1,717,121 | 365,672 | 2,082,793 |
| 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 |
| Baker | 1,146 | 478 | 1,624 | 4.71% | 14.63% | 5.88% |
| Clay | 10,087 | 4,370 | 14,457 | 5.88% | 16.77% | 7.32% |
| Duval | 10,422 | 13,425 | 23,847 | 1.35% | 12.16% | 2.71% |
| Subdistrict 4-2 | 21,655 | 18,273 | 39,928 | 2.24% | 13.08% | 3.61% |
| District 4 | 52,083 | 40,319 | 92,402 | 3.13% | 12.39% | 4.64% |
| 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.

Beds per 1,000 Residents Age 65 and Older

| County | Community Beds | 2014 Pop. Aged 65+ | 2014 | 2017 Pop. Aged 65+ | 2017 |
|------------------------|----------------|--------------------|----------------|--------------------|----------------|
| | | | Beds per 1,000 | | Beds per 1,000 |
| Baker | 188 | 3,267 | 58 | 3,745 | 50 |
| Clay | 1033 | 26,063 | 40 | 30,433 | 34 |
| Duval | 884 | 110,370 | 8 | 123,795 | 7 |
| Subdistrict 4-2 | 2105 | 139,700 | 15 | 157,973 | 13 |
| District 4 | 9,355 | 325,353 | 29 | 365,672 | 26 |
| Florida | 80,050 | 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

Each co-batched applicant states its proposed project is being submitted in response to the Agency's fixed need pool publication dated October 3, 2014.

4-2 CON LLC (CON #10271) indicates that during the period April 2013 to March 2014, 10.7 percent of the total number of resident discharges from Clay County were discharged from short-term acute care hospitals in Florida to SNFs. The applicant analyzes discharges by service line (using Agency discharge data), stating that E.M.I. is aware of the most common patient types and has developed specific programs and services to address their unique needs. See the table below.

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**Clay County Resident Discharges to Skilled Nursing
from Short-Term Acute Care Hospitals
Second Quarter of 2013 through the First Quarter of 2014**

| Service Line | Total Discharges | Discharges to SNF | |
|---------------------------|------------------|-------------------|---------|
| | | Number | Percent |
| Total Discharges | 23,468 | 2,504 | 10.7% |
| Hip/Knee Replacement | 894 | 283 | 31.7% |
| Septicemia | 842 | 180 | 12.4% |
| Kidney/UTI | 408 | 125 | 30.6% |
| Renal Failure | 500 | 115 | 23.0% |
| Stroke/CVA/TIA | 535 | 96 | 17.9% |
| Hip/Femur ex. Major Joint | 167 | 94 | 56.3% |
| Heart Failure | 489 | 92 | 18.8% |

Source: CON application #10271, page 1-9.

4-2 CON LLC states that there is clearly need for additional SNFs in Subdistrict 4-2 based on the following:

- A published need of 170 beds for the July 1, 2017 planning horizon
- Population in the subdistrict is growing and will continue to grow in the foreseeable future
- The senior market segment, which utilize skilled nursing services the most, will continue to grow and place further demands on the availability of skilled nursing
- The subdistrict has a significant number of discharges in service lines and disease categories such as hip and knee repair/replacement, septicemia and renal failure, which will further increase demand for skilled nursing care
- More modern facilities are needed to keep pace with technological and clinical developments in health care delivery

LP SW Jacksonville, LLC (CON #10272) believes that a new 120-bed SNF would benefit the community and meet the growing demand in Clay County. The applicant discovered that there were a limited number of parcels of sufficient size at a price that would allow for the financial feasibility of the proposed project. Signature contends that due to land prices and its strong preference to build one-story nursing facilities with private rooms, a 120-bed facility is the optimum size for a facility in Subdistrict 4-2.

The applicant states that in developing this application, it made contact with community leaders and health services providers in Subdistrict 4-2 to understand current conditions and needs. Signature asserts that a key service needed to improve care delivery is bariatric skilled nursing services. The applicant indicates that it has designed a 14-bed bariatric unit based on discussions with local hospital case managers who state that they have difficulty finding placement for bariatric patients. Dr. John P. Arnold, Orange Park doctor, submitted a letter of support for the

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proposed project stating that Signature's bariatric unit "is an answer to the prayers of many physicians who find that their very overweight patients are rejected by most facilities because of lack of equipment, staff and expertise to deal with the difficult needs of these patients."

Signature states that the 14-bed bariatric unit will consist of all private rooms with design features and equipment to ensure the needs of the population will be met. The reviewer notes that the applicant did not condition the approval of the application to a 14-bed bariatric unit.

PruittHealth – Southwestern Duval County, LLC (CON #10273) states its application is being submitted in response to the Agency's fixed need pool publication dated October 3, 2014.

PruittHealth states that it completed an extensive market research initiative that included surveying/interviewing existing health care providers, analyzing existing health care provider data and conducting extensive bed need analysis. The applicant asserts that it incorporated a multitude of elements identified by the market research into the overall proposed facility plan. PruittHealth indicates that some of the most critical areas with demonstrated need the proposed facility will respond to are:

- The service area's health care providers indicated that the community's strongest needs in relation to beds and program mix were having a secure Alzheimer's unit, specialized Alzheimer programming, providing Medicare beds and providing short-term rehabilitation beds
- The service area's health care providers indicated that the community's strongest needs in relation to special operational initiatives were a facility that could provide risk management and clinical performance program, incorporating a high ratio of both total and licensed nursing hours per patient day, implementing a program designed to reduce hospital readmissions and providing specialized training programs for staff
- The service area's health care providers indicated that the community's strongest need in relation to clinical services were for a facility that could provide PT/OT/ST, wound care, medication management, respiratory therapy and diabetes care
- The service area's health care providers indicated that the community's strongest need in relation to special amenities include providing specialized care staff, offering multiple dining options, wireless internet, offering custom meal planning and possessing state of the art rehab suites

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PruittHealth notes that based on data from the Alzheimer's Association and Department of Elder Affairs, there are an estimated 6,417 persons in the Subdistrict at varying stages of Alzheimer's disease ages 65 and older, with 48 percent (3,087) of those persons residing in Clay County. The applicant maintains that this corroborates the need for Alzheimer's specialty programming and a secure Alzheimer's unit from a new skilled nursing facility in the market. PruittHealth asserts that it will incorporate an extremely comprehensive and well-established behavioral health program geared to residents with dementia.

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 with Alzheimer's disease
- Improve access of Medicare services
- Improve access for persons in need of short-term rehabilitation services
- Improve access to Medicaid beds
- 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

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.

4-2 CON LLC (CON #10271) indicates that the proposed facility will be built, equipped and staffed to accommodate short-term rehabilitation and long-term skilled nursing care.

4-2 CON LLC asserts that the proposed facility will be staffed with caregivers who possess the clinical expertise to care for residents with a wide range of clinical needs. The applicant indicates that the physical plant will incorporate a neighborhood design to promote a residential atmosphere and minimize the perception of an institutionalized environment. 4-2 CON LLC notes that patient services will include, but not be limited to:

- Behavioral health services
- Cardiac services
- Infectious disease treatment
- Oncology/cancer care

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- Orthopedic services
- Outpatient rehabilitation
- Registered dietician services
- Outpatient rehabilitation
- Respiratory therapies
- Stroke rehabilitation
- Wound care program

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

- 24-7 RN coverage
- 24-hour visitation
- Community outings
- Medical transportation assistance
- Multi-lingual staff
- Pet therapy
- Pharmacy and laboratory services
- Spa and laundry services
- State of the art therapy gym and equipment
- Structured activities seven days a week
- Wireless Internet service

4-2 CON LLC states that the Care Planning program, established by an interdisciplinary Performance Improvement Committee, with the support and approval of the administration, has the responsibility for monitoring all aspects of resident care and services throughout the continuum of care to improve and facilitate positive resident outcomes. The applicant indicates that a detailed care plan will be developed for each resident and will incorporate goals and objectives that lead to the resident's highest possible level of independence.

The applicant states that prior to admission to the proposed facility, residents will receive a detailed clinical assessment. The applicant maintains that upon admission, the Nursing Services Department will provide an orientation and the resident or representative will sign an Admissions Agreement.

4-2 CON LLC notes that all caregivers will be educated about the facility's Resident's Rights policies. The applicant asserts that prior to or upon admission, the Social Services Director or designee will provide written information to the resident concerning his or her rights to make decisions concerning medical care.

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Samples of the Pre-Admission Form, Admissions Agreement and Resident Rights training tools can be found in Exhibit 2-1, Exhibit 2-2 and Exhibit 2-3 of CON application #10271, respectively.

The applicant states that a physician’s order will be obtained for all discharges and that a post-discharge plan will be developed by the care plan team with assistance from the resident and family. The applicant asserts that the plan will be reviewed with the resident and family prior to discharge.

4-2 CON LLC believes that the new facility will be primarily utilized to provide short-term rehabilitation, where the primary payer is Medicare and stays are between 21 and 40 days. The applicant contends that shorter stays are reflective of the need for rehabilitative care in the local area. The reviewer notes that the applicant does not provide evidence in this section of a need for rehabilitative care in the local area but that the applicant does provide a brief overview of discharge data earlier in the application.

The applicant provides the following table illustrating the projected admissions, patient days, average length of stay (ALOS) and average daily census (ADC) for the first two years of operation for the proposed 170-bed facility.

Projected Admissions, Patient Days, ALOS and ADC

| | Year One | Year Two |
|--------------|-----------------|-----------------|
| Admissions | 363 | 656 |
| Patient Days | 30,949 | 55,845 |
| ALOS | 85 | 85 |
| ADC | 85 | 153 |

Source: CON application #10271, page 2-5

Schedule 6A illustrates that FTEs for year one (ending June 30, 2018) total 109.90 and total 172.90 for year two (ending June 30, 2019). The proposed project’s year one and year two FTEs are shown in the table below.

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| 4-2 CON LLC (CON application #10271) 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 | 2.00 | 2.00 |
| Bookkeeper | 1.00 | 2.00 |
| Ward Clerk | 2.80 | 2.80 |
| Medical Records Clerk | 1.00 | 2.00 |
| Other: ADON, Staff Development, Central Supply Clerk, Receptionist | 4.50 | 4.50 |
| Physicians | | |
| Unit/Program Director | 1.00 | 1.00 |
| Nursing | | |
| RNs | 7.00 | 9.80 |
| LPNs | 9.80 | 19.60 |
| Nurses' Aides | 44.80 | 74.20 |
| Other: Restorative Aides | 3.00 | 5.00 |
| Dietary | | |
| Dietary Supervisor | 2.00 | 2.00 |
| Cooks | 2.80 | 4.20 |
| Dietary Aides | 7.00 | 8.40 |
| Social Services | | |
| Social Service Director | 1.40 | 2.00 |
| Activity Director | 1.00 | 1.00 |
| Activities Assistant | 2.00 | 4.20 |
| Other: MDS Coordinator | 2.00 | 4.00 |
| Housekeeping | | |
| Housekeeping Supervision | 1.00 | 1.00 |
| Housekeepers | 6.60 | 12.60 |
| Laundry | | |
| Laundry Aides | 2.80 | 5.60 |
| Plant Maintenance | | |
| Maintenance Supervisor | 1.00 | 1.00 |
| Maintenance Assistance | 1.40 | 2.00 |
| Total | 109.90 | 172.90 |

Source: CON application #10271, Schedule 6

LP SW Jacksonville, LLC (CON #10272) states that the proposed facility will be dually certified and will provide rehabilitation services and skilled nursing services for short-term and long-term patients. The applicant notes that the proposed project includes a specialized 14-bed bariatric unit. Signature notes that it will implement an individual care plan, incorporating best practices and evidence-based clinical practice guidelines, for each patient.

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The applicant states that the proposed facility will provide an array of services, including:

- Physical, occupational and speech therapy
- Pain management
- Wound care
- Hospice/palliative care
- Alzheimer's/dementia care
- Medical management
- Pulmonary, neurological and orthopedic rehab
- Care coordination services
- Transportation services
- Spirituality services
- Quality of life services
- Advance practice clinician services (credentialed as either nurse practitioner or physician assistant)

Signature states it will provide a 15 passenger van for transportation to and from physician visits as well as transporting patients participating in the applicant's quality of life events.

The applicant indicates a shift in long-term care from the nursing home to the patient's home and has created SNF-based rehabilitation programs to enable patients to return home at a higher functional level. Signature notes that for patients requiring a longer stay in the SNF, the proposed facility will have a physical and humane environment to support and enhance quality of life and dignity.

Signature states that it has developed the TransitionalCARE model to improve care coordination for all patients. This model incorporates key components shown to improve care coordination and improve a patient's experience, with an outcome of reduced hospital and nursing home readmissions. The applicant contends that in order to impact outcomes during a 90-day episode, patient engagement is essential and a component of the TransitionalCARE model. The applicant includes a full overview of the program in Tab 40 of CON application #10272.

The applicant also notes that Signature HomeNow is a subsidiary that provides home health services throughout the State of Florida with 11 branch offices in seven Florida districts, including District 4. Signature states that all its home health agencies are accredited by Community Health Accreditation Program (CHAP).

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Signature indicates that it has the capability to implement the following programs in the proposed facility as the community needs them:

- Accelerate Rehabilitation Units
- Alzheimer’s/Dementia Program
- The Signature HealthCARE Pulmonary (BreathLIFE) Program
- Non-Medical Home Care

The applicant notes that it was founded on three cultural pillars-- learning, spirituality and intra-preneurship—with a mission to “revolutionize long-term care”. Signature states that it invests heavily in each pillar with dedicated staff and other resources focused on the pillars as foundational aspects of the organization. Signature states that therapy services at the proposed facility will be contracted with Signature Rehab, medical supplies through Medline and pharmacy is provided through contracts with EZ-MAR and PharMerica.

The applicant indicates that patients will be assessed (including all bodily systems) upon admission into the facility. Discharge planning will include assessing for safe discharge placement, durable medical equipment, education, self-care and supervision needs. Signature included copies of its admissions, transfer and discharge policies in Tab 19 of CON application #10272.

Signature maintains that it has experience in addressing the need of the non-English speaking community and much of its printed literature is available in Spanish.

The applicant provides the following table illustrating the projected admissions, patient days, ALOS and ADC for the first two years of operation for the proposed 120-bed facility.

Projected Admissions, Patient Days, ALOS and ADC

| | Year One | Year Two |
|----------------|-----------------|-----------------|
| Admissions | 180 | 572 |
| Patient Days | 7,944 | 34,621 |
| Medicare ALOS | 31.9 | 31.9 |
| Medicaid ALOS* | 115.2 | 371.8 |
| ADC | 21.8 | 94.9 |

*The applicant notes that after census build-up, the Medicaid ALOS is projected to average 447.5 days

Source: CON application #10272, page 40

Schedule 6 illustrates that FTEs for year one (2017) total 36.1 and total 111.9 for year two. The proposed project’s year one and year two FTEs are shown in the table below.

CON Action Numbers: 10271 through 10273

| LP SW Jacksonville LLC (CON application #10272) Projected Year One and Year Two Staffing | | |
|---|--------------------------|--------------------------|
| | Year One FTEs | Year Two FTEs |
| Administration | | |
| Administrator | 1.0 | 1.0 |
| Director of Nursing | 1.0 | 1.0 |
| Asst. DON/Transitional Care | | 1.6 |
| Admissions Director | 0.7 | 1.0 |
| Bookkeeper/Asst. BOM | | 0.9 |
| Secretary/Admin Asst | | 0.6 |
| Medical Records Clerk | 0.7 | 1.0 |
| MDS Coordinators | 0.7 | 1.9 |
| Staff Coordinators | 0.8 | 1.0 |
| Human Resources Coordinator | | 1.0 |
| Marketing Director | 1.0 | 1.0 |
| Receptionist | 2.1 | 2.1 |
| Business Ofc Mgr | 0.7 | 1.0 |
| Nursing | | |
| RNs | 3.2 | 4.4 |
| LPNs | 4.8 | 15.8 |
| Nurses' Aides | 9.9 | 43.0 |
| Nursing Admin, Central Supply | 0.2 | 1.8 |
| Dietary | | |
| Dietary Supervisor | 0.6 | 1.0 |
| Cooks | 0.2 | 0.9 |
| Dietary Aides | 1.3 | 3.6 |
| Servers, etc. | 1.8 | 7.9 |
| Social Services | | |
| Social Service Director | 1.0 | 1.9 |
| Activity Director | 0.7 | 1.0 |
| Activities Assistant | 0.3 | 2.0 |
| Chaplain | 0.3 | 1.0 |
| Housekeeping | | |
| Housekeeping Supervision | | 1.0 |
| Housekeepers | 1.6 | 7.0 |
| Laundry | | |
| Laundry Aides | 0.6 | 2.6 |
| Plant Maintenance | | |
| Maintenance Supervisor | 1.0 | 1.0 |
| Maintenance Assistance | | 0.9 |
| Total | 36.1 | 111.9 |

Source: CON application #10272, Schedule 6

PruittHealth – Southwestern Duval County, LLC (CON #10273)

indicates 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 43 through 90 of CON application #10273.

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

- 20-bed secure Alzheimer's unit in the 120-bed facility
- Specialized Alzheimer's programming
- High percent of private rooms (61 percent)² or 74 private rooms in the 120-bed proposal and 57 private rooms in the 97 beds partial proposal
- Enhancing Medicaid access between seven and 10 points greater than the subdistrict's current experience
- Risk management and clinical performance programs (PointRight)
- High ratio of total nursing hours per patient day
- Hospital readmission reduction program
- Specialized training programs for staff
- Specialized care staff
- State of the art rehab suites
- Custom meal planning
- Wireless internet
- Multiple dining options
- PT/OT/ST
- Wound care
- Medication management
- Respiratory therapy
- Diabetes care
- Chronic disease management

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

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

² The reviewer notes that the applicant conditioned approval of the facility on Schedule C to a minimum 58.7 percent private rooms/beds in the 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
- General and clinical kiosks

PruittHealth discusses the programs and routine services to be offered at the proposed facility on pages 103 through 124 of CON application #10273.

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 73 days for year two of operation for the full award. Schedule 7 indicates that the ALOS will be 49 days for year one and 66 days for year two of operation for the partial award.

Schedule 6 illustrates that FTEs for year one (ending June 30, 2018) total 63.68 and total 143.45 for year two (ending June 30, 2019) for the full award. The proposed project's year one and year two FTEs are shown in the table below. The reviewer notes that the total FTEs for year one actually add up to 63.72 for year one.

CON Action Numbers: 10271 through 10273

| PruittHealth – Southwestern Duval County, LLC (CON application #10273) 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 | 5.10 | 9.60 |
| LPNs | 10.00 | 23.80 |
| Nurses’ Aides | 21.70 | 58.80 |
| Nursing Admin, Central Supply | 0.80 | 2.00 |
| Ancillary | | |
| Physical Therapist (Contracted) | 0.95 | 2.61 |
| Physical Therapist Assistant (Contracted) | 1.11 | 3.06 |
| Speech Therapist (Contracted) | 0.45 | 1.25 |
| Occupational Therapist (Contracted) | 1.09 | 3.00 |
| Occupational Therapy Assistant (Contracted) | 0.40 | 1.11 |
| 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 | 63.68 | 143.45 |

Source: CON application #10273, Schedule 6

Schedule 6 illustrates that FTEs for year one total 55.39 and total 116.79 for year two for the partial award. The proposed project’s year one and year two FTEs are shown in the table below. The reviewer notes that the total FTEs for year one actually add up to 55.43 for year one.

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| PruittHealth – Southwestern Duval County, LLC (CON application #10273) Projected Year One and Year Two Staffing 97-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 | 4.40 | 8.20 |
| LPNs | 7.70 | 17.40 |
| Nurses' Aides | 18.00 | 48.00 |
| Nursing Admin, Central Supply | 0.80 | 2.00 |
| Ancillary | | |
| Physical Therapist (Contracted) | 0.93 | 2.23 |
| Physical Therapist Assistant (Contracted) | 1.09 | 2.67 |
| Speech Therapist (Contracted) | 0.44 | 1.09 |
| Occupational Therapist (Contracted) | 1.06 | 2.61 |
| Occupation Therapy Assistant (Contracted) | 0.39 | 0.97 |
| 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 |
| Housekeeping | | |
| Housekeepers | 4.90 | 9.80 |
| Laundry | | |
| Laundry Aides | 1.40 | 2.80 |
| Plant Maintenance | | |
| Maintenance Supervisor | 1.00 | 1.00 |
| Total | 55.39 | 116.79 |

Source: CON application #10273, Schedule 6

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.**

Each co-batched applicant is a newly created entity and therefore has not had a nursing facility license denied, revoked or suspended within the 36 months prior to the current application.

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?**

Each co-batched applicant is a newly created entity and therefore has not had a nursing facility placed into receivership within the 36 months prior to the current application.

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.**

Each co-batched applicant indicates that this provision is not applicable, since there have been no violations.

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.**

Each co-batched applicant indicates that this provision is not applicable, since there have been no violations.

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.

Each co-batched applicant indicates 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.

Each co-batched applicant states that it will provide the required data to the applicable local health council and to the Agency.

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 applicants' service area? ss. 408.035 (1)(b) and (e), Florida Statutes.**

There are 79 licensed community nursing homes with a total of 9,355 community nursing home beds in District 4. Subdistrict 4-2 is composed of Baker, Clay and Southwest Duval Counties and has 17 licensed community nursing homes with a total of 2,105 community nursing home beds. The subdistrict averaged 89.83 percent total occupancy for the 12 month period ending June 30, 2014.

4-2 CON LLC (CON #10271) indicates that a specific location for the proposed facility has not been determined, but that it will be located within Clay County such that access and availability to care are key considerations.

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4-2 CON LLC notes that the overall skilled nursing facility occupancy rate in Clay County was 91.1 percent in the 12 month period ending June 2014, which is slightly higher than the larger District 4's overall occupancy rate (88.4 percent) for the same period.

The applicant maintains that as a result of growing population and a fixed bed supply, the bed rates for persons 65 and older and 75 and older have declined steadily over the last several years, indicating a need for additional beds in the subdistrict. The reviewer notes that the applicant does not provide any data to illustrate this point.

The applicant states that the proposed facility will be constructed with 38 private rooms (including 10 private suites) and 66 semi-private rooms. 4-2 CON LLC provides data on page 3-3 of CON application #10271 illustrating the types of rooms (private, semi-private, three-bed and four-bed) offered at the community nursing homes in Subdistrict 4-2. The applicant indicates this data demonstrates that the proposed facility will have more private rooms than the majority of other skilled nursing facilities in the subdistrict.

4-2 CON LLC states that the applicant's association with an experienced provider like E.M.I. ensures the delivery of the highest quality health care as well as adherence to Chapter 400, Part II, Florida Statutes, and Rule 59A-4, Minimum Standards for Nursing Homes. The applicant provides its mission statement on page 3-4 of CON application #10271: *"It is our mission to provide the best care possible to our clients. Our goal is to hire the most qualified managers and staff available. Each day we will strive to be the best caregiver in the area."*

4-2 CON LLC states that although site selection continues--population demographics, locations of existing nursing homes, hospitals and roadways are being factored in so that the proposed site will improve access. The applicant indicates that the senior population of Clay County is concentrated in the central and northern portions of the county. 4-2 CON LLC asserts that there is a noticeable lack of available skilled nursing care in the southwestern and northwestern portions of Clay County and that the majority of the facilities are concentrated around short-term acute care hospitals in northeast Clay County. The applicant states that its intention is to locate suitable property in an area that will increase access and availability to skilled nursing care.

The applicant provides maps of Subdistrict 4-2 illustrating the current population aged 65 and older and delineating existing nursing homes and hospitals on pages 3-5, 3-6 and 3-7 of CON application #10271. 4-2 CON LLC states the following conclusions regarding these maps:

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- Senior population growth is expected to be heaviest in central and southeastern Clay County. The reviewer notes that the map provided by the applicant seems to indicate higher population growth in northeastern Clay County than southeastern.
- Proximity to area hospitals will be considered in determining an appropriate site within Clay County—these hospitals are located in northeastern Clay County.
- Although an exact site for the proposed facility has not yet been determined, the specific site selected will be based on a thorough analysis of population trends, occupancy rates, hospital discharges and travel patterns that indicate areas of greatest need.
- ZIP codes 32068 and 32073 (central and northeastern Clay County) accounted for 55 percent of all discharges from April 2013 to March 2014 for Clay County residents.

The applicant declares that no economic barriers to admission to the proposed facility will exist. The applicant states it will be certified for both Medicare and Medicaid and that it will also accommodate private pay residents.

4-2 CON LLC contends that facilities with high occupancy rates reduce access to needed beds because beds that are occupied are not available to those in need. The applicant states that the prevailing standard in skilled nursing care is semi-private accommodation. 4-2 CON LLC believes that factors such as isolation status for communicable diseases significantly affects bed availability in a semi-private care setting, as patients under isolation precautions are often placed in a private bed status, with the adjacent bed remaining unoccupied.

The applicant notes that occupancy rates within Subdistrict 4-2 vary from 73.7 percent to 98.4 percent with eight facilities (47 percent) having an occupancy rate of 90 percent or higher. 4-2 CON LLC contends that the mean occupancy rate for Subdistrict 4-2 is just under 92 percent and argues that this is indicative of need or additional beds in the subdistrict.

In addition, 4-2 CON LLC indicates that seven Millennium Management-affiliated facilities are located within District 4 and are currently operating at a mean occupancy rate of 90.9 percent in 2014. The applicant provides a detailed table of occupancy measures at these seven facilities for the last five calendar years on page 3-12 on CON application #10271. The reviewer notes that occupancy rates have declined in all but one of these facilities over the past five years.

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4-2 CON LLC believes that without the addition of skilled nursing beds to Subdistrict 4-2, occupancy rates would rise to overcapacity. The applicant states that the bed rate per capita (for persons 65 and older) in Subdistrict 4-2 is 12.85 for the baseline year of July 2014. 4-2 CON LLC indicates that assuming this rate is held constant and applied to the projected senior population for July 2017 and July 2018, occupancy rates in these years would reach 101.9 percent and 105.8 percent, respectively. See the table below.

**Forecast for Nursing Home Subdistrict 4-2
in July 2017 and July 2018**

| Factor | Baseline July 2014 | July 2017 | July 2018 |
|----------------------|---------------------------|------------------|------------------|
| 65+ Population | 53,712 | 60,922 | 63,282 |
| Subdistrict 4-2 Days | 690,216 | 782,867 | 813,193 |
| Licensed SNF Beds | 2,105 | 2,105 | 2,105 |
| Licensed Bed Days | 768,325 | 768,325 | 768,325 |
| Occupancy | 89.8% | 101.9% | 105.8% |

Source: CON application #10271 page 3-13

The reviewer notes that the applicant’s above assumptions cannot be verified because the cited population data source (*Office of the Governor Florida Population Estimates and Projects by AHCA District 2010 to 2030* published September 2013) does not illustrate population totals at the subdistrict level.

4-2 CON LLC predicts that the proposed facility will reach an overall occupancy rate of 50 percent in the first year during the fill-up period and is anticipated to reach 90 percent by the first quarter of the second year. See the table below.

**Forecast for 4-2 CON LLC
Years One and Two of the Project**

| Factor | 7/17 to 6/18 | 7-18 to 6/19 |
|--------------------|---------------------|---------------------|
| Resident Days | 30,949 | 55,845 |
| Community Beds | 170 | 170 |
| Bed Days | 62,050 | 62,050 |
| Medicaid Days | 17,291 | 31,200 |
| Occupancy | 50.0% | 90.0% |
| Medicaid Occupancy | 55.9% | 55.9% |

Source: CON application #10271, page 3-14

LP SW Jacksonville, LLC (CON #10272) states that the proposed facility will be located in Clay County. The applicant notes that Clay County is the fastest growing county in District 4 and its elderly population is expected to grow 28 percent between 2014 and 2019.

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Signature reports that the total occupancy of the 17 skilled nursing facilities in Nursing Home Subdistrict 4-2 slightly exceeds that of the district and the state. The applicant indicates that it plans to locate the proposed facility in Clay County to better serve the growing demand in the community. See the table below.

| Subdistrict 4-2 Skilled Nursing Facility Occupancy July 1, 2013 to June 30, 2014 | | | | |
|---|---|---------------|---------------------|------------------|
| County | Facility | Beds | Patient Days | Occupancy |
| Baker | Macclenny Nursing and Rehab Center | 120 | 39,757 | 90.57% |
| Baker | W. Frank Wells Nursing Home | 68 | 18,284 | 73.67% |
| | Baker County Total | 188 | 58,041 | 84.58% |
| Clay | Consulate Health Care of Orange Park | 120 | 41,871 | 95.60% |
| Clay | Doctors Lake of Orange Park | 120 | 39,466 | 90.11% |
| Clay | Governors Creek Health and Rehabilitation | 120 | 41,493 | 94.73% |
| Clay | Isle Health and Rehabilitation Center | 108 | 38,801 | 98.43% |
| Clay | Life Care Center at Wells Crossing | 120 | 37,145 | 84.81% |
| Clay | Life Care Center of Orange Park | 180 | 57,800 | 87.98% |
| Clay | The Pavilion for Health Care | 40 | 12,971 | 88.84% |
| Clay | Signature Healthcare of Orange Park | 105 | 35,154 | 91.73% |
| | Clay County Total | 1,033 | 343,355 | 91.06% |
| Duval | All Saints Catholic Nursing Home and Rehab Center, Inc. | 120 | 42,775 | 97.66% |
| Duval | Heartland Health Care Center Jacksonville | 120 | 38,907 | 88.83% |
| Duval | Park Ridge Nursing Center | 104 | 31,513 | 83.02% |
| Duval | Signature Healthcare of Jacksonville | 180 | 53,454 | 81.36% |
| Duval | St. Catherine Laboure Manor, Inc. | 240 | 83,375 | 95.18% |
| Duval | West Jacksonville Health and Rehabilitation Center | 120 | 38,796 | 88.58% |
| | Duval County Total | 884 | 288,820 | 89.51% |
| | Subdistrict 4-2 Total | 2,105 | 690,216 | 89.83% |
| | District 4 Total | 9,355 | 3,016,699 | 88.35% |
| | Florida Total | 80,050 | 25,521,792 | 87.35% |

Source: CON application #10272, page 49

The applicant contends that given the calculated bed need, current occupancy rates of the subdistrict and projected aged population growth—a 120-bed SNF would benefit the community and meet the growing demand in the county. Signature asserts that due to the price per acre, wetland mitigation cost and a strong preference to build on-story facilities with largely private rooms, the applicant found that 120 beds was the optimum size related to land availability in Subdistrict 4-2.

Signature states that it has added services beyond its nursing homes with specialized operating units to provide care coordination services in the community to improve continuity of care. The applicant contends that this makes it a highly valued provider with unique capabilities that are welcomed additions to an acute care system’s network. Signature maintains that implementation of these programs will have a positive

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impact on patient experience and clinical outcomes for patients in the subdistrict. The applicant states that the following specialized operating units and capabilities will be available at the proposed facility:

- Nurse Practitioner Service
- Palliative Care Program
- The Signature HealthCARE Wound Program
- Home Health Skilled Services

The applicant included a DVD of videos about Signature facilities, culture, values and amenities. Signature asserts that the phrase “quality of life” is all-encompassing and integrates not only clinical care, but spiritual, mental and emotional. The applicant maintains that it takes the time and effort to “shirk” the restraints of traditional nursing home activities programming in favor of something much more diverse, vibrant and tailored to the specific desires of its residents. Signature states that this is the fourth consecutive year where patients have been taken on an annual vacation. The applicant indicates that its robust quality of life programming exists to keep patients active while delivering dynamic activities tailored to their individual wants and needs.

The applicant provides the following table illustrating the projected admissions, patient days, ALOS and ADC for the first two years of operation for the proposed 120-bed facility.

Projected Admissions, Patient Days, ALOS and ADC

| | Year One (2017) | Year Two (2018) |
|----------------|------------------------|------------------------|
| Admissions | 180 | 572 |
| Patient Days | 7,944 | 34,621 |
| Medicare ALOS | 31.9 | 31.9 |
| Medicaid ALOS* | 115.2 | 371.8 |
| ADC | 21.8 | 94.9 |

*The applicant notes that after census build-up, the Medicaid ALOS is projected to average 447.5 days
Source: CON application #10272, page 40

PruittHealth – Southwestern Duval County, LLC (CON #10273)

reports that Clay County is home to nine of the 17 community nursing homes in the subdistrict. PruittHealth notes that Clay County has three of the 14 hospitals in the subdistrict.

PruittHealth provides an analysis of nursing home beds per 1,000 population in the table below. The applicant notes that even with the approval of the 170 needed beds in Subdistrict 4-2, the beds per 1,000 population will decline from 39.5 in 2014 to 34.3 beds per 1,000 population in 2019. PruittHealth points out a similar declining trend for other parts of the district and the state overall.

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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 |
| Subdistrict 4-2 | 2,105 | 53,316 | 39.5 | 2,275 | 66,353 | 34.3 |
| Subdistrict 4-3 | 2,683 | 97,436 | 27.5 | 2,850 | 122,277 | 23.3 |
| 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 170-beds will be developed in Subdistrict 4-2, 167 in Subdistrict 4-3 and 3,115 in the state
 Source: CON application #10273, page 128

The applicant contends that due to this trend, as well as a growing senior population and growing demand for beds with a limited supply--it is 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’s 4-2 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 half a point, from 89.5 percent to 90.1 percent. PruittHealth states that all but three facilities in the most recent six-month period had occupancy rates greater than 85 percent.

The applicant contends that nursing home 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 4-2 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.

The applicant 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 four of Subdistrict 4-2’s 17 nursing facilities are on the Agency’s Watch List. The reviewer confirms that Oak View Rehabilitation Center, Life Care Center of Orange Park, Heartland Health Care Center Jacksonville and West Jacksonville Health and Rehabilitation Center are on the Watch List per Floridahealthfinder.gov, as reported by the applicant. The applicant contends that 29 percent of all community nursing home beds in Clay County are on the Watch List. The applicant notes that Subdistrict 4-2 has no existing Agency Gold Seal Award nursing facilities and the reviewer confirmed this fact.

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PruittHealth states that the local health care providers it interviewed indicated their willingness to support the proposed facility and in aggregate, indicated a willingness to refer 219 patients per month.

The applicant provides the following forecasted utilization for the first two years of operation.

**PruittHealth – Southwestern Duval, LLC Forecasted Utilization
120-Bed Full Award
Years One and Two of Operation**

| | Year One | Year Two |
|---|----------|----------|
| Medicare/Medicare HMO, Skilled Patients | | |
| Admissions | 172 | 472 |
| ADC | 11.3 | 31.0 |
| Alzheimer’s Program and Long Term Patients | | |
| Admissions | 121 | 99* |
| ADC | 32.9 | 83.0 |
| Total | | |
| Admissions | 293 | 571 |
| Occupancy Rate | 37% | 95% |
| ADC | 44.1 | 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 #10273, page 91

**PruittHealth – Southwestern Duval Forecasted Utilization
97-Bed Partial Award
Years One and Two of Operation**

| | Year One | Year Two |
|---|----------|----------|
| Medicare/Medicare HMO, Skilled Patients | | |
| Admissions | 168 | 411 |
| ADC | 11.0 | 27.0 |
| Alzheimer’s Program and Long Term Patients | | |
| Admissions | 103 | 100* |
| ADC | 32.9 | 83.0 |
| Total | | |
| Admissions | 271 | 511 |
| Occupancy Rate | 37% | 95% |
| ADC | 36.1 | 92.0 |

*The applicant notes given the long-term nature of these patients, annual admissions are based on replacement of long-term residents
Source: CON application #10273, page 92

PruittHealth declares it will have no adverse impact on existing SNFs in Subdistrict 4-2 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.**

4-2 CON LLC (CON #10271) states that as a newly formed corporation, it does not have a history of providing health care services in Florida. The applicant indicates that E.M.I. Inc., who 4-2 CON LLC asserts has significant experience, will select a qualified administrator and other key staff positions to manage the new facility.

The applicant reports that four of its seven Millennium Management-affiliated skilled nursing facilities in District 4 have received the Bronze Quality American Health Care Association/National Center for Assisitive Living (AHCA/NCAL) award.

4-2 CON LLC states that it will implement a comprehensive Quality Assessment and Assurance (QAA) plan to ensure optimal standards of patient care are maintained. A full copy of the applicant's Quality Assessment and Assurance (QAA) plan is provided Exhibit 4-1 of CON application #10271.

4-2 CON LLC states that a Plan, Do, Check, Act methodology will be utilized to plan, design, measure, assess and improve functions and processes related to resident care and safety throughout the organization. The elements of this process are described in detail on pages 4-4 and 4-5 of CON application #10271.

The applicant indicates that the proposed facility will allow for a balance of private and common areas for residents. 4-2 CON LLC maintains that resident and staff communication systems increase the efficiency of operations and quality of care. The reviewer notes that the applicant does not discuss what these communication systems are in this section.

4-2 CON LLC discusses its goal of offering services targeted to resident's needs, including noting that residents are requiring more complex service than in the past as the industry evolves. The applicant states that each resident will undergo a comprehensive assessment upon admission that will help provide a program of care with goals set with participation from the resident and his or her family. 4-2 CON LLC indicates that the proposed facility will provide discharge planning to assure that when short-term residents' stays end, their transitions are complete and they can resume a more independent lifestyle. The

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applicant concludes that through a new physical plant, equipment and services for residents, the proposed facility is expected to provide the highest quality of care possible.

The 38 nursing homes associated with one of the parent companies, Millennium Management, are identified on pages 2-3 of this State Agency Action Report. Agency complaint records indicate that these affiliated nursing homes, for the three-year period ending November 19, 2014, had 110 substantiated complaints in 35 of its 38 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

| Nursing Homes affiliated with Millennium Management, LLC | |
|---|-----------------------------|
| Complaint Category | Number Substantiated |
| Quality of Care/Treatment | 54 |
| Resident/Patient/Client Rights | 17 |
| Resident/Patient/Client Assessment | 12 |
| Administration/Personnel | 10 |
| Physical Environment | 9 |
| Nursing Services | 9 |
| Admission, Transfer and Discharge Rights | 9 |
| Infection Control | 8 |
| Dietary Services | 5 |
| Resident/Patient/Client Abuse | 5 |
| Misappropriation of Property | 3 |
| Physician Services | 2 |
| Unqualified Personnel | 2 |
| Resident/Patient/Client Neglect | 1 |
| Life Safety Code | 1 |

Source: Florida Agency for Health Care Administration Complaint Records

Agency records indicate that E.M.I. is affiliated with 11 SNFs in Florida:

- Riverwood Health and Rehabilitation Center
- Terrace Health and Rehabilitation Center
- Citrus Hills Health and Rehabilitation Center
- Isle Health and Rehabilitation Center
- Woodland Grove Health
- The Gardens Health
- Villa Health and Rehabilitation Center
- Oceanside Extended Care Center
- Fair Havens Center
- Harmony Health Center
- The Nursing Center at Mercy

Agency complaint records indicate that these affiliated nursing homes, for the same time period, had 43 substantiated complaints for 11 facilities. See the table below.

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| Nursing Homes affiliated with E.M.I. Inc. | |
|--|-----------------------------|
| Complaint Category | Number Substantiated |
| Quality of Care/Treatment | 19 |
| Resident/Patient/Client Rights | 8 |
| Admission, Transfer and Discharge Rights | 7 |
| Administration/Personnel | 5 |
| Physical Environment | 4 |
| Unqualified Personnel | 3 |
| Resident/Patient/Client Assessment | 3 |
| Nursing Services | 1 |
| Physician Services | 1 |
| Falsification of Records/Reports | 1 |
| Billing/Refunds | 1 |
| Infection Control | 1 |
| State Licensure | 1 |
| Resident/Patient/Client Abuse | 1 |

Source: Florida Agency for Health Care Administration Complaint Records

LP SW Jacksonville, LLC (CON #10272) states that it does not have a history of providing quality of care because it is a newly formed entity for the purposes of filing this CON application. The applicant asserts that its parent company is an experienced provider of long-term care. The applicant presents the deficiency records of nursing home operators in Subdistrict 4-2. Signature notes that its three-year average is below the subdistrict average and Signature of Jacksonville has the 4th lowest in the subdistrict. The reviewer notes that the data below only covers 2.5 years of deficiencies, not three, and that the applicant did not provide a source for the information below. The reviewer also notes that PruittHealth—Santa Rosa is not located in Subdistrict 4-2. See the table below.

| Subdistrict 4-2 Deficiencies per 1,000 Patient Days | | | | |
|--|-------------|-------------|------------------------------|--------------------------------|
| Nursing Home | 2012 | 2013 | 1/1/2014 to 6/30/2014 | January 2012- June 2014 |
| All Saints Catholic Nursing Home and Rehab | 0.23 | 0.47 | 0.95 | 0.26 |
| Consulate Health Care of Orange Park | 0.24 | 0.72 | 0.96 | 0.32 |
| Doctors Lake of Orange Park | 0.99 | 0.50 | 1.54 | 0.50 |
| Governor's Creek Health and Rehabilitation | 0.48 | 0.72 | 0.48 | 0.33 |
| Heartland Health Care Center of Jacksonville | 0.24 | 0.97 | 1.08 | 0.38 |
| Heartland Health Care Center of Orange Park | 0.50 | 0.77 | 0.00 | 0.28 |
| Isle Health and Rehabilitation Center | 0.77 | 0.26 | 1.05 | 0.34 |
| Life Care Center at Wells Crossing | 0.00 | 0.81 | 0.54 | 0.23 |
| Life Care Center of Orange Park | 1.16 | 0.70 | 0.00 | 0.41 |
| Macclenny Nursing and Rehab Center | 0.50 | 0.00 | 0.00 | 0.11 |
| Park Ridge Nursing Center | 0.67 | 1.01 | 0.00 | 0.37 |
| The Pavilion for Health Care | 0.79 | 1.51 | 0.00 | 0.52 |
| PruittHealth--Santa Rosa | 0.24 | 0.49 | 0.00 | 0.16 |
| Signature Healthcare of Jacksonville | 0.00 | 0.38 | 0.75 | 0.17 |
| Signature Healthcare of Orange Park | 0.83 | 0.28 | 0.00 | 0.25 |
| St. Catherine Laboure Manor Inc. | 0.00 | 0.24 | 0.49 | 0.11 |
| W. Frank Wells Nursing Home | 1.12 | 0.56 | 0.00 | 0.39 |
| West Jacksonville Health and Rehab | 1.30 | 1.30 | 1.03 | 0.68 |
| Subdistrict 4-2 Total | 0.52 | 0.59 | 0.55 | 0.31 |

Source: CON application #10272, page 50.

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Signature notes that within the past year, two dozen facilities were named to *U.S. News and World Report's* list of the nation's 'Best Nursing Homes'. The applicant indicates that it was named one of Modern Healthcare's 'Best Places to Work'. The applicant provides data showing that 59 percent of the 25 Florida SNFs Signature's parent company operates are either four or five star rated by the CMS Five-Star Quality rating system.

The applicant states that the proposed facility will implement the same corporate policies, procedures and quality assurance programs that have proven effective in existing operations. Signature states that it has placed a strong emphasis on evaluating, measuring and managing the medical services provided at SNFs. The applicant notes that this type of full-time clinical attention is uncommon in the senior care industry and has expanded the admission criteria to include more complex conditions.

Signature states that it is in the process of redesigning the Quality Assurance Performance Plan (QAPI) to incorporate the new CMS guidance. The applicant states that it has established a QAPI Steering Committee and is formulating plans for tracking, trending and communication of performance improvement activities for global use.

The applicant asserts that it promotes and protects the rights of each patient and places a strong emphasis on individual dignity and self-determination. Signature indicates that prior to having direct-care responsibilities for residents, staff must have appropriate in-service training on resident rights.

Signature notes that it does not hold any accreditations as its compliance program assures appropriateness of care and quality patient outcomes. The applicant indicates that the compliance team responds quickly and effectively if there are any deviations from required standards or if targeted outcomes are not met at all times. Signature states that Compliance and Satisfaction Assessments are monitored monthly for all facilities.

Agency complaint records indicate that the affiliated nursing homes associated with the parent company, for the three-year period ending November 19, 2014, had 54 substantiated complaints at 17 of its 25 facilities. A single complaint can encompass multiple complaint categories. The substantiated complaint categories are listed below:

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| Nursing Homes associated with Signature Holdings II, LLC | |
|---|-----------------------------|
| Complaint Category | Number Substantiated |
| Quality of Care/Treatment | 26 |
| Resident/Patient/Client Rights | 9 |
| Resident/Patient/Client Assessment | 9 |
| Administration/Personnel | 8 |
| Nursing Services | 5 |
| Physical Environment | 4 |
| Admission, Transfer and Discharge Rights | 3 |
| Resident/Patient Client Abuse | 3 |
| Dietary Services | 1 |
| Misappropriation of Property | 1 |
| Infection Control | 1 |
| Quality of Life | 1 |
| Billing/Refunds | 1 |

Source: Florida Agency for Healthcare Administration Complaint Records

PruittHealth – Southwestern Duval County, LLC (CON #10273) 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:

- 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

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- 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 a 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.**

4-2 CON LLC (CON #10271):

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 and by equity contributions from an affiliate.

Capital Requirements and Funding:

The applicant provided a development stage audit. The audit indicates that the applicant has very little assets, liabilities, net worth and revenue. The applicant indicates on Schedule 2 capital projects totaling \$23,963,613 which includes this project. The applicant indicates on Schedule 3 of its application that funding for the project will be 25 percent equity contribution from an affiliate (Mr. Esformes) and 75 percent debt financing from a bank. The applicant's parent company currently has five CON applications under review including this one. The applicant provided a letter of interest (unsigned) indicating an interest in

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funding the equity portion of the project, and a compiled (unaudited) statement of Mr. Esformes as proof of financial ability to fund the equity portion. Although the application indicates that audited financial are included, the financial statements submitted were a compilation not audited financial statements. Per the CPA's compilation report – "The object of a compilation is to assist Morris I. Esformes in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement." Unaudited financial statements cannot be relied upon for proof of funding without third-party verification of the assets and liabilities presented. The Private Bank provided a letter of interest in financing this project. A letter of interest does not constitute a firm commitment to lend. It should also be noted that the letter of interest references a project in Duval County, not Clay.

Given that the equity portion of the funding is supported by an unsigned letter and unaudited financial statements and the debt portion is supported by a letter of interest for a project in another county and not a firm commitment to lend, we have no basis to conclude that funding will be available for this project.

Conclusion:

Funding for this project is in question.

LP SW Jacksonville, LLC (CON #10272):

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

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Omega Healthcare Investors, Inc., (3rd party) and where the two short-term and long-term measures fall on the scale (highlighted in gray) for the most recent year.

| Omega Healthcare Investors, Inc. | | |
|---|------------------------|------------------------|
| | Dec-13 | Dec-12 |
| Current Assets | \$150,120,000 | \$126,891,000 |
| Total Assets | \$3,462,216,000 | \$2,982,005,000 |
| Current Liabilities | \$5,000,000 | \$0 |
| Total Liabilities | \$2,162,113,000 | \$1,970,676,000 |
| Net Assets | \$1,300,103,000 | \$1,011,329,000 |
| Total Revenues | \$418,714,000 | \$350,460,000 |
| Excess of Revenues Over Expenses | \$172,521,000 | \$120,698,000 |
| Cash Flow from Operations | \$279,949,000 | \$208,271,000 |
| Short-Term Analysis | | |
| Current Ratio (CA/CL) | 30.0 | N/A |
| Cash Flow to Current Liabilities (CFO/CL) | 5598.98% | N/A |
| Long-Term Analysis | | |
| Long-Term Debt to Net Assets (TL-CL/NA) | 165.9% | 194.9% |
| Total Margin (ER/TR) | 41.20% | 34.44% |
| Measure of Available Funding | | |
| Working Capital | \$145,120,000 | \$126,891,000 |

| 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 and no revenue. The applicant indicates on Schedule 2 capital projects totaling \$17,764,465 which includes \$17,714,465 this project. The applicant indicates on Schedule 3 of its application that funding for the project will be provided by non-related company financing.

The applicant's parent company currently has seven CON applications under review including this one. The applicant provided a letter from Omega committing to funding this project. Omega submitted their

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audited financial statements as proof of available funding. Overall, Omega has a strong financial position and is likely to either fund through existing capital or raise the capital necessary to meet the commitments set forth in various CON applications in this batching cycle.

The applicant also submitted a letter of consideration from Capital One Commercial Banking, showing a revolving line of credit of \$30,000,000 which was scheduled to mature on December 31, 2014. Capital One stated in its letter that it was processing a three year extension of the maturity through December 21, 2017.

Conclusion:

Funding for this project should be available as needed.

PruittHealth – Southwestern Duval County, LLC (CON #10273):

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.

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| United Health Services, Inc. and Subsidiaries | | |
|--|----------------------|----------------------|
| | Jun-14 | Jun-13 |
| 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 \$18,351,619 which includes 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 \$12,900,000 (based on an estimated \$17,200,000 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.

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

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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 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 | | |
|--|----------------------|----------------------|
| | Jun-14 | Jun-13 |
| 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 \$16,351,904, which includes 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 \$12,900,000 (based on an estimated \$17,200,000 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.**

4-2 CON LLC (CON #10271):

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 skilled nursing facilities as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected skilled nursing facilities 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 | 17,456,406 | 313 | 509 | 328 | 239 |
| Total Expenses | 15,992,279 | 286 | 403 | 317 | 227 |
| Operating Income | 1,464,127 | 26 | 129 | 7 | -70 |
| Operating Margin | 8.39% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 55,845 | 90.00% | 99.48% | 89.52% | 55.98% |
| Medicaid/MDCD HMO | 31,200 | 55.87% | 69.96% | 63.26% | 49.95% |
| Medicare | 9,968 | 17.85% | 33.08% | 17.76% | 3.65% |

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.

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The projected NRPD, CPD, and profitability or operating margin all fall within the group range and are considered reasonable. Overall, profitability appears achievable.

Conclusion:

This project appears to be financially feasible.

LP SW Jacksonville, LLC (CON #10272):

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 skilled nursing facilities as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected skilled nursing facilities 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 | 11,556,245 | 334 | 504 | 339 | 254 |
| Total Expenses | 11,242,115 | 325 | 413 | 331 | 228 |
| Operating Income | 314,130 | 9 | 112 | 8 | -64 |
| Operating Margin | 2.72% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 34,622 | 79.05% | 99.58% | 92.40% | 68.34% |
| Medicaid | 17,978 | 51.93% | 59.95% | 52.34% | 40.10% |
| Medicare | 10,129 | 29.26% | 47.76% | 26.65% | 2.63% |

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. In addition, the total cost appears to include at least the minimum staffing required. Therefore, the overall profitability appears achievable.

Conclusion:

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

PruittHealth – Southwestern Duval County, LLC (CON #10273):

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 skilled nursing facilities as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected skilled nursing facilities 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 | 14,128,942 | 340 | 393 | 306 | 230 |
| Total Expenses | 12,847,557 | 309 | 389 | 299 | 210 |
| Operating Income | 1,281,385 | 31 | 36 | 7 | -34 |
| Operating Margin | 9.07% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 41,610 | 95.00% | 98.01% | 92.50% | 62.90% |
| Medicaid | 29,200 | 70.18% | 79.92% | 68.44% | 60.17% |
| Medicare | 11,315 | 27.19% | 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. Therefore, the overall profitability appears achievable.

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 skilled nursing facilities as reported on Medicaid cost reports (2012 and 2013 cost report years). For our comparison group, we selected skilled nursing facilities 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).

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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 | 11,893,425 | 354 | 415 | 315 | 204 |
| Total Expenses | 10,738,231 | 320 | 402 | 307 | 215 |
| Operating Income | 1,155,194 | 34 | 26 | 8 | -49 |
| Operating Margin | 9.71% | | Comparative Group Values | | |
| | Days | Percent | Highest | Median | Lowest |
| Occupancy | 33,580 | 94.85% | 96.92% | 89.97% | 67.17% |
| Medicaid | 22,630 | 67.39% | 79.96% | 70.95% | 60.04% |
| Medicare | 9,855 | 29.35% | 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, while operating margin of \$34 per patient day is above the group high of \$26 per patient day.

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.**

4-2 CON LLC (CON #10271): 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.

LP SW Jacksonville, LLC (CON #10272): 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

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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.

PruittHealth – Southwestern Duval County, LLC (CON #10273): 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 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 the subdistrict, district and state is provided in the table below.

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**Medicaid Patient Days and Medicaid Occupancy
in Subdistrict 4-2, District 4 and Florida**

| Medicaid Patient Days | | | | | |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Facility/Area | 2009 | 2010 | 2011 | 2012 | 2013 |
| Subdistrict 4-2 | 416,820 | 415,336 | 420,483 | 411,506 | 410,137 |
| District 4 | 1,891,012 | 1,897,118 | 1,886,425 | 1,869,824 | 1,839,586 |
| 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 |
| Subdistrict 4-2 | 60.70% | 59.49% | 60.24% | 58.94% | 59.45% |
| District 4 | 61.89% | 61.82% | 61.89% | 61.76% | 61.09% |
| 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

4-2 CON LLC (CON #10271) states that it was recently created to develop a new 170-bed facility and therefore, has no history of utilization. The applicant indicates however that its affiliated skilled nursing facilities have a history of providing skilled nursing care to Medicaid patients within the local region in which the proposed facility will be located.

The applicant provides data illustrating that its seven affiliated facilities in District 4 maintained a mean Medicaid occupancy rate of 60.75 percent for the 12 month period ending June 30, 2014. The reviewer confirms this data in the Agency's *Florida Nursing Home Bed Need Projections by District and Subdistrict*, published October 3, 2014.

Additionally, 4-2 CON LLC demonstrates that its affiliated E.M.I.-operated facilities in the State averaged Medicaid occupancy of 57.7 percent. The reviewer notes that the applicant did not include a time period for this data or a source other than "E.M.I. Internal data".

The reviewer compiled the following Medicaid occupancy data for E.M.I.'s Florida facilities for July 1, 2013 to June 30, 2014. See the table below.

**E.M.I Florida Medicaid Occupancy
July 1, 2013 to June 30, 2014**

| Facility | Medicaid Days | Total Days | Medicaid Occupancy |
|---|----------------------|-------------------|---------------------------|
| Riverwood Health and Rehabilitation Center | 27,430 | 42,300 | 64.85% |
| Terrace Health and Rehabilitation Center | 23,109 | 43,014 | 53.72% |
| Citrus Hills Health and Rehabilitation Center | 21,544 | 40,515 | 67.61% |
| Isle Health and Rehabilitation Center | 22,985 | 38,801 | 59.24% |
| Woodland Grove Health | 24,477 | 42,604 | 57.45% |
| The Gardens Health | 20,641 | 39,420 | 53.52% |
| Villa Health and Rehabilitation Center | 25,790 | 43,305 | 59.55% |
| Oceanside Extended Care Center | 50,432 | 71,217 | 70.81% |
| Fair Havens Center | 62,481 | 97,493 | 64.09% |
| Harmony Health Center | 44,974 | 73,815 | 60.93% |
| The Nursing Center at Mercy | 5,220 | 40,686 | 12.83% |
| Total | 329,083 | 573,170 | 56.78% |

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

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4-2 CON LLC provides the following payer forecast for the first two years of operation of the proposed facility, indicating it is based on historical utilization of the applicant’s affiliates and other similarly-sized facilities within the subdistrict.

**Forecasted Admissions and Patient Days
for 4-2 CON LLC**

| Payer | Year One | | Year Two | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Patient Days | Percent | Patient Days | Percent |
| Private Pay | 2,259 | 7.3% | 4,076 | 7.3% |
| Medicaid | 17,291 | 55.9% | 31,200 | 55.9% |
| Medicare | 5,524 | 17.8% | 9,968 | 17.8% |
| Other Payers | 5,875 | 19.0% | 10,061 | 19.0% |
| Total | 30,949 | 100.0% | 55,845 | 100.0% |

Source: CON application #10271, page 9-3

4-2 CON LLC does not propose to condition project approval to a percentage of Medicaid days.

The applicant’s Schedule 7 indicates that Medicaid represents 55.87 percent of year one and two annual total patient days. 4-2 CON LLC states that self-pay utilization is expected to total approximately 7.3 percent of total patient days in years one and two at full occupancy, based on the current mix at the affiliated facility.

4-2 CON LLC states that it is aware of all aspects of the newly implemented Statewide Medicaid Managed Care Long-Term Care program (SMMC LTC) and will form a provider agreement with one of the LTC plans available in Subdistrict 4-2. The applicant notes that following the March 2014 initiation of SMMC LTC in District 4, the four SMMC LTC plans operating enrolled approximately 9,100 individuals. The applicant maintains that it will enroll in, and continue to provide timely and accurate provider information to the Agency Provider Master List. 4-2 CON LLC asserts that it will also collaborate with the chosen SMMC LTC plan to identify and implement quality and performance measures to monitor the facility’s clinical performance on an ongoing basis.

The applicant provides a summary of the four available Medicaid SMMC LTC plans operating in Region 4 (Baker, Clay, Duval, Flagler, Nassau, St. Johns and Volusia Counties): American Eldercare, Inc.; Humana Comfort Choice; Sunshine State Health Plan and UnitedHealthcare of Florida, Inc.

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LP SW Jacksonville, LLC (CON #10272) states that it operates 25 facilities in Florida and states that it has a long history of providing skilled nursing care to Medicaid patients. The applicant states that its 2014 average Florida Medicaid occupancy percentage is 64 percent. The reviewer notes that the applicant did not include a time period for this data or a source.

The reviewer compiled the following Medicaid occupancy data for Signature HealthCARE’s Florida facilities for July 1, 2013 through June 2014. The reviewer notes that for these facilities, the average Medicaid occupancy percentage was 67.14 percent. See the table below.

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

| Facility Name | Medicaid Days | Total Days | Medicaid Occupancy |
|--|----------------------|-------------------|---------------------------|
| Anchor Care and Rehabilitation Center | 25,195 | 37,961 | 86.67% |
| Chautauqua Rehabilitation and Nursing Center | 30,346 | 49,497 | 61.31% |
| Golfview Healthcare Center | 9,660 | 17,018 | 56.76% |
| Golfcrest Healthcare Center | 13,721 | 22,584 | 60.76% |
| Gulfport Rehabilitation Center | 1,463 | 3,419 | 42.79% |
| Heritage Park Care and Rehabilitation Center | 28,967 | 41,340 | 70.07% |
| Kenilworth Care and Rehabilitation Center | 14,375 | 28,744 | 50.01% |
| Peninsula Care and Rehabilitation Center | 28,971 | 40,650 | 71.27% |
| Signature HealthCARE at College Park | 17,466 | 25,881 | 67.49% |
| Signature HealthCARE at The Courtyard | 28,977 | 41,442 | 69.92% |
| Signature HealthCARE Center of Waterford | 54,676 | 73,715 | 74.17% |
| Signature HealthCARE of Brookwood Gardens | 34,453 | 48,471 | 66.95% |
| Signature HealthCARE of Gainesville | 22,075 | 36,952 | 59.74% |
| Signature HealthCARE of Jacksonville | 43,221 | 53,454 | 80.86% |
| Signature HealthCARE of North Florida | 42,417 | 55,741 | 76.10% |
| Signature HealthCARE of Orange Park | 21,921 | 35,154 | 62.36% |
| Signature HealthCARE of Ormond | 8,091 | 18,729 | 43.20% |
| Signature HealthCARE of Palm Beach | 19,454 | 36,630 | 53.11% |
| Signature HealthCARE of Pinellas Park | 24,584 | 40,542 | 60.64% |
| Signature HealthCARE of Port Charlotte | 32,566 | 49,761 | 65.44% |
| Southern Pines Healthcare Center | 20,240 | 32,822 | 61.67% |
| Surrey Place Care Center | 13,345 | 20,625 | 64.70% |
| The Bridge at Bay St. Joe | 29,172 | 40,071 | 72.80% |
| Washington Rehabilitation and Nursing Center | 45,035 | 56,084 | 85.36% |
| Winter Park Care and Rehabilitation Center | 20,594 | 32,530 | 63.31% |
| Total | 630,985 | 939,817 | 67.14% |

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

The applicant states that the proposed project will continue to serve the needs of the Medicaid population. Signature expects that the proposed new facility will attract many Medicare and privately insured patients for short-term rehabilitation resulting in a lower percentage of Medicaid patients in its initial years of operation than that of existing Signature facilities. See the table below.

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| Projected Admissions and Patients Days LP SW Jacksonville, LLC Year One (2017) and Year Two (2018) of Operations | | | | | | |
|---|-------------------|---------------------|------------------------|-------------------|---------------------|------------------------|
| Payer | Year One | | | Year Two | | |
| | Admissions | Patient Days | Percent of Days | Admissions | Patient Days | Percent of Days |
| Medicare | 121 | 3,873 | 48.8% | 288 | 9,186 | 26.5% |
| Medicaid | 24 | 2,787 | 35.1% | 48 | 17,978 | 51.9% |
| Self-Pay | 6 | 632 | 8.0% | 27 | 3,058 | 8.8% |
| Insurance/HMO | 27 | 419 | 5.2% | 200 | 3,143 | 9.1% |
| Other/Hospice | 2 | 232 | 2.9% | 9 | 1,257 | 3.6% |
| Total | 180 | 7,944 | 100.0% | 572 | 34,621 | 100.0% |

Source: CON application #10272, page 61

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 35.1 percent and 8.0 percent, respectively, of year one and 51.9 percent and 8.8 percent, respectively, of year two annual total patient days.

PruittHealth – Southwestern Duval County, LLC (CON #10273)

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 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 #10273, page 165

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

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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 – Southwestern Duval 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 | 3,874 | 10,950 |
| Medicare HMO | 242 | 365 |
| Medicaid | 11,056 | 29,200 |
| VA | 242 | 365 |
| Private Pay | 699 | 730 |
| Total | 16,113 | 41,610 |

Source: CON application #10273, page 92

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

| | Year One | Year Two |
|--------------|-----------------|-----------------|
| Medicare | 3,779 | 9,490 |
| Medicare HMO | 242 | 365 |
| Medicaid | 8,227 | 22,630 |
| VA | 242 | 365 |
| Private Pay | 699 | 730 |
| Total | 13,189 | 33,580 |

Source: CON application #10273, page 93

The applicant’s Schedule 7 indicates that Medicaid and self-pay represent 68.6 percent and 4.3 percent, respectively, of year one and 70.2 percent and 1.8 percent, respectively, of year two annual total patient days for the full award. The applicant’s Schedule 7 indicates that Medicaid and self-pay represent 62.4 percent and 5.3 percent, respectively, of year one and 67.4 percent and 2.2 percent, respectively, of year two annual total patient days for the partial award.

F. SUMMARY

4-2 CON LLC (CON #10271), an affiliate of the principals E.M.I Inc. and Millennium Management, LLC, proposes to establish a new 170-bed community nursing home in District 4/Subdistrict 4-2, Clay County.

Millennium Management, LLC operates seven SNFs in Florida, all located in District 4. Tuskawilla Nursing and Rehab Center, a Gold Seal Program located in Subdistrict 7-4, is an E.M.I. Inc. co-owned facility.

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The project involves 100,453 GSF of new construction. The construction cost is \$18,081,540. Total project cost is \$23,963,613. Project cost includes land, building, equipment, project development, financing and start-up costs.

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

LP SW Jacksonville, LLC (CON #10272), a wholly owned subsidiary of Signature Holdings II, LLC (referred to as Signature or the applicant throughout this document), proposes to establish a new 120-bed community nursing home in District 4/Subdistrict 4-2, Clay County.

Signature currently operates 25 facilities with 3,146 beds in Florida.

The project involves 75,138 GSF of new construction. The construction cost is \$10,143,630. Total project cost is \$17,714,465. Project cost includes land, building, equipment, project development, financing and start-up costs.

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

PruittHealth – Southwestern Duval County, LLC (CON #10273) proposes to establish a new 120-bed community nursing home or a partial request to establish a 77-bed nursing home in District 4/Subdistrict 4-2, Clay County.

The applicant currently operates one SNF in Florida.

The project involves 79,859 GSF of new construction for the full award. The construction cost is \$11,198,628. Total project cost is \$18,351,619. Project cost includes land, building, equipment, project development, financing and start-up costs.

The partial project involves 70,259 GSF of new construction. The construction cost is \$9,867,395. Total project cost is \$16,301,904. Project cost includes land, building, equipment, project development, financing and start-up costs.

The applicant proposes 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 170 beds was published for Subdistrict 4-2 for the July 2017 Planning Horizon.

As of November 19, 2014, Subdistrict 4-2 had 2,105 licensed and 16 approved community nursing home beds. During the 12 month period ending June 30, 2014, Subdistrict 4-2 experienced 89.83 percent utilization at 17 existing facilities.

4-2 CON LLC (CON #10271) states that there is clearly need for additional skilled nursing facilities in Subdistrict 4-2 based on the following:

- The senior market segment, which utilize skilled nursing services the most, will continue to grow and place further demands on the availability of skilled nursing
- The subdistrict has significant number of discharges in service lines and disease categories such as hip and knee repair/replacement, septicemia and renal failure, which will further increase demand for skilled nursing care
- More modern facilities are needed to keep pace with technological and clinical developments in health care delivery

4-2 CON LLC states that although site selection continues, population demographics, locations of existing nursing homes, hospitals and roadways are being factored in so that the proposed site will improve access.

4-2 CON LLC contends that facilities with high occupancy rates reduce access to needed beds because beds that are occupied are not available to those in need.

The applicant predicts that the proposed facility will reach an overall occupancy rate of 50 percent in the first year during the fill-up period and is anticipated to reach 90 percent by the first quarter of the second year.

LP SW Jacksonville, LLC (CON #10272) contends that due to land prices and its strong preference to build one-story nursing facilities with private rooms, a 120-bed facility is the optimum size for a facility in Subdistrict 4-2.

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The applicant indicates that it has designed a 14-bed bariatric unit based on discussions with local hospital case managers who state that they have difficulty finding placement for bariatric patients. Signature states that the 14-bed bariatric unit will consist of all private rooms with design features and equipment to ensure the needs of the population will be met.

Signature states that it has added services beyond its nursing homes with specialized operating unit to provide care coordination services in the community to improve continuity of care. The applicant contends that this makes it a highly valued provider with unique capabilities that are welcomed additions to an acute care system's network.

The applicant predicts that the proposed facility will have 180 admissions and an ADC of 21.8 in year one (2017) and 572 admissions and an ADC of 94.9 in year two (2018).

PruittHealth – Southwestern Duval County, LLC (CON #10273) states that it will incorporate each of the community's strongest needs identified through extensive surveying of health care providers in the area. The applicant asserts that approval of the proposed facility will:

- Improve access for persons with Alzheimer's disease
- Improve access of Medicare services
- Improve access for persons in need of short-term rehabilitation services
- Improve access to Medicaid beds
- 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

The applicant predicts that the proposed 120-bed facility (full award) will have 293 admissions and an ADC of 44.1 in year one (ending June 30, 2018) and 472 admissions and an ADC of 114 in year two (ending June 30, 2019). The applicant predicts that the 97-bed facility (partial award) will have 271 admissions and an ADC of 36.1 in year one and 511 admissions and an ADC of 92.0 for year two.

PruittHealth declares it will have no adverse impact on existing SNFs in Subdistrict 4-2 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.

Quality of Care:

All three of the applicants described their ability to provide quality care.

4-2 CON LLC (CON #10271): The applicant's controlling interest Millennium Management had 110 substantiated complaints at 35 of its 38 Florida SNFs during November 19, 2011 to November 19, 2014.

The applicant's controlling interest E.M.I. had 43 substantiated complaints at its 11 Florida SNFs during November 19, 2011 to November 19, 2014.

LP SW Jacksonville, LLC (CON #10272): The applicant's controlling interest had 54 substantiated complaints at 17 of its 25 Florida SNFs during November 19, 2011 to November 19, 2014.

PruittHealth – Southwestern Duval County, LLC (CON #10273): 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:

4-2 CON LLC (CON #10271): Funding for this project is in question. Based on the information provided in Schedule 6, the applicant's projected staffing meets this requirement. 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.

LP SW Jacksonville, LLC (CON #10272): Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets this 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.

PruittHealth – Southwestern Duval County, LLC (CON #10273): Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets this requirement. This project appears to be financially feasible based on the projections provided by the applicant.

CON Action Numbers: 10271 through 10273

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

Partial Request: Funding for this project should be available as needed. Based on the information provided in Schedule 6, the applicant's projected staffing meets this 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:

4-2 CON LLC (CON #10271) does not propose to condition project approval to a percentage of Medicaid days. The applicant's Schedule 7 indicates that Medicaid represents 58.87 percent of year one and two annual total patient days.

The applicant states that it is aware of all aspects of the newly implemented SMMC LTC and will form a provider agreement with one of the LTC plans available in Subdistrict 4-2.

LP SW Jacksonville, LLC (CON #10272) does not propose to condition project approval to a percentage of Medicaid days. The applicant's Schedule 7 indicates that Medicaid represents 35.1 percent in year one and 51.9 percent in year two of the 120-bed facility's total annual patient days being provided to Medicaid patients.

Signature expects that the proposed new facility will attract many Medicare and privately insured patients for short-term rehabilitation resulting in a lower percentage of Medicaid patients in its initial years of operation than that of existing Signature facilities.

PruittHealth – Southwestern Duval County, LLC (CON #10273) proposes to condition project approval to maintaining a minimum Medicaid percentage which exceeds the subdistrict wide average Medicaid percentage in regard to percentage occupancy.

The applicant's Schedule 7 indicates that Medicaid and self-pay represent 68.6 percent and 4.3 percent, respectively, of year one and 70.2 percent and 1.8 percent, respectively, of year two annual total patient days for the full award. The applicant's Schedule 7 indicates that Medicaid and self-pay represent 62.4 percent and 5.3 percent, respectively, of year one and 67.4 percent and 2.2 percent, respectively, of year two annual total patient days for the partial award.

Architectural:

4-2 CON LLC (CON #10271): 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.

LP SW Jacksonville, LLC (CON #10272): 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.

PruittHealth – Southwestern Duval County, LLC (CON #10273): 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 #10272 to establish a 120-bed community nursing home in District 4, Subdistrict 2, Clay County. The total project cost is \$17,714,465. The project involves 75,138 GSF of new construction and a construction cost of \$10,143,630.

Approve CON #10273P to establish a 97-bed community nursing home in District 4, Subdistrict 2, Clay County. The total project cost is \$16,301,904. The project involves 70,259 GSF of new construction and a construction cost of \$9,867,395.

CONDITIONS:

- 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 58.7 percent private rooms/beds into the facility design

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- 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 bedside patient charting tool
- Implement Resident Safety Technology including Call Guard and WanderGuard into the facility
- Implement Clinical Kiosks in appropriate locations throughout the facility
- 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, multiple dining options, custom meal planning, wireless internet and state of the art rehab suites
- Implement the top special operational initiatives requested by existing health care providers:
 - Risk management and clinical performance, programs designed to reduce hospital readmission and specialized training programs for staff
- Implement the top five clinical services requested by existing health care providers:
 - PT/OT/ST, wound care, medication management, respiratory therapy and diabetes 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

Deny CON #10271 and CON #10273

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